

Reconsideration of DPP4 default price-quality path for Firstlight – Quality Standards Variation

Draft decision reasons paper

13 October 2026



Overview of Firstlight's application and our draft decision

1. This paper sets out our draft decision on Firstlight Network Limited's (Firstlight) application to amend the unplanned SAIDI boundary value which applies within its 2025-2030 default price-quality path (DPP4 price path).^{1 2}
2. Firstlight is the electricity distribution business (EDB) responsible for managing the local lines network that delivers electricity to approximately 26,000 homes and businesses in Gisborne, Wairoa and the East Coast.^{3 4}
3. On 30 March 2026, Firstlight applied for a quality standard variation (QSV) to amend its SAIDI unplanned boundary value under DPP4.
4. The DPP4 quality settings use SAIDI and SAIFI quality measures, which assess the duration and frequency of electricity interruptions.^{5 6} Under these quality settings, major events, such as severe storms, are identified using a statistical boundary value and their impact on SAIDI and/or SAIFI is capped through a process called 'normalisation'.
5. Firstlight's application seeks to amend its quality settings for the entire DPP4 period (01 April 2025 to 31 March 2030) by changing its SAIDI boundary value from 18.80 to 12.03 – in effect reducing the impact of major events in assessing the compliance against the quality standard.⁷
6. Our draft decision differs from Firstlight's proposed approach and is comprised of three components that reflect our position on amending quality settings related to (i) the DPP4 assessment period that Firstlight applied in (2025/26), (ii) the assessment period for the year after it applied (2026/27) and (iii) the remaining assessment periods in DPP4.

6.1 For the **first DPP4 assessment period (1 April 2025 to 31 March 2026)** our draft decision is to make no amendments to Firstlight's quality settings.

¹ Under section 52P of the Commerce Act 1986 (the Act).

² See Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners' - "Firstlight Network Quality standard variation reopener 2026" – 'Draft decision').

³ [Firstlight network's website](#).

⁴ Firstlight was acquired by Powerco on 31 July 2026. From 1 April 2027 Firstlight and Powerco will operate under a merged price-quality path. [See Powerco's website for more information on the merger](#).

⁵ SAIDI refers to the average total duration of interrupted power supply in a year per customer in minutes. SAIFI refers to the average number of interruptions to power supply per customer in a year. Both SAIDI and SAIFI exclude interruptions originating on the low voltage portion of the network.

⁶ 'Quality settings' is a term used throughout this paper and encompasses boundary values, limits and standards.

⁷ See Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners' - "Firstlight Network Quality standard variation reopener 2026" – 'Draft decision').

- 6.2 For the **second DPP4 assessment period (1 April 2026 to 31 March 2027)** our draft decision is to amend the unplanned SAIDI and SAIFI quality settings and associated quality incentive measures, to the equivalent values that applied to Firstlight during the DPP3 regulatory period.⁸ This includes amendments to the unplanned SAIDI limit, unplanned SAIFI limit, SAIDI and SAIFI unplanned boundary values, SAIDI unplanned interruption target and SAIDI unplanned interruption cap.⁹
- 6.3 For the **third to fifth assessment periods of DPP4 (1 April 2027 to 31 March 2030)**, our draft decision is to make no amendments to Firstlight's quality settings.
7. The main body of this paper sets out the detail of Firstlight's application and our draft decision. Attachments A to D contain the regulatory framework and assessments underpinning the draft decision. The draft amendment determination and Firstlight's QSV application are published alongside this paper.¹⁰
8. We are seeking views on our draft decision by 5pm Wednesday 28 October 2026. Please see the '*Submissions on this paper*' section for details on how to submit your views. Submitters may also request an extension to the submission deadline.

Overview of the normalisation approach within our quality regime

9. Our quality settings use SAIDI and SAIFI to reflect network performance. By their nature SAIDI and SAIFI are highly variable, particularly for unplanned interruptions, and are strongly influenced by major individual events.
10. In our DPP4 final decision, we applied a normalisation process to the historical reliability data used to establish the DPP settings and to the way reliability performance will be assessed during the DPP4 period.¹¹ This applies to both the unplanned interruptions reliability standards and to the incentive scheme for unplanned SAIDI.
11. Under our DPP4 quality settings, events beyond a certain statistical boundary are identified as major events and the underlying SAIDI and/or SAIFI is replaced with a pro-rated boundary value, referred to as the 'normalisation' process.
12. The process of normalisation is intended to prevent the effects of major events, such as severe storms, being mistaken for signs of network deterioration.

⁸ At the time of DPP3, Firstlight was known as Eastland Networks.

⁹ See Table 1 in this paper for a summary of our draft decisions.

¹⁰ These documents are available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners' - "Firstlight Network Quality standard variation opener 2026" – "Draft decision").

¹¹ Commerce Commission Default price-quality paths for electricity distribution businesses from 1 April 2025 – Final decision, "[Attachment E – Setting quality standards and incentives](#)" (20 November 2024).

13. This rule has the effect of reducing, often materially, the unplanned SAIDI and/or SAIFI recorded for an event in assessing quality incentive outcomes or compliance with the unplanned quality standards.

Firstlight's Quality Standards Variation application

14. The electricity distribution input methodologies (EDB IMs) allow EDBs to apply to us for a QSV during the DPP regulatory period.¹²
15. Firstlight applied for a QSV on 30 March 2026, requesting a change to the SAIDI unplanned boundary value, one parameter of the quality settings for DPP4.¹³ Firstlight is requesting a variation for all five assessment periods of DPP4 (the five DPP4 assessment periods ending 31 March 2026 to 31 March 2030).¹⁴
16. Firstlight proposed to remove data associated with three major events from the dataset used to establish the SAIDI unplanned boundary value to apply for DPP4.¹⁵
17. Firstlight submits that including these events means that: ¹⁶
- 17.1 the boundary value overestimates the frequency with which such events are likely to recur, relative to a reasonable estimate of their return period;
 - 17.2 the boundary value therefore skews towards events that are more fairly described as catastrophic than simply outliers; and
 - 17.3 events that, in DPP3 or for another EDB, might be treated as outliers unrepresentative of underlying network performance are not normalised (during DPP4).
18. Firstlight did not propose a change to any other quality standard parameters. Firstlight's position is that the unplanned SAIDI "...boundary value in DPP4 does not appropriately normalise interruptions that fall outside the normal frequency distribution, meaning compliance with the SAIDI limit is not realistically achievable through efficient and prudent investment during DPP4".¹⁷

¹² Commerce Commission "[Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026](#), (23 June 2026), clause 4.5.12.

¹³ See Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners'- "Firstlight Network Quality standard variation reopener 2026" – 'Draft decision').

¹⁴ Firstlight notified the Commission in writing in accordance with clause 4.5.12 of the [EDB IMs](#).

¹⁵ See page 15 Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners'- "Firstlight Network Quality standard variation reopener 2026" – 'Draft decision').

¹⁶ Ibid, page 6.

¹⁷ See page 1 of Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners'- "Firstlight Network Quality standard variation reopener 2026" – 'Draft decision').

19. Firstlight submitted in its application that the DPP4 SAIDI unplanned boundary value does not appropriately reflect compliance outcomes, creates inefficient investment incentives and sets a compliance target that is not realistically achievable.¹⁸

Our assessment of the rationale for the application

20. In the transition from DPP3 to DPP4, the Commission applied a revised reference period (to the raw set of interruption information used to determine quality settings), rolling forward the ten-year reference period to include interruption information up to 31 March 2024.¹⁹
21. Firstlight's revised raw data set reflected decreases in performance (increased duration of interruptions) during DPP3, resulting in relatively significant impacts (generally increased values) to its settings for DPP4.²⁰
22. However, the impacts of the updated dataset were applied differently across quality settings:²¹
- 22.1 Changes to unplanned SAIDI and SAIFI limits (and targets) were subject to a +/- 5% cap on inter-period movements. This was intended to reduce the potential for significant changes in the reliability parameters without further scrutiny of whether the potential changes are consistent with consumers' long-term interests.
- 22.2 No similar cap was applied to changes in the boundary value. As a result, Firstlight's boundary value increased by 44%, from 13.10 to 18.80.
23. This results in the potential for events which would have been normalised in DPP3 not being normalised in DPP4, potentially resulting in a higher chance of non-compliance.²² We note there are other mitigants to non-compliance including that the standard is set at two standard deviations from the level of historical average performance.

Appropriateness of approach proposed

24. We do not agree with Firstlight's proposed approach of removing certain events to establish a revised boundary value.

¹⁸ See pages 6 to 7 of Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners' - "Firstlight Network Quality standard variation opener 2026" - 'Draft decision').

¹⁹ Commerce Commission Default price-quality paths for electricity distribution businesses from 1 April 2025 – Final decision. [Attachment E – Setting quality standards and incentives](#), 20 November 2024.

²⁰ See pages 6 to 7 of Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners' - "Firstlight Network Quality standard variation opener 2026" - 'Draft decision').

²¹ Ibid.

²² Ibid.

25. While some major events (such as those caused by extreme weather) are somewhat beyond the control of EDBs, the degree of controllability is not always clear. The underlying performance of the network does have some effect on how well networks respond to significant events and EDB operational decisions can reduce the impact of external events.
26. We consider that a case-by-case assessment of major events to determine whether they should be included in the quality standard reference period would not be appropriate because:
- 26.1 While major weather events affect network performance, it can be difficult to separate the effects of weather from underlying network performance;
 - 26.2 It would be difficult and resource intensive to determine which events were and were not appropriate to exclude, noting an EDBs incentive to propose the events that best suit its purpose, not the events that represented the most unusual circumstances;
 - 26.3 To the extent these events differ from historical events, it is not clear that they do not better reflect the weather conditions the network is likely to face in future; and
 - 26.4 It would likely be inconsistent with the relatively low-cost nature of the DPP regime.
27. We note that the nominated events represent three of the four largest events by raw SAIDI found solely within the DPP4 reference period. With the exception of Cyclone Gabrielle, which is clearly unusual in terms of SAIDI minutes, the other two events are difficult to distinguish from other high-minute events within the 10-year reference period.
28. While Firstlight submits that these events are statistical outliers, the application does not clearly explain the basis on which these events were selected for removal rather than other high-impact events within the 10-year reference period, including a light plane crash into 110kV lines (December 2016) which is clearly more unusual than storm related events.²³
29. It is also logically inconsistent to remove values in establishing the boundary value and not remove the same values when setting the limit which uses the same dataset to drive values, noting the operation of the +/- 5% inter-period cap for unplanned limits may mean this does not result in a different outcome.

²³ See pages 6-7 of Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners'- "Firstlight Network Quality standard variation reopener 2026 – 'Draft decision'").

Likelihood of over-investment

30. We note Firstlight's concern that the current boundary value could drive over investment in network reliability. However, we note that following its historical breaches, Firstlight undertook a strategic asset management review that appears to account for much of its current expenditure on quality improvements.²⁴
31. Firstlight have been non-compliant with the unplanned quality standards for the last four years and are subject to an open investigation. It is not clear that over-investment with regards to managing reliability is a risk in the short-term.

Impact of the Powerco transaction

32. Powerco purchased the Firstlight network on 31 July 2026. Under our DPP framework the two EDBs will merge price paths and quality standards from 1 April 2027. There is therefore no Firstlight boundary value to be used in assessment against our quality settings or quality incentive scheme for the assessment periods ending 31 March 2028 onwards; instead the Firstlight dataset will be included to derive the Powerco quality settings.

Summary

33. We understand that a number of significant events during the prior DPP period, used to establish the DPP4 quality settings, materially influenced the calculation of the SAIDI unplanned boundary value. However, we consider that amending only the SAIDI unplanned boundary value by removing certain events from the dataset for all years of the regulatory period is not consistent with the broader objectives of the regulatory regime or how quality settings should be derived.

Our draft decision is to amend Firstlight's unplanned quality settings for the second assessment period only

34. We assessed Firstlight's application against the circumstances for each DPP4 assessment period. The reasons for our decisions are as follows:

First DPP4 assessment period (1 April 2025 to 31 March 2026)

- 34.1 Our draft decision is to make no amendments to Firstlight's quality settings for the first DPP4 assessment period. Firstlight submitted its QSV application on 30 March 2026, one day before the end of the first DPP4 assessment period on 31 March 2026.

²⁴ See page 13 of Firstlight's application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under 'Active DPP4 Reopeners' - "Firstlight Network Quality standard variation reopener 2026" – 'Draft decision')

- 34.2 As Firstlight’s application was received at the end of the first DPP4 assessment period, amending the SAIDI unplanned boundary value after that period had concluded would result in the boundary value no longer reflecting the quality regime that applied during the year. We also consider that, because the first DPP4 assessment period has now ended, the boundary value no longer has any incentive effect in relation to that period.
- 34.3 The quality settings under the DPP are intended to provide ex-ante, or forward-looking, incentives and retrospectively adjusting them would weaken those incentives. Applying any amendment prospectively only preserves those incentives and ensures Firstlight is not rewarded for historical performance that was not influenced by this decision. This is consistent with clause 4.5.12(3)(a) of the EDB IMs,²⁵ which focuses on the EDB’s realistically achievable performance over the remainder of the regulatory period (post application) and the rationale in the IM Review Reasons paper.²⁶

Second DPP4 assessment period (1 April 2026 to 31 March 2027)

- 34.4 Our draft decision is to amend the unplanned quality standards and incentive rate for the second DPP4 assessment period by reverting them to the DPP3 values shown in Table 1 below.
- 34.5 The unplanned interruption quality settings and associated incentive measures operate as an integrated framework and amendments to one parameter in isolation may not produce the desired regulatory outcome.

Table 1. Draft amendments to Firstlight’s quality settings – second DPP4 assessment period (1 April 2026 to 31 March 2027)

Quality settings	Current quality settings (DPP4 determination)	Firstlight’s QSV proposal	Draft decision – change to DPP3 quality settings
Amendments to EDB DPP4 Determination – Table 3.2.1			
Unplanned SAIDI limit	230.43	No change	219.46
Unplanned SAIFI limit	3.3101	No change	3.1525
SAIDI unplanned boundary	18.80	12.03	13.10

²⁵ Commerce Commission “[Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026](#)” (23 June 2026).

²⁶ Commerce Commission “[Input methodologies review decisions – Topic paper 2: CPP requirements](#)” (20 December 2016), paragraph 93.

Quality settings	Current quality settings (DPP4 determination)	Firstlight's QSV proposal	Draft decision – change to DPP3 quality settings
SAIFI unplanned boundary	0.1807	No change	0.1765
Amendments to EDB DPP4 Determination – Table 4.1			
SAIDI unplanned interruption target	182.54	No change	173.85
SAIDI unplanned interruption cap	230.43	No change	219.46

Third to fifth assessment periods of DPP4 (1 April 2027 to 31 March 2030)

35. Our draft decision is to make no amendments to the quality settings for the third to fifth assessment periods of DPP4 due to the merger between Powerco and Firstlight.
36. We consider that amending Firstlight's quality settings for only the 2027 assessment period better promotes the s 52A(1)(a) and (b) limbs of the Part 4 purpose of the Commerce Act 1986 (the Act) as opposed to the Firstlight application.²⁷

Our assessment of Firstlight's application

37. We have assessed Firstlight's application to amend its DPP4 quality settings and made our draft decision in accordance with the EDB IMs currently in effect for the DPP4 regulatory period.²⁸
38. The regulatory framework and assessments underpinning our draft decisions are presented in the following attachments:
- 38.1 **'Attachment A – Reconsideration framework'** sets out the regulatory requirements against which we have assessed Firstlight's application.
- 38.2 **'Attachment B – Assessment of quality standard variation reopener criteria'** presents our assessment of Firstlight's application against the QSV criteria.
- 38.3 **'Attachment C – Assessment of 'whether to amend' criteria'** sets out our assessment of the application against the 'whether to amend' reopener criteria.

²⁷ [Commerce Act 1986](#), section 52A(1)(a) and (b).

²⁸ Commerce Commission ["Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026"](#) (23 June 2026).

- 38.4 **‘Attachment D – Amending Firstlight’s quality settings and assessment of ‘how to amend’ criteria’** sets out our draft decision to amend Firstlight’s quality settings, ie, what quality standard parameters to amend and our assessment of the application against the ‘how to amend’ reopener criteria.
39. We have also published the following documents alongside this paper:²⁹
- 39.1 the draft amendment determination that will give legal effect to our draft decision (if finalised); and
- 39.2 a copy of Firstlight’s QSV application, provided to us on 30 March 2026. This is a public version of Firstlight’s application and contains one redacted section.

Submissions on this paper

40. We seek your views on the matters discussed in this paper by 5pm Wednesday 28 October 2026.
41. Please address your submission to Ben Woodham, EDB Manager c/o infrastructure.regulation@comcom.govt.nz with ‘Firstlight QSV reopener consultation’ in the subject line of your email.
42. If you require additional time to prepare your submission, you can request an extension by emailing us using the details above.
43. We prefer submissions in both a format suitable for word processing (such as a Microsoft Word document), as well as a ‘locked’ format (such as a PDF) for publication on our website.

Confidential submissions

44. While we encourage public submissions so that all information can be tested in an open and transparent manner, we recognise that there may be cases where parties that make submissions wish to provide information in confidence. We offer the following guidance:
- 44.1 If it is necessary to include confidential material in a submission, the information should be clearly marked, with reasons why that information is considered to be confidential.

²⁹ See documents available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’ - ‘Firstlight Network Quality standard variation reopener 2026’ – ‘Draft decision’).

- 44.2 Where commercial sensitivity is asserted, submitters must explain why publication of the information would be likely to unreasonably prejudice their commercial position or that of another person who is the subject of the information.
 - 44.3 Both confidential and public versions of the submission should be provided.
 - 44.4 The responsibility for ensuring that confidential information is not included in a public version of a submission rests entirely with the party making the submission.
45. Please note that all submissions we receive, including any parts that we do not publish, can be requested under the Official Information Act 1982. This means we would be required to release material that we do not publish unless good reasons exist under the Official Information Act 1982 to withhold it. We would normally consult with the party that has provided the information before any disclosure is made.
46. We request that you provide multiple versions of your submission if it contains confidential information or if you wish for the published electronic copies to be 'locked'. This is because we intend to publish all submissions on our website. Where relevant, please provide both an 'unlocked' electronic copy of your submission and a clearly labelled 'public' version.

Attachment A Reconsideration framework

- A1 This attachment presents the regulatory framework for assessing Firstlight's application to reconsider and amend its DPP4 quality standards.

The DPP4 price path and quality standards may only be reconsidered in limited circumstances

- A2 Firstlight is a non-exempt EDB subject to price-quality regulation by the Commission under Part 4 of the Act. The quality standards it is subject to for the period are set out in the DPP4 determination.³⁰
- A3 Under s 52T(1)(c)(ii) of the Act, these circumstances include those specified in Subpart 5 of Part 4 of the EDB IMs – Reconsideration of the DPP.³¹
- A4 Clause 4.5.1 of the EDB IMs sets out that the Commission may amend an EDB DPP if the Commission is satisfied that:
- A4.1 a reopener event has occurred;
 - A4.2 the DPP should be amended; and
 - A4.3 the amendment (how to amend) is consistent with clause 4.5.15.
- A5 We discuss each of these below.
- A6 Our discretion on whether to amend an EDB's quality standards is guided by the extent to which amending quality standards in these circumstances would promote the s 52A purpose of Part 4 of the Act.

Is the event a reopener event (see Attachment B)

- A7 When considering a reopener application, we must first consider whether the event is a reopener event. The EDB IMs prescribe what types of events may be reopener events,³² and that the event must have occurred in the period.³³

Whether to amend the DPP and quality standards (see Attachment C)

- A8 If we are satisfied that a reopener event has occurred, then we will consider whether to amend the DPP and quality standards by having regard to at least each of the following matters, to the extent we consider the matter is relevant:³⁴

³⁰ Commerce Commission "[Electricity Distribution Services Default Price-Quality Path Determination 2025 \[2024\] NZCC 28](#)" (20 November 2024).

³¹ Commerce Commission "[Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026](#)" (23 June 2026).

³² Ibid, subpart 5 section 2.

³³ Ibid, clause 4.5.1(2).

³⁴ Commerce Commission "[Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026](#)" (23 June 2026), clause 4.5.13.

- (a) the impact of the reopener event given the relevant circumstances, including both positive and negative effects, on the EDB's costs, revenues, and quality outcomes;
- (b) the extent to which the DPP provides explicitly or implicitly for the reopener event;
- (c) if an EDB nominated the reopener event:
 - (i) whether the action required to respond to the reopener event's adverse consequences can be delayed until a future regulatory period;
 - (ii) the extent to which the EDB:
 - (A) contributed to the adverse consequences of the reopener event by its action or omission; and
 - (B) could have prevented or overcome the adverse consequences of the reopener event by exercising reasonable diligence at reasonable cost;
 - (iii) whether the EDB's planned capex and opex for the remainder of the regulatory period have been appropriately reviewed and reprioritised;³⁵ and
- (d) whether a Customised Price-Quality Path (CPP) proposal is more appropriate than an amendment to the DPP under this subpart.

A9 We may consider a CPP proposal is more appropriate than amending the DPP if the reopener event has an impact on a wide range of costs specific to the EDB that were used explicitly or implicitly to set the DPP. The EDB IMs list a range of matters that we may have regard to in considering this.³⁶

How to amend the DPP (see Attachment D)

- A10 If we decide that the DPP should be amended, we then need to consider how this is done. For reopener events in general, we may amend one or more of the (a) price path (b) quality standards and (c) quality incentive measures in the DPP determination.³⁷
- A11 The Commission may amend the quality standards or quality incentive measures in respect of any type of reopener event.³⁸ The Commission may not amend the price path in the event of a QSV proposal.³⁹
- A12 The EDB IMs set out that the Commission must not amend the quality standards or quality incentive measures more than is reasonably necessary to reflect the Commission's decision on the QSV.⁴⁰

³⁵ Capital expenditure and operational expenditure.

³⁶ Commerce Commission ["Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026"](#) (23 June 2026), clause 4.5.14.

³⁷ Ibid, clause 4.5.15.

³⁸ Ibid, clause 4.5.15(9)

³⁹ Ibid, clause 4.5.15(2).

⁴⁰ Ibid, clause 4.5.15(10).

Attachment B Assessment of quality standard variation reopener criteria

- B1 We have assessed whether Firstlight’s application meets the QSV reopener criteria for consideration by the Commission.⁴¹ Our draft decision is that it does for the reasons outlined below. However, our overall draft decision, as set out in paragraph 6 of this paper, differs from the approach proposed in Firstlight’s application.
- B2 As required by the EDB IMs, a quality standard reopener must be submitted in writing and include the relevant quality standard parameters, the reasons for the proposed QSV, an engineer’s report, an assessment of the effect of the quality variation relative to the existing determination using supporting data and evidence of consumer consultation.⁴² Firstlight’s application satisfies these requirements.⁴³⁴⁴
- B3 Beyond the requirements a QSV application must meet for us to be able to consider it, we are also required to assess the extent to which the QSV better reflects the realistically achievable performance of the EDB over the remainder of the regulatory period.⁴⁵ We have assessed this in paragraphs 20 to 33 of this paper.
- B4 We are also required to consider the extent to which the EDB has consulted with consumers and the extent to which the QSV is supported by consumers.⁴⁶ While Firstlight considered consumer feedback in developing its QSV application, it did not specifically consult consumers on the application before submitting it.⁴⁷ Firstlight later provided evidence of targeted customer feedback but this did not change our assessment of Firstlight’s application.⁴⁸

⁴¹ Commerce Commission “[Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026](#)” (23 June 2026), clause 4.5.12.

⁴² Ibid, clauses 4.5.12(1) and (2).

⁴³ See Table 8 of Firstlight’s application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’ - “Firstlight Network Quality standard variation reopener 2026” – ‘Draft decision’).

⁴⁴ We were provided a copy of the Engineer’s report as required under clause 4.5.12(c) of the EDB IMs. We note that the engineer’s report is confidential and has not been published. We have reviewed the report and agree with Firstlight’s assessment in Table 8 of its application.

⁴⁵ Commerce Commission “[Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026](#)” (23 June 2026), clause 4.5.12(3)(a).

⁴⁶ Ibid, clause 4.5.12(3)(b) and (c).

⁴⁷ See Table 8 of Firstlight’s application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’ - “Firstlight Network Quality standard variation reopener 2026” – ‘Draft decision’).

⁴⁸ We were provided with a copy of the consumer feedback report by Firstlight on 1 July 2026. We note that this report is confidential and has not been published.

Attachment C Assessment of ‘whether to amend’ criteria

- C1 This attachment presents our assessment of the application against the ‘whether to amend’ criteria set out in the EDB IMs.⁴⁹
- C2 Based on our assessment, outlined below, we are satisfied that Firstlight’s quality standards for the second DPP4 assessment period should be amended.⁵⁰ We do not consider a CPP is more appropriate here given the relatively limited impact on consumers.⁵¹
- C3 Clause 4.5.13 of the EDB IMs lists factors that the Commission must have regard to when considering whether to amend the DPP. Our assessment of factors (a) to (c) are as follows:
- C3.1 The impact of the reopener event on the EDBs costs, revenues and quality outcomes has been considered at paragraphs 30 and 31 of this paper.⁵²
- C3.2 DPP4 does not provide explicitly or implicitly for this reopener event.⁵³
- C3.3 We do not consider that the reopener ought to be delayed until the next regulatory period.
- C3.4 We do not consider there were actions or omissions by Firstlight that contributed to the need of the reopener, which would indicate that we should decline the reopener.⁵⁴
- C3.5 We do not consider the factor, whether planned capex and opex have been appropriately reviewed and reprioritised, to be directly relevant to the assessment of Firstlight’s QSV proposal. We note however that Firstlight has been investing in its network to improve reliability, as described in section 1.4 of its application.^{55 56}

⁴⁹ Commerce Commission “[Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026](#)” (23 June 2026), clauses 4.5.13: Commission consideration of whether to amend the DPP, and 4.5.14: the Commission may determine a CPP more appropriate.

⁵⁰ Ibid, clauses 4.5.13(1)(d) and 4.5.14.

⁵¹ Ibid, clause 4.5.14.

⁵² Ibid, clause 4.5.13(1)(a).

⁵³ Ibid, clause 4.5.13(1)(b).

⁵⁴ Ibid, clause 4.5.13(1)(c)(ii).

⁵⁵ Ibid, clause 4.5.13(1)(c)(ii).

⁵⁶ See Firstlight’s application available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’ - “Firstlight Network Quality standard variation reopener 2026” – ‘Draft decision’).

Attachment D Amending Firstlight's quality standards and assessment of 'how to amend' criteria

- D1 This attachment sets out our assessment against the 'how to amend' reopener criteria.⁵⁷
- D2 In respect of a quality standard reopener event we may amend quality standards and quality incentive measures, but not the price path.⁵⁸
- D3 Our draft decision is to amend the unplanned quality settings and associated quality standard incentive settings applying to Firstlight's second assessment period of DPP4. Our draft decision is set out in paragraph 6 of this paper.
- D4 Clause 4.5.15(10) sets out that we must not amend the quality standards or quality standard incentive measures more than is reasonably necessary to reflect our decision on the QSV. Our draft decision to amend the quality settings and quality incentive measures only in the second assessment period of DDP4 is consistent with this clause.

⁵⁷ Commerce Commission ["Electricity Distribution Services Input Methodologies Determination 2012 consolidated as of 23 June 2026"](#) (23 June 2026), clause 4.5.15.

⁵⁸ Ibid, clause 4.5.15(1),(2) and (9).