

[Draft] Aurora Energy Limited Electricity Distribution Customised Price-Quality Path (Error event) Amendment Determination 2026

[2026] NZCC [XX]

The Infrastructure Committee: Nathan Strong
Dr John Small
Dr Derek Johnston
Bryan Chapple

Date of decision: [day] [month] 2026

[signature]
[name], Commissioner
Dated at Wellington this [day] of [month] 2026
COMMERCE COMMISSION
Wellington, New Zealand

| Determination history | | |
|------------------------------|------------------------|--|
| Determination date | Decision number | Determination name |
| 31 March 2021 | [2021] NZCC3 | Aurora Energy Limited Electricity Distribution Customised Price-Quality Path Determination 2021 [2021] NZCC 3 |
| 1 March 2023 | [2023] NZCC4 | Aurora Energy Limited Electricity Distribution Customised Price-Quality Path (Compliance Statement Due Date) Amendment Determination 2023 [2023] NZCC 4 |
| 14 January 2025 | [2023] NZCC 43 | Aurora Energy Limited Electricity Distribution Customised Price-Quality Path (Compliance Statement Due Date) Amendment Determination 2023 [2023] NZCC 43 |
| 25 February 2025 | [2025] NZCC 3 | Aurora Energy Limited Electricity Distribution Customised Price-Quality Path (WACC Change Event Reconsideration) Amendment Determination 2025 |
| [date to add] | [2026] NZCC [XX] | [Draft] Aurora Energy Limited Electricity Distribution Customised Price-Quality Path (Error event) Amendment Determination 2026 |

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

1.1 TITLE

1.1.1 This determination is the Aurora Energy Limited Electricity Distribution Customised Price-Quality Path (Error event) Amendment Determination 2026.

1.2 DETERMINATION AMENDED

1.2.1 This determination amends the Aurora Energy Limited Electricity Distribution Customised Price-Quality Path Determination 2021 [2021] NZCC 3 (**principal determination**).

1.3 COMMENCEMENT

1.3.1 This determination comes into force on [day] [month] 2026.

1.4 PRINCIPAL DETERMINATION AMENDMENT

1.4.1 In clause 4(2) of the principal determination, replace the definition of '**actual net allowable revenue**' with:

“actual net allowable revenue means:

- (a) for the first **CPP assessment period**, has the meaning given in paragraph (2A) of Schedule 1.5, as applicable; and
- (b) for the second to fourth **CPP assessment periods**, the amount calculated in the manner specified in paragraph (3) of Schedule 1.5; and
- (c) for the fifth **CPP assessment period**, the amount calculated in the manner specified in paragraph (3A) of Schedule 1.5;”.

1.4.2 In clause 4(2) of the principal determination, replace the definition of '**forecast net allowable revenue**' with:

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

- (a) in respect of the first **CPP assessment period**:

- i. where used to calculate the **actual net allowable revenue** for the first to fourth **CPP assessment periods**, the amount specified in Schedule 1.3; and
- ii. where used to calculate the **actual net allowable revenue** for the fifth **CPP assessment period**, the amount calculated according to paragraph (3E) of Schedule 1.5; and

(b) in respect of the second to fifth **CPP assessment periods**, the amount specified for the relevant **CPP assessment period** in Schedule 1.3;".

1.4.3 Replace clause 8.3 of the principal determination with:

"8.3 The **67th percentile estimate of post-tax WACC** that applies for Aurora for:

- (a) each of the first to fourth **CPP assessment periods** is 4.23%; and
- (b) the fifth **CPP assessment period** is 6.44%."

1.4.4 After paragraph (2) of Schedule 1.5 of the principal determination, insert the following as new paragraph "(2A)" :

"(2A) For the purposes of paragraph (2)(a), 'actual net allowable revenue' for the first **CPP assessment period**,—

- (a) where used to calculate 'actual net allowable revenue' for the fifth **CPP assessment period** under paragraph (3A) means the **forecast net allowable revenue** for the first **CPP assessment period** specified in paragraph (3E); and
- (b) where used for any other purpose, means the **forecast net allowable revenue** for the first **CPP assessment period** specified in Schedule 1.3."

1.4.5 In paragraph (3) of Schedule 1.5 of the principal determination, replace "fifth" with "fourth".

1.4.6 After paragraph (3) of Schedule 1.5 of the principal determination, insert the following as new paragraphs "(3A)" to "(3E)":

"(3A) For the purposes of paragraph (2)(b) of Schedule 1.5, 'actual net

allowable revenue' for the fifth **CPP assessment period** means the amount calculated using the following formula—

$$ANAR_{2025} \times (1 + \Delta CPI_t) \times (1 - X)$$

where—

$ANAR_{2025}$ is the 'actual net allowable revenue' for the fourth **CPP assessment period** as calculated under paragraph (3B);

X is the annual rate of change as specified in clause 8.2; and

ΔCPI is the derived change in the **CPI** to be applied for the **CPP assessment period**, calculated in accordance with the formula—

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

where—

$CPI_{q,t-n}$ is the CPI for the quarter year ending q in the 12-month period n years prior to year t; and

t is the year in which the CPP assessment period ends."

"(3B) For the purposes of paragraph (3A) of Schedule 1.5, 'actual net allowable revenue' for the fourth **CPP assessment period** means, the amount calculated using the following formula—

$$ANAR_{2024} \times (1 + \Delta CPI_t) \times (1 - X)$$

where—

$ANAR_{2024}$ is the 'actual net allowable revenue' for the third **CPP assessment period** as calculated under paragraph (3C);

X is the annual rate of change as specified in Clause 8.2; and

ΔCPI is the derived change in the **CPI** to be applied for the **CPP assessment period**, calculated in accordance with the formula—

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

where—

$CPI_{q,t-n}$ is the CPI for the quarter year ending q in the 12-month period n years prior to year t; and

t is the year in which the CPP assessment period ends.”

“(3C) For the purposes of paragraph (3B) of Schedule 1.5, ‘actual net allowable revenue’ for the third **CPP assessment period** means, the amount calculated using the following formula—

$$ANAR_{2023} \times (1 + \Delta CPI_t) \times (1 - X)$$

where—

$ANAR_{2023}$ is the ‘actual net allowable revenue’ for the second **CPP assessment period** as calculated under paragraph (3D);

X is the annual rate of change as specified in Clause 8.2; and

ΔCPI is the derived change in the **CPI** to be applied for the **CPP assessment period**, calculated in accordance with the formula—

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

where—

$CPI_{q,t-n}$ is the CPI for the quarter year ending q in the 12-month period n years prior to year t; and

t is the year in which the CPP assessment period ends.”

“(3D) For the purposes of paragraph (3C) of Schedule 1.5, ‘actual net allowable revenue’ for the second **CPP assessment period** means, the amount calculated using the following formula—

$$ANAR_{2022} \times (1 + \Delta CPI_t) \times (1 - X)$$

where—

$ANAR_{2022}$ is the ‘forecast net allowable revenue’ for the first **CPP assessment period** as calculated under paragraph (3E);

X is the annual rate of change as specified in Clause 8.2; and

ΔCPI is the derived change in the **CPI** to be applied for the **CPP assessment period**, calculated in accordance with the formula—

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

where—

$CPI_{q,t-n}$ is the CPI for the quarter year ending q in the 12-month period n years prior to year t; and

t is the year in which the CPP assessment period ends.”

“(3E) For the purposes of paragraph (2A)(a) of Schedule 1.5, ‘forecast net allowable revenue’ for the first **CPP assessment period** means, the amount calculated using the following formula—

$$\$113.864 \text{ million} \div ((1 + \Delta \text{forecastCPI}_{2026}) \times (1 - X) \times (1 + \Delta \text{forecastCPI}_{2025}) \times (1 - X) \times (1 + \Delta \text{forecastCPI}_{2024}) \times (1 - X) \times (1 + \Delta \text{forecastCPI}_{2023}) \times (1 - X))$$

where—

$\Delta \text{forecastCPI}_{2026}$ means 0.0200 in respect of the **fifth assessment period**;

$\Delta \text{forecastCPI}_{2025}$ means 0.0200 in respect of the **fourth assessment period**;

$\Delta \text{forecastCPI}_{2024}$ means 0.0202 in respect of the **third assessment period**;

$\Delta \text{forecastCPI}_{2023}$ has the meaning specified for ‘ ΔCPI ’ in paragraph (5) that applied in respect of the **second assessment period**; and

X is the annual rate of change as specified in clause 8.2.”

1.4.7 Replace paragraph (2) of Schedule 1.6 of the principal determination with:

“(2) For the purpose of paragraph (1)(b), the ‘closing wash-up account balance’ means:

(a) for each of the first to fourth **CPP assessment periods**, the amount calculated in accordance with the following formula:

(wash-up amount for the previous CPP assessment period – voluntary undercharging amount foregone for the previous CPP assessment period) $\times (1 + 67^{\text{th}} \text{ percentile estimate of post-tax WACC})^2$; and

(b) for the fifth **CPP assessment period**, the amount calculated according to the following formula:

(wash-up amount for the previous CPP assessment period — voluntary undercharging amount foregone for the previous CPP assessment period) x (1+67th percentile estimate of post-tax WACC for the first to fourth CPP assessment periods) x (1+(67th percentile estimate of post-tax WACC for the first to fourth CPP assessment periods x 0.41) + (67th percentile estimate of post-tax WACC for the fifth CPP assessment period x 0.59))."

Explanatory note

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

This amendment determination amends the Aurora Energy Limited Electricity Distribution Customised Price-Quality Path Determination 2021 [2021] NZCC 3 to amend Aurora Energy Limited's allowable revenue to provide for an error event reconsideration.

The amendment determination is secondary legislation made under section 52P of the Commerce Act 1986.

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|---|---|
| Title | Aurora Energy Limited Electricity Distribution Customised Price-Quality Path (Error event) Amendment Determination 2026 |
| Principal or amendment | Amendment |
| Consolidated version | No |
| 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 | [date] |
| Publication date | [date] |
| Notification date | [date] |
| Commencement date | [date] |
| End date (when applicable) | Not applicable |
| Consolidation as at date | Not applicable |
| Related instrument | Aurora Energy Limited Electricity Distribution Customised Price-Quality Path Determination 2021 [2021] NZCC 3 |