



7 October 2025

Ben Woodham  
Electricity Distribution Manager  
By email: [infrastructure.regulation@comcom.govt.nz](mailto:infrastructure.regulation@comcom.govt.nz)

### **Feedback on default price-quality paths open letter**

Meridian welcomes the opportunity to respond to the Commerce Commission's open letter of 25 August 2025, titled *Ensuring our approach to price paths is delivering for consumers*. Meridian supports the Commission's intent to ensure that price-quality paths deliver enduring value for consumers. However, we would like to highlight the need for greater price stability and predictability, and propose that the Commission explore changes to the weighted average cost of capital (WACC) methodology to reduce volatility between regulatory periods, and therefore ensure more predictability and less risk of price shocks for consumers.

Recent resets, including DPP4, have resulted in significant step changes in allowable revenue, driven in large part by changes in the WACC. For example, the WACC increased from 4.6% under DPP3 to 7.1% under DPP4, contributing to approximately one-third of the forecast revenue increase. These shifts have led to price shocks that are difficult for consumers to absorb and predict. Sudden price increases create affordability challenges for households and businesses. They also risk undermining confidence in regulated markets.

Meridian encourages the Commission to consider alternative methodologies for the WACC input to regulated revenue limits. We believe that a principled and transparent approach can be developed in consultation with stakeholders to balance consumer and network interests.

This submission is not confidential and can be released in full. I can be contacted to discuss any of the points made.

Nāku noa, nā

A handwritten signature in blue ink, reading "Evealyn Whittington". The signature is written in a cursive style and is positioned above a thin horizontal line.

Evealyn Whittington

**Senior Regulatory Specialist**