

ISBN 978-1-997321-85-9

Project no. 15.01/47508

Public version

Gas Transmission Services Default Price-Quality Path Determination 2026

This consolidated determination consolidates the principal determination as at 15 September 2026.

Publication date: 15 September 2026

COMMERCE COMMISSION

Wellington, New Zealand

Status of this consolidated default price-quality path determination

- We provide consolidated versions of the Commission's determinations for your reference and convenience. Consolidations are not the official versions. Official versions of Commission documents have a decision number and are signed by a member of the Commission.
- The official version of the principal determination and the amendments incorporated into this consolidated version are available on the Commission's website:
<https://www.comcom.govt.nz/regulated-industries/gas-pipelines/gas-pipelines-price-quality-paths/gas-pipelines-default-price-quality-path/2026-gas-default-price-quality-path/>.
- The official versions of the default price-quality path determinations are also available for inspection at the Commission's office at level 9, 44 The Terrace, Wellington, and printed copies may be purchased at a reasonable price.

Determination history		
Determination date	Decision number	Determination name
27 May 2026	[2026] NZCC 20	Gas Transmission Services Default Price-Quality Path Determination 2026
15 September 2026	[2026] NZCC 43	Gas Transmission Services Default Price-Quality Path (Revenue Smoothing Limit Formula) Amendment Determination Amendment Determination 2026

CONTENTS

1. TITLE	5
2. COMMENCEMENT	5
3. APPLICATION	5
4. INTERPRETATION	5
5. DEFAULT PRICE-QUALITY PATH.....	10
6. APPLICABLE INPUT METHODOLOGIES	10
7. CPP PROPOSALS.....	10
8. PRICE PATH.....	10
9. QUALITY STANDARDS	12
10. REPORTING IN THE CASE OF A FAILURE TO MEET THE MAJOR INTERRUPTION QUALITY STANDARD	12
11. TRANSACTIONS.....	13
12. ANNUAL COMPLIANCE STATEMENTS.....	13
SCHEDULE 1: STARTING PRICE AND FORECAST NET ALLOWABLE REVENUE FOR THE FIRST PRICING YEAR.....	18
SCHEDULE 2: RATE OF CHANGE.....	19
SCHEDULE 3: REVENUE SMOOTHING LIMIT	20
SCHEDULE 4: FORECAST NET ALLOWABLE REVENUE FOR PRICING YEARS OTHER THAN THE FIRST PRICING YEAR	21
SCHEDULE 5: CALCULATION OF FORECAST ALLOWABLE REVENUE	22
SCHEDULE 6: ACTUAL CPI CHANGE FOR PRICING YEAR	23
SCHEDULE 7: DIRECTOR CERTIFICATE FOR ANNUAL PRICE-SETTING COMPLIANCE STATEMENT.....	24
SCHEDULE 8: DIRECTOR CERTIFICATE FOR ANNUAL COMPLIANCE STATEMENT	25
DRAFTING NOTES.....	26
EXPLANATORY NOTE.....	27

Under section 52P of the Commerce Act 1986, the Commerce Commission makes the following determination:

1. Title

- 1.1 This determination is the Gas Transmission Services Default Price-Quality Path Determination 2026.

2. Commencement

- 2.1 This determination comes into force on 28 May 2026.

3. Application

- 3.1 This determination amends the *Gas Transmission Services Default Price-Quality Path Determination 2026* [2022] NZCC 20.
- 3.2 This determination applies to **GTBs** in respect of the supply of **gas transmission services** during the **regulatory period**.

4. Interpretation

- 4.1 Unless the context otherwise requires—

- (a) words appearing in this determination in bold type are defined terms and bear the meaning given to them in clause 4.2;
- (b) terms used in this determination that are defined in **the IM determination**, but not in clause 4.2 of this determination, have the same meanings as in the **IM determination**;
- (c) terms used in this determination that are defined in the **Act**, but not in clause 4.2 of this determination or the **IM determination**, have the same meaning as in the **Act**; and
- (d) any materials incorporated by reference into this determination, including standards published or promulgated by other bodies, are incorporated in accordance with Schedule 5 of the **Act**.

- 4.2 In this determination, unless the context otherwise requires—

Act means the Commerce Act 1986;

actual allowable revenue has the meaning given in the **IM determination**;

actual CPI change has the meaning given in clause 3.1.4(4)(c)(i) of the **IM determination** and is the amount calculated in accordance with Schedule 6;

amalgamate has the meaning given in the **IM determination**;

annual compliance statement means the written statement required to be made by a

GTB in respect of the wash-up accrual amount calculation and quality standards;

annual price-setting compliance statement means the written statement required to be made by a **GTB** in respect of price-setting;

assessment period means a 12-month period commencing 1 October and ending on 30 September of the following year;

assurance auditor means a **person** who:

- (a) is qualified for appointment as an auditor of a company under the Companies Act 1993 or, where the **GTB** is a public entity (as defined in section 4 of the Public Audit Act 2001), is the Auditor-General;
- (b) complies with the *Professional and Ethical Standard 1, International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)*, issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in December 2018, or any equivalent standard that replaces that standard;
- (c) does not have a relationship with or an interest in the **GTB** that could give rise to an actual or perceived conflict of interest in respect of the **person** providing an assurance report under clause 12.8;
- (d) has not assisted with the preparation of the **annual compliance statement** or provided advice or opinions (other than in relation to audit reports) on the methodologies or processes used in preparing the **annual compliance statement**;
- (e) is not associated with nor directed by any **person** mentioned in (d) above;
- (f) has the necessary expertise to properly prepare the assurance report required by clause 12.8; and
- (g) need not be the same **person** as the **person** who audits the **GTB's** accounts for any other purpose;

Commission means the Commerce Commission as defined in section 2 of the **Act**;

consumer has the meaning given in the **IM determination**;

control means the acquisition of rights similar to ownership, such as a long-term lease;

CPI has the meaning given in the **IM determination**;

CPP proposal has the meaning given in the **IM determination**;

critical contingency means a critical contingency as determined by the critical contingency operator in accordance with regulation 48 of the Gas Governance (Critical Contingency Management) Regulations 2008, as incorporated by reference into this determination;

curtailment band has the same meaning as in Schedule 3 of the Gas Governance (Critical Contingency Management) Regulations 2008, as incorporated by reference into this determination;

emergency means an incident:

- (a) that has occurred on or in the near vicinity of a **GTB's** assets on the transmission network, including leaks, unplanned disruptions of supply, third party damage, near-miss incidents, equipment failure, overpressure, or ignitions; and
- (b) that should be responded to immediately by the **GTB** based on **GIP**;

forecast allowable revenue has the meaning given in the **IM determination** and is the amount calculated for each **pricing year** in accordance with Schedule 5;

forecast CPI has the meaning given in the **IM determination**;

forecast depreciation for existing assets has the meaning given in the **IM determination** and is the amount specified in clause 8.10;

forecast net allowable revenue has the meaning given in the **IM determination** and is:

- (a) in respect of the first **pricing year**, the amount specified in Schedule 1; and
- (b) in respect of the second to fifth **pricing years**, the amount calculated in accordance with Schedule 4;

forecast revenue from prices has the meaning given in the **IM determination**;

gas transmission services has the meaning given in the **IM determination**;

GIP means 'Good Industry Practice', where the **GTB** concerned exercises the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;

GTB has the meaning given in the **IM determination**;

IM determination means the Gas Transmission Services Input Methodologies Determination 2012 (as amended) as at the date of this determination;

input methodology has the same meaning as in section 52C of the **Act**;

interconnected bodies corporate means any two or more bodies corporate where one

of them is a body corporate of which the other is a subsidiary (within the meaning of section 5 of the Companies Act 1993), or if both of them are subsidiaries (within the meaning of that section) of one and the same body corporate;

ISAE (NZ) 3000 means:

- (a) for **assessment periods** beginning before 15 December 2026, the *International Standard on Assurance Engagements (New Zealand) 3000 (Revised)*, *Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE (NZ) 3000 (Revised))*, issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in July 2014; and
- (b) for **assessment periods** beginning on or after 15 December 2026, the *International Standard on Assurance Engagements (New Zealand) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in April 2026, or any equivalent standard that replaces that standard;

major interruption means any declaration of a **critical contingency** caused or contributed to by an incident on the transmission assets owned or controlled by the **GTB**, which results in curtailment directions being issued in respect of **curtailment band 2** and above;

major transaction event has the meaning given in the **IM determination**;

merger means a transaction, other than an **amalgamation**, whereby a **GTB** directly or indirectly:

- (a) acquires ownership or **control** of all or substantially all of the assets of another **GTB**; or
- (b) acquires ownership or **control** of another **GTB** by acquiring all of its share capital;

pass-through cost has the meaning given in the **IM determination**;

person has the meaning give in the **IM determination**;

prices has the meaning given in the **IM determination**;

pricing year has the meaning given in the **IM determination**;

quantity has the meaning given in the **IM determination**;

recoverable cost has the meaning given in the **IM determination**;

regulatory period means the period from 1 October 2026 to 30 September 2031;

revenue foregone has the meaning given in the **IM determination**;

revenue smoothing limit has the meaning given in the **IM determination**;

RTE means ‘response time to emergencies’, being the time between when an **emergency** is reported to a **GTB** representative and when the **GTB’s** personnel arrives at the location of the **emergency**;

SAE 3100 means:

- (a) for **assessment periods** beginning before 15 December 2026, the *Standard on Assurance Engagements 3100 (Revised), Compliance Engagements (SAE 3100 (Revised))*, issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in March 2017; and
- (b) for **assessment periods** beginning on or after 15 December 2026, the *Standard on Assurance Engagements 3100, Compliance Engagements*, issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in April 2026, or any equivalent standard that replaces that standard;

transfer means a transaction other than an **amalgamation** or **merger**, whereby a **GTB** directly or indirectly transfers assets to another **person**, and **consumers** are acquired by or no longer supplied by a **GTB** as a result of the asset transfer;

transitional adjusted asset life for existing assets has the meaning given in the **IM determination** and is the amount specified in clause 8.11;

undercharging limit has the meaning given in the **IM determination** and is the amount specified in clause 8.9;

voluntary revenue foregone has the meaning given in the **IM determination**;

wash-up account balance has the meaning given in the **IM determination**;

wash-up accrual amount has the meaning given in the **IM determination**;

wash-up drawdown amount has the meaning given in the **IM determination**; and

working day has the meaning given in the **IM determination**.

5. Default price-quality path

5.1 Every **GTB** must comply with the default price-quality path, which consists of:

- (a) the price path specified in clause 8;
- (b) the quality standards specified in clause 9; and
- (c) the quality reporting requirements in clause 10.

6. Applicable input methodologies

6.1 The **input methodologies** that are applied through this determination are the following parts of the **IM determination**:

- (a) Subpart 1 of Part 3 – specification of price;
- (b) Subpart 2 of Part 3 – amalgamations;
- (c) Subpart 1 of Part 4 – cost allocation;
- (d) Subpart 2 of Part 4 – asset valuation;
- (e) Subpart 3 of Part 4 – treatment of taxation;
- (f) Subpart 4 of Part 4 – cost of capital;
- (g) Subpart 5 of Part 4 – reconsideration of the default price-quality path;
- (h) Subpart 6 of Part 4 – treatment of periods that are not 12-month periods; and
- (i) Subpart 7 of Part 4 – availability of information.

7. CPP Proposals

7.1 A **GTB** may submit a **CPP proposal** to the **Commission** at any time up to 31 May 2029.

7.2 A **GTB** may not submit a **CPP proposal** within the period 1 June 2029 to 30 September 2031.

8. Price path

Starting price

8.1 The starting price that applies for each **GTB** in the **regulatory period** is as set out in Schedule 1.

Rate of change

8.2 The annual rate of change in revenue for each **GTB**, relative to the **CPI**, that is

allowed during the **regulatory period** is set out in Schedule 2.

Compliance with the price path

- 8.3 To comply with the price path for each **pricing year** of the **regulatory period**—
- (a) the **forecast revenue from prices** of a **GTB** must not exceed the **forecast allowable revenue** for each **pricing year** of the **regulatory period**; and
 - (b) the **forecast revenue from prices** less forecast **pass-through costs** must not exceed the **revenue smoothing limit** for each **pricing year** of the **regulatory period** other than the first **pricing year**.

Calculation of forecast revenue from prices

- 8.4 When setting **prices** for a **pricing year**, a **GTB** must:
- (a) calculate the **forecast revenue from prices** for the **pricing year** in accordance with clause 3.1.1(2) of the **IM determination**; and
 - (b) when calculating the **forecast revenue from prices**, prepare a demonstrably reasonable forecast of **quantities** for the **pricing year** to which the **prices** will apply.

Calculation of revenue smoothing limit

- 8.5 A **GTB** must, for each **pricing year** other than the first **pricing year**, calculate the **revenue smoothing limit** using the methodology specified in Schedule 3.

Calculation of forecast allowable revenue

- 8.6 A **GTB** must calculate the **forecast allowable revenue** for the **pricing year**.

Calculation of wash-up accrual amount

- 8.7 A **GTB** must, for each **pricing year**, calculate the **wash-up accrual amount**.

Calculation of actual CPI change

- 8.8 For the calculation of **actual allowable revenue** in the **wash-up accrual amount** for a **pricing year**, a **GTB** must calculate the **actual CPI change**.

Undercharging limit

- 8.9 No **undercharging limit** amount is specified for the purposes of calculating **voluntary revenue foregone** under clause 3.1.4(7) of the **IM determination**.

Forecast depreciation for existing assets

- 8.10 The **forecast depreciation for existing assets** is:
- (a) \$424.393m for First Gas Limited in respect of **gas transmission services**.

Transitional adjusted asset life for existing assets

8.11 The **transitional adjusted asset life for existing assets** is:

- (a) 10.87 years for First Gas Limited in respect of **gas transmission services**.

9. Quality standards

Compliance with quality standards

9.1 The quality standards for each **assessment period** are that:

- (a) a **GTB's RTE** for any **emergency** must not exceed 180 minutes; and
- (b) there must be no **major interruption**.

Exclusion of certain emergencies

9.2 If a **GTB** has a reasonable excuse for not meeting the quality standard in clause 9.1(a) in respect of the **RTE** for a particular **emergency**, the **GTB** may apply to the **Commission** to treat the **RTE** as having complied with that quality standard.

9.3 A request under clause 9.2 must—

- (a) be submitted to the **Commission** in writing within 45 **working days** of the **emergency**; and
- (b) include sufficient evidence demonstrating why it was reasonable that the **GTB's RTE** was greater than 180 minutes.

9.4 A **GTB** may only treat a **RTE** greater than 180 minutes as having complied with that quality standard if the **Commission** determines in writing that the **GTB** may do so.

10. Reporting in the case of a failure to meet the major interruption quality standard

Reporting and public disclosure of a major interruption

10.1 A **GTB** must notify the **Commission** in writing within 5 **working days** of any **major interruption**, and provide the **Commission** with the following information within 60 **working days** of the termination of the **critical contingency** leading to the **major interruption**:

- (a) a description of the interruption (including the cause(s), location, assets involved);
- (b) whether the risk of the interruption was identified in advance, and any steps the **GTB** took to reduce or mitigate that risk;
- (c) the duration of the interruption;
- (d) the **GTB's** best estimate of the quantities of services not delivered as a result

- of the interruption, and the revenues that would have been earned for any undelivered services, to the extent that it is possible to determine them;
 - (e) the direct cost of the interruption (including repair costs) to the **GTB**; and
 - (f) what actions (if any) the **GTB** intends to take to avoid similar interruptions in future.
- 10.2 The **GTB** must make the information required in clause 10.1(a) to (f) publicly available on its website within 5 **working days** after providing it to the **Commission**.
- 10.3 Where a **GTB** is not reasonably able to provide the **Commission** with some or all of the information required in clause 10.1(a) to (f) within the prescribed 60-**working day** period in clause 10.1, the **GTB** may apply in writing to the **Commission** for an extension of time to provide the information.
- 10.4 An extension request made under clause 10.3 must set out why the information is unavailable and the proposed timeframe for supplying the information to the **Commission**.

11. Transactions

Requirement to notify the Commission of amalgamations, mergers, transfers and major transactions

- 11.1 A **GTB** must notify the **Commission** in writing within 30 **working days** of any **amalgamation, merger, transfer or major transaction event**.

12. Annual compliance statements

Annual compliance statement for price setting

- 12.1 A **GTB** must, by 30 September before the start of each **pricing year**, provide to the **Commission** a written **annual price-setting compliance statement** for that **pricing year**, which includes:
- (a) the information in clauses 12.2 and 12.3;
 - (b) schedules reflecting the relevant **price** and forecast **quantities** used in the calculation of **forecast revenue from prices** in an electronic format that is compatible with Microsoft Excel; and
 - (c) a certificate in the form provided in Schedule 7 signed by at least one **director** of the **GTB**.
- 12.2 The **annual price-setting compliance statement** must—
- (a) state whether the **GTB** has complied with the price path in clause 8.3 for the **pricing year**; and

- (b) state the date on which the **annual price-setting compliance statement** was prepared.

12.3 The **annual price-setting compliance statement** must include the following information:

- (a) the **GTB's** calculation of its **forecast revenue from prices**, together with supporting information for all components of the calculation;
- (b) the **GTB's** calculation of its **forecast allowable revenue**, together with supporting information for all components of the calculation;
- (c) where applicable, the **GTB's** calculation of the **revenue-smoothing limit**, together with supporting information for all components of the calculation;
- (d) if the **GTB** has not complied with the price path, the reasons for non-compliance; and
- (e) if the **GTB** has not complied with the price path, actions taken to mitigate any non-compliance and to prevent similar non-compliance in future **pricing years**, including **years** associated with future **regulatory periods**.

Annual compliance statement for the wash-up accrual amount calculation and quality standards

12.4 A **GTB** must, by 31 March following the end of each **pricing year**, provide to the **Commission** a written **annual compliance statement** for that **pricing year**, which includes:

- (a) the **GTB's** calculation of the **wash-up accrual amount** for the **pricing year**;
- (b) the information in clauses 12.5, 12.6 and 12.7;
- (c) schedules reflecting the relevant **prices** and actual **quantities** used in the calculation of the **wash-up accrual amount**, in an electronic format that is compatible with Microsoft Excel;
- (d) a certificate in the form specified in Schedule 8, signed by at least one **director** of the **GTB**; and
- (e) an assurance report meeting the requirements in clause 12.8, in respect of all information contained in this **annual compliance statement**.

12.5 The **annual compliance statement** must:

- (a) state whether the **GTB** has complied with—
 - (i) the requirement to calculate the **wash-up accrual amount** for the **pricing year** in accordance with clause 3.1.4(3) of the **IM determination**;
 - (ii) the quality standards in clause 9 for the **pricing year**;

- (iii) the reporting and public disclosure requirements in clause 10 for the **pricing year**; and
 - (b) state the date on which the **annual compliance statement** was prepared.
- 12.6 The **annual compliance statement** must include any information reasonably necessary to demonstrate whether the **GTB** has during the **pricing year** complied with clauses 8.4 and 9, including but not limited to:
- (a) the calculation of the **wash-up account balance** for the **pricing year** in accordance with clause 3.1.4 of the **IM determination**, together with supporting information for all components of the calculation;
 - (b) the calculation of the **wash-up drawdown amount** and **revenue foregone** for the **pricing year**; and
 - (c) the quality standards in clause 9, including but not limited to:
 - (i) relevant incident data and calculations;
 - (ii) a description of the policies and procedures the **GTB** has used to record the **RTE** statistics for the relevant **pricing year**;
 - (iii) a list of **emergencies** in respect of which the **Commission** has determined that the **GTB** can treat the **RTE** of the **emergency** as having complied with the quality standard, and any requests under clause 9.2 that are pending a decision by the **Commission**;
 - (iv) if the **GTB** has not complied with a quality standard, the reasons for not meeting the quality standard;
 - (v) if the **GTB** has not complied with a quality standard, the actions taken to mitigate any non-compliance and to prevent similar non-compliance in future **pricing years**, including **pricing years** in future **regulatory periods**; and
 - (vi) where a quality standard has not been met, for each **emergency** which exceeded the **RTE** for that quality standard, a description of the **emergency**, including the nature, cause, and location of the **emergency** and the number of **consumers** affected.
- 12.7 The **annual compliance statement** must include any information reasonably necessary to demonstrate whether the **GTB** has during the **pricing year** complied with clause 10, including but not limited to:
- (a) a statement whether the **GTB** has complied with clauses 10.1 and 10.2;
 - (b) details of all **major interruptions**, including without limitation the following information where such information has not already been disclosed under clause 10.1–

- (i) details of the trigger event and contributory factors to the **major interruption**;
- (ii) whether or not the triggers and contributory factors to the **major interruption** were within the **GTB's control**, including whether the **major interruption** was due to the **GTB's** own systems, or a third party event; and
- (iii) whether the risk of the trigger event and contributory factors to the **major interruption** were identified and mitigated, including any steps the **GTB** took to avoid the **major interruption** or reduce its impact.

Form of assurance report on annual compliance statement

12.8 For the purposes of clause 12.4(e), a **GTB** must procure an assurance report by an **assurance auditor** in respect of the **annual compliance statement** that is prepared in accordance with **SAE 3100** and **ISAE (NZ) 3000**, signed by the **assurance auditor** (either in their own name or that of their firm), and that—

- (a) is addressed to the **directors** of the **GTB** and to the **Commission** as the intended users of the assurance report;
- (b) states—
 - (i) that it has been prepared in accordance with **SAE 3100** and **ISAE (NZ) 3000**;
 - (ii) the work done by the **assurance auditor**;
 - (iii) the scope and limitations of the assurance engagement;
 - (iv) the existence of any relationship (other than that of auditor) which the **assurance auditor** has with, or any interests which the **assurance auditor** has in, the **GTB** or any of its **interconnected bodies corporate**;
 - (v) whether the **assurance auditor** has obtained sufficient recorded evidence and explanations that he or she required and, if not, the information and explanations not obtained; and
 - (vi) whether, in the **assurance auditor's** opinion, as far as appears from an examination, the information used in the preparation of the **annual compliance statement** has been properly extracted from the **GTB's** accounting and other records, sourced from its financial and non-financial systems; and
- (c) states whether (and if not, the respects in which it has not), in the **assurance auditor's** opinion, the **GTB** has complied, in all material respects, with this determination in preparing the **annual compliance statement** and, if the **GTB** has not complied with the price path—
 - (i) the reasons for non-compliance; and

- (ii) actions taken to mitigate any non-compliance and to prevent similar non-compliance in future **pricing years**, including **pricing years** in future **regulatory periods**.

Schedule 1: Starting price and forecast net allowable revenue for the first pricing year

The starting price for the **regulatory period** and the **forecast net allowable revenue** for the first **pricing year** of the **regulatory period** for First Gas Limited in respect of **gas transmission services** is \$222.051m.

Schedule 2: Rate of change

The annual rate of change is 0.0%.

Schedule 3: Revenue smoothing limit

1. The revenue smoothing limit for each **pricing year** other than for the first **pricing year** is the amount calculated in accordance with the following formula:

$$(FNAR_t + FRC_{t-1} \times (1 + \Delta SFCPI)) \times 1.1$$

where -

$FNAR_t$ is **forecast net allowable revenue** for the **pricing year**;
 FRC_{t-1} is forecast **recoverable costs** for the prior **pricing year**; and
 $\Delta SFCPI$ is **forecast CPI** for revenue smoothing.

2. For the purposes of paragraph 1, '**forecast CPI** for revenue smoothing' $\Delta SFCPI$ is the amount calculated in accordance with the following formula:

$$\Delta SFCPI = \frac{FCPI_{Dec,t-1} + FCPI_{Mar,t} + FCPI_{Jun,t} + FCPI_{Sep,t}}{FCPI_{Dec,t-2} + FCPI_{Mar,t-1} + FCPI_{Jun,t-1} + FCPI_{Sep,t-1}} - 1$$

where -

$FCPI_{q,t}$ is **forecast CPI** for the quarter year ending ' q ' in the 12-month period ' t ', ' $t-1$ ', and ' $t-2$ ' as applicable;
 t is the year in which the **pricing year** ends;
 $t-1$ is the year prior to year ' t '; and
 $t-2$ is the year prior to year ' $t-1$ '.

3. All forecasts of costs and revenues used for the purposes of clause 8.3(b) must be demonstrably reasonable.

Schedule 4: Forecast net allowable revenue for pricing years other than the first pricing year

1. The **forecast net allowable revenue** for First Gas Limited for each **pricing year** of the **regulatory period**, other than for the first **pricing year**, is the amount calculated in accordance with the following formula:

$$FNAR_{Y1} \times (1 + \Delta FCPI) \times (1 - x)^{n-1}$$

where-

- | | |
|---------------|---|
| n | is the number of the relevant pricing year within the sequence of pricing years in the regulatory period ; |
| $FNAR_{Y1}$ | is the forecast net allowable revenue for the first pricing year , as specified in Schedule 1; |
| $\Delta FCPI$ | is the change in forecast CPI , calculated in accordance with paragraph (2) of this Schedule; and |
| x | is the annual rate of change specified in Schedule 2. |

2. For the purposes of paragraph (1), the 'change in **forecast CPI**' is determined in accordance with the following formula:

$$\Delta FCPI = \frac{FCPI_{Dec,t-1} + FCPI_{Mar,t} + FCPI_{Jun,t} + FCPI_{Sep,t}}{FCPI_{Dec,2026} + FCPI_{Mar,2027} + FCPI_{Jun,2027} + FCPI_{Sep,2027}} - 1$$

where -

- | | |
|--------------|---|
| $FCPI_{q,t}$ | is forecast CPI for the quarter year ending 'q' in the 12-month period 't' or 't-1' as applicable; |
| t | is the year in which the pricing year ends; and |
| $t-1$ | is the year prior to year 't'. |

Schedule 5: Calculation of forecast allowable revenue

1. When setting **prices** for a **pricing year**, a **GTB** must calculate the **forecast allowable revenue**.
2. When calculating the **forecast allowable revenue**, a **GTB** must prepare a forecast of **pass-through costs** and a forecast of **recoverable costs**.
3. All forecasts of **pass-through costs** and **recoverable costs** used to calculate the **forecast allowable revenue** must be demonstrably reasonable.
4. The **forecast allowable revenue** for a **pricing year** is the amount calculated in accordance with the following formula—

$$FNAR + FPTC + FRC$$

where—

FNAR is the **forecast net allowable revenue**;

FPTC is forecast **pass-through costs**; and

FRC is forecast **recoverable costs**.

Schedule 6: Actual CPI change for pricing year

For the calculation of **actual allowable revenue** in the **wash-up accrual amount** for a **pricing year**, the **actual CPI change** ΔCPI is the derived change in the **CPI** for the **pricing year**, calculated in accordance with the following formula:

$$\Delta CPI = \frac{CPI_{Dec,t-1} + CPI_{Mar,t} + CPI_{Jun,t} + CPI_{Sep,t}}{CPI_{Dec,t-2} + CPI_{Mar,t-1} + CPI_{Jun,t-1} + CPI_{Sep,t-1}} - 1$$

where—

$CPI_{q,t}$	is CPI for the quarter year ending ‘q’ in the 12-month period ‘t’, ‘t-1’, and ‘t-2’ as applicable;
t	is the year in which the pricing year ends;
$t-1$	is the year prior to year ‘t’; and
$t-2$	is the year prior to year ‘t-1’.

Schedule 7: Director certificate for annual price-setting compliance statement

The **director** certificate required by clause 12.1(c) must take the following form:

I/We, *[insert full name/s]*, being director/s of *[insert name of GTB]* certify that, having made all reasonable enquiries, to the best of my/our knowledge and belief, the attached annual price-setting compliance statement of *[insert name of GTB]* and related information, prepared for the purposes of the *Gas Transmission Services Default Price-Quality Path Determination 2026*, has been prepared in accordance with all the relevant requirements **[except in the following respects]*.

**[insert description of any non-compliance]*

[Signatures of Director(s)]

[Date]

*Delete if inapplicable.

Schedule 8: Director certificate for annual compliance statement

The **director** certificate required by clause 12.4(d) must take the following form:

I/We, *[insert full name/s]*, being director/s of *[insert name of GTB]* certify that, having made all reasonable enquiries, to the best of my/our knowledge and belief, the attached annual compliance statement of *[insert name of GTB]* and related information, prepared for the purposes of the *Gas Transmission Services Default Price-Quality Path Determination 2026*, has been prepared in accordance with all the relevant requirements **[except in the following respects]*.

**[insert description of any non-compliance]*

[Signatures of Director(s)]

[Date]

*Delete if inapplicable.

Drafting notes

These notes are not part of the determination but are intended to indicate its general effect.

1. This determination amends the Gas Transmission Services Default Price-Quality Path Determination 2026 (principal determination) to correct an error in the formula for the revenue smoothing limit in Schedule 3.
2. The amendments to the body of the principal determination are marked as tracked changes in red.
3. A reasons paper providing detailed background to, and analysis of, the Determination can be found at: <https://www.comcom.govt.nz/regulated-industries/gas-pipelines/gas-pipelines-price-quality-paths/gas-pipelines-default-price-quality-path/2026-gas-default-price-quality-path/>.
4. Copies of this Determination are available for inspection free of charge at the Commission (during ordinary office hours), on the Commission's website at the above link, or for purchase at a reasonable price at the Commission.

Explanatory note

This note is not part of the determination but is intended to indicate its general effect.

This is secondary legislation issued under the authority of the [Legislation Act 2019](#).

Title	Gas Transmission Services Default Price-Quality Path Determination 2026 (consolidated as at 15 September 2026)
Principal or amendment	Principal
Consolidated version	Yes
Empowering Act and provisions	Commerce Act 1986 Section 52P
Replacement empowering Act and provisions	Not applicable
Maker name	Commerce Commission
Administering agency	Commerce Commission
Date made	27 May 2026
Publication date	27 May 2026
Notification date	27 May 2026
Commencement date	28 May 2026
End date (when applicable)	Not applicable
Consolidation as at date	15 September 2026
Related instruments	Gas Transmission Services Default Price-Quality Path Determination 2026. Refer Determination History section, above.