

Electricity price changes effective 1 April 2025

Powerco's prices are increasing by around 24.1%¹ from 1 April 2025.

Table 1: Breakdown of price changes by component and Region

Component	Eastern		Western	Overall
	Tauranga	Thames Valley		
Distribution	27.8%	26.5%	25.0%	26.1%
Transmission	16.9%	14.8%	18.4%	17.0%
Overall	25.6%	23.4%	23.7%	24.1%

The distribution component makes up around 75% of the total network charge, and prices are increasing by an average of 26.1%. Transmission and other third-party costs make up around 25% of the total network charge, and prices are increasing by an average of 17.0%.

The total network charge we pass to your retailer depends on how and when you use the network, as it is based on several components (eg fixed and variable). This network charge reflects the costs of providing distribution and transmission services to you, and can change from year to year.

Average changes by region and consumer group

The price changes can vary between regions and between consumer groups. This reflects the different costs of supply and uses of the network within those regions and groups.

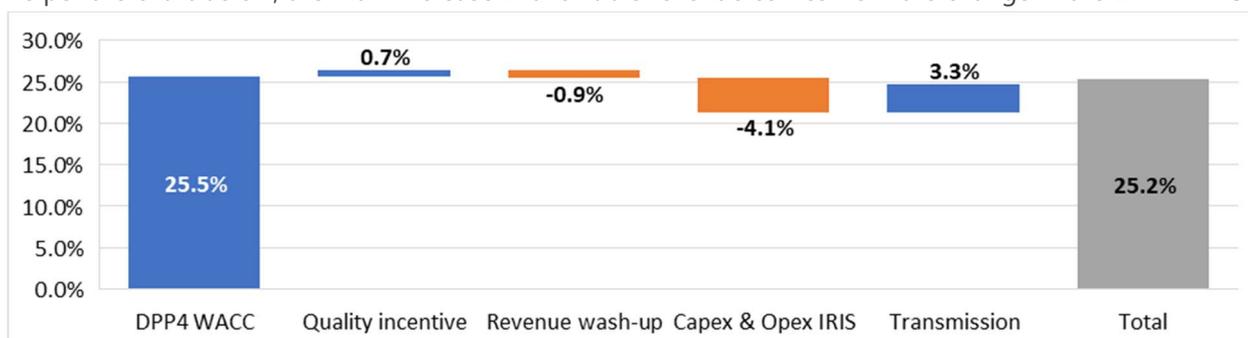
Table 2: Breakdown of price changes by Region and component

Consumer Group	Eastern		Western	Overall
	Tauranga	Thames Valley		
Mass Market	24.9%	25.9%	25.0%	25.2%
Commercial	23.2%	24.2%	24.9%	24.0%
Industrial	29.1%	17.1%	16.4%	19.9%
Overall	25.6%	23.4%	23.7%	24.1%

Drivers of the changes

Our forecast allowable revenue for the year beginning 1 April 2025 is up by 25.2% compared to last year. Due to forecast growth in customers and usage, the overall price increase will be 24.1%.

As per the chart below, the main increase in allowable revenue comes from the change in the DPP4 WACC:



¹The 24.1% price change differs from the 25.2% revenue change figure. These figures differ due to the forecast changes in quantities, both usage volumes and number of connections.

This is the Weighted Average Cost of Capital, which has been reset by the Commerce Commission for the Default Price Path (DPP4) period, from 1 April 2025 to 31 March 2030. The rate has increased from 4.57% to 7.10%, largely due to increases in interest rates since the prior rate was set.

Other changes to our pricing

1. Phasing out of Low Fixed Charge tariffs

The electricity low fixed-charge tariff option is being phased out by the Government over five years, and started from 1 April 2022. This change re-balances the cost burden between high users and low users, as often the cost to supply energy is no different.

In line with this, the daily fixed charge for low user tariffs will rise from 60 cents per day to 75 cents per day from 1 April 2025. This change is revenue neutral on an overall basis, although will mean the percentage price increase experienced by lower users will be higher than the average.

2. North Coromandel sub-region

We have created a new pricing subregion in the North Coromandel where we experience very high network peaks during holiday periods.

The main difference is that the peak periods for the subregion will be the same as elsewhere on our network (7-11am and 5-9pm) but include weekends to reflect the very high use of the network during weekends and holiday periods.

3. DG credit

We are introducing credits (negative charges) for customers who export power from generation, or from battery storage, at their ICP, during peak load times. This tariff is initially set at 5 cents per kWh.

We will keep the existing 0c/kWh option for sites which don't have suitable metering, and off-peak export will also be priced at 0c/kWh.

4. kVA capacity charge

We have introduced a capacity charge for medium commercial customers on the x22 Price Categories, in addition to the daily fixed charge.

This group contains customers with fusing of greater than 3 phase 63 Amps, up to and including 250 Amps, but uses published prices with a single fixed charge. The change allows a tailored fixed charge to be applied, without creating additional Price Categories – eg one per fuse size.

This is also a step towards creating capacity-based fixed charges at lower levels, to differentiate between smaller and larger users, which will become more important as LFC is phased out, and pricing evolves to recover more revenue via fixed-like charges.

Want to know more?

Further details of our pricing, and the changes implemented this year, can be found in our:

- [Pricing Methodology](#)
- Pricing Schedules
- Pricing Policy
- Pricing Roadmap

Any questions? Contact our Pricing team: pricing@powerco.co.nz. They'd love to hear from you.

