

Aurora Energy's submission

**Reconsideration of Aurora Energy
Customised Price-Quality path – Error event
reopener**

3 March 2026

Introduction

1. Aurora Energy Limited (Aurora Energy) welcomes the opportunity to submit its views on the Commerce Commission's (the Commission) *Reconsideration of Aurora Energy Customised Price-Quality path – Error event reopener* draft decision reasons paper (draft decision) and determination (draft determination). No part of our submission is confidential.

Aurora Energy acknowledges the Commission's intention to amend Aurora Energy's customised price-quality path to give full effect to decisions published in February 2025

2. Aurora Energy considers the principles behind the draft decision make sense and the majority of the draft determination implements the draft decision in a reasonable and internally consistent way. We believe the draft decision and the draft determination are also consistent with similar amendments made to DPP3 reopeners.
3. We acknowledge and support the Commission's intention to amend Aurora Energy's customised price-quality path determination and give full effect to the decisions outlined in its *Reconsideration of customised price quality path for Aurora Energy Limited following a change to weighted average of cost of capital paper*, dated 25 February 2025.
4. The key decision in the Commission's February 2025 decision paper confirmed that Aurora Energy's vanilla weighted average cost of capital would increase from 4.57% to 7.10% for RY26, consistent with the new WACC rate determined by the Commission for DPP4.
5. In relation to the draft decision, we support the Commission's intention to amend the ANAR calculation for RY26, to ensure that ANAR in that year can incorporate both reopener approvals and actual CPI.
6. However, in terms of the technical drafting in the draft determination, the definition of " Δ forecastCPI2023", in the proposed paragraph (3E) of Schedule 1.5 does not appear to correctly reflect the name of that term, nor the policy intent.
7. The definition is different from the corresponding definitions for 2024-2026 immediately above it. It appears to specify a value for actual CPI rather than forecast CPI, and it refers to a 'paragraph (5)' which does not appear to exist within Schedule 1.5. We presume the definition of this item should specify the value to be applied for 2023 (see paragraph 7 below) as do the corresponding definitions for 2024-2026.
8. It also appears to us that incorrect rates have been included in the definitions of Δ forecastCPI2024, Δ forecastCPI2025 and Δ forecastCPI2026. We believe the correct rates for Δ forecastCPI2024, Δ forecastCPI2025 and Δ forecastCPI2026 should be the rates referenced in Schedule 1.8 of the original CPP determination, namely 2.0% for 2024, 2.1% for 2025 and 2.1% for 2026. We note that on applying the same logic, the value to be applied to Δ forecastCPI2023 in accordance with paragraph 6 would be 1.2%.
9. In addition, we note this draft determination has been issued prior to accounting for the Te Anau Transfer adjustment as referenced in our Annual Price Setting Compliance Statement for RY27.

10. In closing, it is not our current intention to restate any prior year disclosures as a consequence of this decision, on the basis that those disclosures were issued in accordance with determinations in place at the time, and any adjustments arising would be immaterial. We would appreciate the Commission confirming this approach in its final decision.