REGULATORY DISCLOSURE

Gas transmission services: Capacity allocation methodology and transmission system capacity reservations

Year ended 30 September 2025

First Gas Limited
March 2026

Introduction

Firstgas is based in the energy-rich region of Taranaki. Firstgas owns more than 2,500 km of high-pressure gas transmission pipelines and stations that are essential to supplying natural gas to industrial customers throughout the North Island.

Firstgas also owns 4,800kms of gas distribution networks across the North Island. These networks extend north as far as Northland and south as far as Kāpiti, as well as covering Waikato, Hawkes Bay, Gisborne and the Bay of Plenty. Through these distribution networks, Firstgas directly connects more than 67,000+ homes and businesses to gas.

Firstgas has relationships with more than 4,500 landowners and iwi who have transmission pipelines running through their properties and land. We work in partnership with them as well as our contractors to keep them safe, while living and working around our pipelines.

Firstgas is part of the Clarus group of companies which is one of New Zealand's largest energy groups with businesses that touch many aspects of the energy supply chain including Rockgas, Firstgas, Firstlight Network, First Renewables and Flexgas. Whether it's transmission, distribution, supply or storage of energy, the companies within the Clarus group service over half a million homes and businesses of all sizes around New Zealand.

Compliance statement

This document is a regulatory disclosure prepared pursuant to sections 2.5.3 and 2.5.4 of the *Gas Transmission Information Disclosure Determination 2012* consolidating all amendments as of 3 April 2018 issued by the Commerce Commission. This regulatory disclosure covers Firstgas' transmission business (both the Maui and Non-Maui transmission systems) for the 12-month period ending 30 September 2025 (the disclosure year).

The capacity allocation methodology and system capacity reservation information in this disclosure refers to the Non-Maui gas transmission system. The Maui transmission system is managed under the Maui Pipeline Operating Code (MPOC). The shippers on the Maui line nominate their requirements daily. This forms the capacity for that day. There is no forward commitment on a firm capacity basis and capacity is not reserved on the Maui transmission system.

This regulatory disclosure was prepared on 19 March 2026.

Further information

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1. Capacity allocation methodology

1.1 Current capacity allocation methodologies (clause 2.5.3(1)(a))

Firstgas currently provides two types of firm contractual transmission capacity to Shippers[1] - Reserved Capacity and Supplementary Capacity.

Reserved Capacity is Firstgas' standard capacity product, and is allocated in accordance with the relevant provisions of the Gas Transmission Code (the Code):

(I) Prior to the start of each contract year[2] and
(II) During each contract year

in response to Shippers' specific requests, to the limit of uncommitted operational capacity.[3] The processes involved in (i) and (ii) above are separately described below. Under the current Code, a Shipper retains the right to use any Reserved Capacity allocated to it unless and until that Shipper relinquishes it.[4]

Supplementary Capacity is firm transmission capacity that Firstgas provides to a Shipper under a Supplementary Agreement, in compliance with specific provisions of the Code. Firstgas is under no obligation to provide Supplementary Capacity and, the Reserved Capacity allocation processes set out in the Code do not apply to Supplementary Capacity. Supplementary Capacity is available to a Shipper only for the term of the relevant Supplementary Agreement.

Reserved Capacity and Supplementary Capacity are equally "firm", so Firstgas must take both into account when determining uncommitted operational capacity.

1.1.1. Allocation of Reserved Capacity before the start of a contract year

Under the Code:

1) All Shippers must notify Firstgas of their Confirmed Reservation Requirements[5] by 5pm on the second Friday in September.

2) A Shipper is entitled to reserve up to the amount of Reserved Capacity it holds at any Receipt Point-Delivery Point[6] (RP – DP) on the second Friday in September, although it may request more or less. A Shipper may request Reserved Capacity at a RP – DP irrespective of whether it currently has any capacity there.

3) Firstgas must notify Shippers of the extent to which it accepts their Confirmed Reservation Requirements by 5pm on the third Friday in September. This requires First Gas to determine the uncommitted operational capacity available, taking into account such things as:

   (I) The amounts of Reserved Capacity requested compared with the amounts currently allocated;
   (II) Changes in the distribution of Reserved Capacity, i.e. the extent to which requests for less Reserved Capacity at some RP-DPs offset requests for more at others
   (III) Changes in Supplementary Capacity (if any)
   (IV) How much capacity was allocated in prior years and where;

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[1] A shipper is a person named in a transmission services agreement with First Gas. Only Shippers may hold transmission capacity. The Information Disclosure Determination refers to Shippers as "consumers".

[2] Being the year commencing on 1 October in year "n" and ending on 30 September in year "n+1".

[3] Uncommitted operational capacity is the amount of a pipeline's physical capacity available to be allocated to Shippers, and is equal to: operational capacity – aggregate contractual (firm) capacity. The determination of operational capacity is described in Firstgas' "Gas Transmission Asset Management Plan – 2023" (*AMP*), available at www.firstgas.co.nz/About-Us/Regulatory/Transmission.

[4] Either by not reserving it again, trading it to another Shipper or cancelling it in accordance with the Code.

[5] Under the Code, Shippers must lodge non-binding Provisional Reservation Requirements earlier each year.

[6] In this disclosure, Code terms are used, i.e.: Receipt Point = intake point; Delivery Point = offtake point.

(V) The most recent pipeline modelling information, e.g. in the Asset Management Plan (AMP) and
(VI) The maximum capacity of individual Receipt and Delivery Points.

4) If it believes there is insufficient uncommitted operational capacity for it to approve all Shippers' requests for Reserved Capacity,[7] Firstgas must apply the capacity allocation procedure set out in the Code. Briefly, that process would work as follows:

(I) Any Shipper requesting the same amount of, or less Reserved Capacity than it currently holds at an RP-DP would be allocated that amount
(II) First Gas would then determine the extent of uncommitted operational capacity available by referencing the AMP or any other relevant pipeline modelling information or, if necessary, undertaking additional modelling
(III) First Gas would then allocate increased Reserved Capacity to the relevant Shippers in accordance with the following formula:

increase = (Shipper's requested increase for an RP-DP ÷ All Shippers' requested increases for all RP-DPs on the pipeline) × uncommitted operational capacity and

(IV) Firstgas would then check that any allocated increases in Reserved Capacity could actually be delivered via the relevant Delivery Points.[8] If not, capacity above the maximum that could be delivered would be re-allocated to other RP-DPs by a further iteration of the above formula.

1.1.2. Allocation of Reserved Capacity during a year

Under the Code:

1) A Shipper may request Reserved Capacity, or additional Reserved Capacity during a year, e.g., if it acquires new customers, or if one or more existing customers increase their load.

2) A Shipper must apply for additional Reserved Capacity using the appropriate screen on OATIS.[9] Firstgas must approve (or decline) any such request via OATIS.

3) Firstgas must approve any such request (subject to the conditions set out in the Code) where it believes there is sufficient uncommitted operational capacity. To ascertain that, Firstgas considers:

(I) the relevant matters listed in paragraph (3) of the previous section; and
(II) any capacity transfer requests (to or from the RP-DP in question, or any other RP-DP relevant to the request) approved but not yet effective; and
(III) existing queued requests for capacity (if any).

4) Should it decline a request for additional capacity, Firstgas would (subject to the Code and the wishes of the Shipper concerned) place the request in the capacity queue for the relevant pipeline. If capacity subsequently became available, e.g., if a Shipper applied to cancel Reserved Capacity or to transfer Reserved Capacity elsewhere (including out of the pipeline altogether), Firstgas would offer additional Reserved Capacity to Shippers in the capacity queue, in accordance with the Code.

[7] Namely, where Firstgas reasonably believed that a breach of its Security Standard (e.g. by the pressure at a critical point in a pipeline falling below the acceptable minimum) could result.
[8] This would be necessary because a Shipper might request a "disproportionate" amount of additional capacity at the far end of a pipeline. The first pass of the allocation formula could then produce an unsustainable outcome. This reflects the reality that it is unrealistic to represent the uncommitted operational capacity of a pipeline by a single number: where capacity is required would change any such number
[9] Firstgas' "Open Access Transmission Information System", at www.oatis.co.nz.

1.2 Approved requests for capacity (clause 2.5.3(1)(b))

During the disclosure year there was **sufficient uncommitted operational capacity** to meet all Shippers' requests for Reserved Capacity:

(I) Confirmed Reservation Requirements for 2024-25: **approved in full**
(II) Requests for additional Reserved Capacity: **18**
(III) Requests for additional Reserved Capacity **approved in full: 18** and
(IV) Requests for additional Reserved Capacity **approved in part: zero.**

1.3 Unmet demand for capacity (clause 2.5.3(1)(c))

During the disclosure year there was no unmet demand for Reserved Capacity:

(I) Requests for Reserved Capacity **declined: 0**
(II) Maximum daily quantities associated with requests **declined: zero** and
(III) Reasons for requests not being approved in full: **not applicable.**

2. Transmission system capacity reservations

1) Tables 1 – 6 below set out the information required to be disclosed in accordance with clause 2.5.4 of the Information Disclosure Determination, for each of Firstgas' Non- Maui transmission pipeline systems.

2) The named offtake points (= Delivery Points) for each pipeline system are those which, in the system peak flow period, satisfied one or more of the criteria set out in clause 2.5.4(3)(a) – (c); i.e.:

   (I) Throughput ≥ 2,000 GJ
   (II) Contractual firm capacity ≥ 10,000 GJ (per day) or
   (III) Nominal delivery pressure > 20 bar gauge.

   The relevant offtake points are those identified in Firstgas' "Pipeline Peak Flow Disclosure"[10] for 2021. That disclosure refers to actual offtake points, whereas for commercial/contractual reasons some such points are aggregated into "notional" offtake points. An example is "Greater Auckland", which currently comprises 5 actual offtake points. Since this capacity disclosure is concerned with contractual capacity, Tables 1 – 6 show data for notional/contractual offtake points.

3) For all offtake points on a pipeline system that did not satisfy any of the criteria set out in clause 2.5.4(3)(a) – (c), data was aggregated in accordance with clause 2.5.4(3)(d) of the Information Disclosure Determination and appears in the tables on the line labelled "All Other Points".

4) Data is given for the three dates specified in clause 2.5.4(4), i.e.:

   (I) The last day of the preceding pricing year (i.e., 30 September 2025);
   (II) The first day of the new pricing year (i.e., 1 October of 2025); and
   (III) The first day of each system's peak flow period for the preceding pricing year (i.e., the year ending 30 September 2025).

5) Firm contractual transmission capacity in respect of each offtake point comprises Reserved Capacity plus Supplementary Capacity (if any).

6) The MDQ (maximum daily quantity) and MHQ (maximum hourly quantity), respectively, for each offtake point correspond to the aggregate amount of firm contractual transmission capacity in each case. For Reserved Capacity, the MHQ is currently 1/16th of MDQ. For Supplementary Capacity, the MHQ can be a different fraction of MDQ, hence actual MHQs were obtained from the actual contracts.

7) MDQ and MHQ values have been rounded up to the nearest GJ.

[10] Available at https://firstgas.co.nz/wp-content/uploads/Transmission-disclosure-Peak-Flows_YE-30-Sept-2025_FINAL.pdf

TABLE 1: North system

Offtake Point		Aggregate Firm Contractual Transmission Capacity (GJ) Held by All Shippers on:			
		30 Sep 2025	01 Oct 2025	15 Aug 2025	> 20 bar g
Harrisville 2	MDQ	1,025	1,084	1,025	
	MHQ	51	54	51	
Drury 1	MDQ	374	539	423	
	MHQ	23	34	26	
Hunua (all)	MDQ	618	399	618	Note 1
	MHQ	39	25	39	
Flat Bush	MDQ	1,191	1,175	1,191	
	MHQ	74	73	74	
Greater Auckland	MDQ	35,640	35,079	36,032	Note 2
	MHQ	2,228	2,192	2,252	
Kauri DF	MDQ	2,600	2,600	2,600	Note 4
	MHQ	130	130	130	
Waitoki	MDQ	896	808	862	
	MHQ	56	50	54	
Glenbrook	MDQ	7,000	6,750	7,000	
	MHQ	438	422	438	
Warkworth	MDQ	1,363	1,341	1,363	Note 3
	MHQ	85	84	85	
Tuakau 2	MDQ	2,656	1,589	2,776	
	MHQ	166	99	174	
Whangarei	MDQ	504	501	501	
	MHQ	31	31	31	
Maungaturoto DF	MDQ	2,600	2,600	2,600	Note 4
	MHQ	130	130	130	
Major Points	**MDQ**	**56,467**	**54,464**	**56,990**	
	MHQ	**3,451**	**3,325**	**3,484**	
All Other Points	MDQ	**529**	**408**	**529**	
	MHQ	**33**	**26**	**33**	
Total	**MDQ**	**56,996**	**54,872**	**57,520**	
	MHQ	**3,484**	**3,351**	**3,517**	

Note 1:	Hunua (all) includes the Hunua, Hunua (Nova) and Hunua 3 Delivery Points. At Hunua 3 Firstgas delivers gas at pipeline pressure (i.e., unregulated)

Note 2:	Greater Auckland is a notional Delivery Point, comprising the actual Westfield, Papakura, Bruce McLaren, Waikumete and Henderson Delivery Points
Note 3:	Includes transmission capacity provided for Southern Paprika under a non-standard agreement ("Supplementary Agreement"), i.e. MDQ 1,300 GJ, MHQ 81 GJ.
Note 4:	Transmission capacity is provided to Kauri DF and Maungaturoto DF under a single non-standard agreement ("Supplementary Agreement"). The combined MDQ for the 2 Delivery Points varies seasonally between 2,250 and 4,600 GJ, subject to a maximum of 2,600 at either. The MHQ at either Delivery Point is limited to 130 GJ

Table 2: Central North system

Offtake Point		Aggregate Firm Contractual Transmission Capacity (GJ) Held by All Shippers on:			
		30 Sep 2025	1 Oct 2025	22 Aug 2025	> 20 bar g
Greater Hamilton	MDQ	6,304	5,928	6,621	Note 1
	MHQ	394	371	414	
Tatuanui DF	MDQ	1,400	1,400	1,400	
	MHQ	88	88	88	
Waitoa	MDQ	1,823	1,538	2,012	
	MHQ	114	96	126	
Cambridge	MDQ	2,061	2,447	1,758	
	MHQ	129	153	110	
Kiwitahi 1 (Peroxide)	MDQ	950	-	950	
	MHQ	59	-	59	
Te Rapa DF	MDQ	6,101	5,930	5,918	Note 2 <20 bar g
	MHQ	381	371	370	
Morrinsville DF	MDQ	891	830	893	
	MHQ	56	52	56	
Major Points	**MDQ**	**19,530**	**18,073**	**19,553**	
	MHQ	**1,221**	**1,130**	**1,222**	
All Other Points	MDQ	**1,700**	**1,372**	**1,700**	
	MHQ	**106**	**86**	**106**	
TOTAL SYSTEM	**MDQ**	**21,229**	**19,445**	**21,252**	
	MHQ	**1,327**	**1,215**	**1,328**	

Note 1:	Greater Hamilton is a notional Delivery Point, comprising the actual Hamilton (Te Kowhai) and Hamilton (Temple View) Delivery Points.
Note 2:	The Te Rapa Cogen Plant closed down in May 2023. The delivery point was subsequently modified, becoming the Te Rapa DF Delivery Point (with delivery pressure < 20 bar g).

Table 3: Central South system

Offtake Point		Aggregate Firm Contractual Transmission Capacity (GJ) Held by All Shippers on:			
		30 Sep 2025	1 Oct 2025	02 Aug 2024	> 20 bar g
New Plymouth	MDQ	3,354	2,686	3,505	
	MHQ	210	168	219	
Major Points	**MDQ**	**3,354**	**2,686**	**3,505**	
	MHQ	**210**	**168**	**219**	
All Other Points	MDQ	**1,328**	**1,104**	**1,139**	
	MHQ	**83**	**69**	**71**	
TOTAL SYSTEM	**MDQ**	**4,682**	**3,790**	**4,644**	
	MHQ	**293**	**237**	**290**	

Table 4: Bay of Plenty system

Offtake Point		Aggregate Firm Contractual Transmission Capacity (GJ) Held by All Shippers on:			
		30 Sep 2025	1 Oct 2025	18 Oct 2024	> 20 bar g
Lichfield DF	MDQ	1,861	1,790	1,860	
	MHQ	116	112	116	
Lichfield 2	MDQ	3,751	3,740	3,750	
	MHQ	234	234	234	
Edgecumbe DF	MDQ	3,402	3,490	3,429	
	MHQ	213	218	214	
Reporoa	MDQ	51	6	36	
	MHQ	3	0	2	
Whakatane	MDQ	3,691	3,279	3,656	Note 1
	MHQ	194	193	192	
Tirau DF	MDQ	520	660	620	
	MHQ	33	41	39	
Kinleith (CHH Mill)	MDQ	7,617	-	10,900	
	MHQ	476	-	681	
Kawerau (Tasman)	MDQ	1,600	-	1,650	
	MHQ	100	-	103	
Kawerau (Caxton)	MDQ	362	400	756	
	MHQ	23	25	47	
Greater Tauranga	MDQ	1,104	1,134	1,158	Note 2
	MHQ	69	71	72	
Gisborne	MDQ	1,188	853	1,129	
	MHQ	74	53	71	
Greater Mt Maunganui	MDQ	2,949	2,622	2,622	Note 3
	MHQ	184	164	164	
Rotorua	MDQ	1,322	1,166	1,219	
	MHQ	83	73	76	
Major Points	MDQ	**29,419**	**19,139**	**32,785**	
	MHQ	**1,802**	**1,185**	**2,013**	
All Other Points	MDQ	**6,675**	**20,709**	**6,594**	
	MHQ	**417**	**1,294**	**412**	
TOTAL SYSTEM	MDQ	**36,093**	**39,848**	**39,379**	
	MHQ	**2,219**	**2,479**	**2,425**	

Note 1:	Includes transmission capacity provided for the Whakatane Mill under a non-standard agreement ("Supplementary Agreement"), i.e. MDQ 3,400 GJ, MHQ 176 GJ.

Note 2:	Greater Tauranga is a notional Delivery Point, comprising the actual Tauranga and Pyes Pa Delivery Points.
Note 3:	Greater Mt Maunganui is a notional Delivery Point, comprising the actual Mt Maunganui and Papamoa Delivery Points.

Table 5: South system

Offtake Point		Aggregate Firm Contractual Transmission Capacity (GJ) Held by All Shippers on:			
		30 Sep 2025	1 Oct 2025	22 Aug 2025	> 20 bar g
Paraparaumu	MDQ	-	-	-	
	MHQ	-	-	-	
Hawera (all)	MDQ	1,463	1,032	1,188	Note 1
	MHQ	91	65	74	
Wanganui	MDQ	4,048	3,795	4,170	
	MHQ	253	237	261	
Greater Kapiti	MDQ	726	622	888	Note 4
	MHQ	45	39	56	
Marton	MDQ	650	492	699	
	MHQ	41	31	44	
Palmerston North	MDQ	3,141	2,822	3,469	
	MHQ	196	176	217	
Longburn	MDQ	800	813	800	
	MHQ	50	51	50	
Levin	MDQ	691	751	775	
	MHQ	43	47	48	
Belmont	MDQ	4,989	4,621	4,744	
	MHQ	312	289	296	
Pahiatua DF	MDQ	3,281	2,870	3,591	
	MHQ	205	179	224	
Feilding	MDQ	942	790	802	
	MHQ	59	49	50	
Hastings (all)	MDQ	10,412	10,349	10,445	Note 2
	MHQ	651	647	653	
Tawa (A+B)	MDQ	9,950	8,428	9,836	
	MHQ	622	527	615	
Greater Waitangirua	MDQ	1,659	1,603	1,577	Note 3
	MHQ	104	100	99	
Major Points	MDQ	**42,753**	**38,989**	**42,983**	
	MHQ	**2,672**	**2,437**	**2,686**	
All Other Points	MDQ	**2,163**	**1,543**	**2,163**	
	MHQ	**135**	**96**	**135**	
TOTAL SYSTEM	MDQ	**44,916**	**40,532**	**45,146**	
	MHQ	**2,807**	**2,533**	**2,822**	

Note 1:	Hawera (all) refers to the Hawera and Hawera (Nova) Delivery Points.
Note 2:	Hastings (all) refers to the Hastings and Hastings (Nova) Delivery Points. Includes transmission capacity provided for the Pan Pac Mill under a non-standard agreement ("Supplementary Agreement"), i.e. MDQ 2,845 GJ, MHQ 119 GJ.
Note 3:	Greater Waitangirua is a notional Delivery Point, comprising the actual Waitangirua and Pauatahanui 1 Delivery Points
Note 4:	Greater Kapiti is a notional Delivery Point, comprising the actual Waikanae 2 and Paraparaumu Delivery Points.

Table 6: Frankley Road system

Offtake Point		Aggregate Firm Contractual Transmission Capacity (GJ) Held by All Shippers on:			
		30 Sep 2025	1 Oct 2025	06 Sep 2024	> 20 bar g
Frankley Road-Bi	MDQ	-	-	-	Note 1
	MHQ	-	-	-	
Kapuni GTP	MDQ	-	-	-	39 bar g
	MHQ	-	-	-	
Major Points	MDQ	-	-	-	Note 2
	MHQ	-	-	-	
All Other Points	MDQ	-	-	-	
	MHQ	-	-	-	
TOTAL SYSTEM	MDQ	-	-	-	
	MHQ	-	-	-	

Note 1:	The pressure at Frankley Road equals the pressure in the Maui Pipeline.
Note 2:	Reserved Capacity is not applicable on the Frankley Road system so there is no “firm contractual capacity”.