



# **DEFAULT PRICE-QUALITY PATH**

## **ANNUAL COMPLIANCE STATEMENT**

Assessment Period: 1 April 2022 – 31 March 2023

13 June 2023

Pursuant to: Electricity Distribution Services Default Price-Quality Path Determination 2020 (May 2020)

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## 1. INTRODUCTION

Alpine Energy Limited (Alpine Energy) is subject to price-quality regulation under Part 4 of the Commerce Act 1986. The Commerce Commission has set a Default Price-Quality Path (DPP) that Alpine Energy is subject to for the five years, 1 April 2020 to 31 March 2025 (the DPP regulatory period).

This annual compliance statement is published per clause 11.4 of the Electricity Distribution Services Default Price-Quality Path Determination 2020 (the Determination). This statement applies to the third assessment period, commencing 1 April 2022 and ending 31 March 2023.

This statement confirms that Alpine Energy:

- complies with the requirement to calculate the wash-up amount for the assessment period (Section 3);
- complies with the quality standards for the assessment period (Section 4); and
- has not entered into any agreement with another electricity distribution business (EDB) or Transpower for an amalgamation, merger, major transaction, or non-reopener transaction in the assessment period (Section 5).

## 2. DATE PREPARED

This annual compliance statement was prepared on 13 June 2023. A copy is available at Alpine Energy's office at 24 Elginshire Street, Washdyke, Timaru. The annual compliance statement is published on Alpine Energy's website at [www.alpineenergy.co.nz](http://www.alpineenergy.co.nz), and additional copies can be provided on request.

### 3. WASH-UP AMOUNT

As required by clause 8.6 of the Determination, Alpine Energy must calculate a wash-up amount for each assessment period using the methodology specified in Schedule 1.6 of the Determination.

The wash-up amount calculated for this assessment period will be used in determining the forecast allowable revenue for the fifth assessment period, beginning 1 April 2024, as part of the opening wash-up account balance.

As demonstrated in Table 1 below, and consistent with clause 8.6 of the Determination, Alpine Energy has **complied** with the requirement to calculate the wash-up amount for the third assessment period.

Wash up amount		
Term	Description	Value (\$000)
<b>Actual allowable revenue (AAR)</b>	Actual net allowable revenue + actual pass-through costs and actual recoverable costs + revenue washup drawdown amount	61,173
<b>Actual revenue (AR)</b>	Actual revenue from prices + other regulated income	56,492
<b>Revenue foregone (RV)</b>	Actual net allowable revenue x (RRP - 20%) when RRP is greater than 20%, otherwise nil	-
<b>Wash-up amount</b>	AAR - AR - RV	<b>4,681</b>

**Table 1: Wash-up amount calculation**

This wash-up amount calculated for this assessment period will increase the forecast allowable revenue<sup>1</sup> for the fifth assessment period starting 1 April 2024. The main reasons for the wash-up of this assessment period are:

- The actual net allowable revenue (\$48.1 million) exceeded the forecast net allowable revenue<sup>2</sup> (\$44.4 million) by \$3.7 million. This difference is solely driven by CPI remaining higher than forecast and used in the financial modelling for the current regulatory period.
- The actual revenue from prices (\$56.4 million) was \$1.0 million lower than the forecast revenue from prices (\$57.4 million<sup>3</sup>). The consumption for the year was lower than forecasted due to a wet summer in South Canterbury, resulting in actual variable revenue being lower than forecasted variable revenue.

### 3.1 ACTUAL ALLOWABLE REVENUE

Actual allowable revenue includes actual pass-through and recoverable costs excluding any recoverable cost that is a revenue wash-up draw down amount.

Table 2 below shows the actual allowable revenue for the third assessment period is consistent with Schedule 1.6 of the Determination.

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<sup>1</sup> Schedule 1.5 "forecast allowable revenue" for an assessment period is the amount calculated in accordance with the following formula –  $FNAR + FPRC + OWAB + PTBA$ , where OWAB is the opening wash-up account balance.

<sup>2</sup> The forecast net allowable revenue has been disclosed in the Annual Price-Setting Compliance Statement for the assessment period starting 1 April 2022 and can be viewed on the Alpine Energy website: [https://www.alpineenergy.co.nz/\\_data/assets/pdf\\_file/0020/18074/DPP-Annual-Price-Setting-Compliance-Statement2023.pdf](https://www.alpineenergy.co.nz/_data/assets/pdf_file/0020/18074/DPP-Annual-Price-Setting-Compliance-Statement2023.pdf)

<sup>3</sup> The forecast revenue from prices has been disclosed in the Annual Price-Setting Compliance Statement for the assessment period starting 1 April 2022 and can be viewed on the Alpine Energy website: [https://www.alpineenergy.co.nz/\\_data/assets/pdf\\_file/0020/18074/DPP-Annual-Price-Setting-Compliance-Statement2023.pdf](https://www.alpineenergy.co.nz/_data/assets/pdf_file/0020/18074/DPP-Annual-Price-Setting-Compliance-Statement2023.pdf)

Actual allowable revenue		
Term	Description	Value (\$000)
<b>Actual net allowable revenue (ANAR)</b>	Amount calculated in accordance with Schedule 1.6 of the Determination	48,101
<b>Actual pass-through costs</b>	Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period	438
<b>Actual recoverable costs</b>	Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period	14,978
<b>Revenue wash-up drawn down amount</b>	The 'revenue wash-up draw down amount' is the 'opening wash-up account balance' calculated in accordance with Schedule 1.7.	(2,344)
<b>Total actual allowable revenue (AAR)</b>	Actual net allowable revenue + actual pass-through costs and actual recoverable costs	<b>61,173</b>

**Table 2: Actual allowable revenue calculation**

Further information supporting actual pass-through costs and actual recoverable costs are included in Appendix A.

### 3.2 ACTUAL REVENUE

The Determination defines actual revenue as the sum of actual revenue from prices and other regulated income.

Table 3 below shows actual revenue for the assessment period consistent with clause 4.2 of the Determination.

Actual revenue		
Term	Description	Value (\$000)
<b>Actual revenue from prices</b>	Actual prices between 1 April 2022 and 31 March 2023 multiplied by actual quantities for the assessment period	56,404
<b>Other regulated income</b>	Other income associated with supply of electricity distribution services	88
<b>Total actual revenue (AR)</b>	Sum of actual revenue from prices + other regulated income	<b>56,492</b>

**Table 3: Actual revenue calculation**

Further information supporting actual revenue from prices is included in Appendix B.

### 3.3 REVENUE FOREGONE

Per clause 4.2 of the Determination, revenue foregone is the actual net allowable revenue multiplied by the revenue reduction percentage - 20%. Where the revenue reduction percentage is not greater than 20%, the revenue forgone is nil.

Table 4 below shows that Alpine Energy's revenue foregone was not greater than 20% for the third assessment period and is nil.

Revenue foregone		
Term	Description	Value (\$000)
<b>Actual net allowable revenue (ANAR)</b>	Actual net allowable revenue for the third assessment period	48,101
<b>Revenue reduction percentage (RRP)</b>	1 - (actual revenue from prices / forecast revenue from prices)	2%
<b>Revenue foregone (RV)</b>	Actual net allowable revenue x (RRP - 20%) when RRP is greater than 20%, otherwise nil	<b>Nil</b>

**Table 4: Revenue foregone calculation**

## 4. QUALITY STANDARDS

Alpine Energy must comply with the quality standards specified in the Determination. This section of the Annual Compliance Statement demonstrates Alpine Energy's compliance with the quality standards

### 4.1 STATEMENT OF COMPLIANCE WITH PLANNED INTERRUPTIONS QUALITY STANDARDS

Planned interruptions consist of all Class B interruptions on the Alpine Energy network measured as System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI).

Clause 9.2 of the Determination specifies that to comply with the planned interruptions reliability assessment cap the sum of planned SAIDI and SAIFI values for all five assessment periods of the DPP regulatory period (i.e., the five years 1 April 2020 to 31 March 2025) must not exceed the planned accumulated SAIDI and SAIFI limits as specified in Schedule 3.1 of the Determination.

Table 5 and Table 6 below show the planned accumulated SAIDI and SAIFI limits for Alpine Energy for the DPP regulatory period and the planned SAIDI and SAIFI assessed values for the third assessment period and shows that Alpine Energy has **complied** with planned interruption quality standards.

Planned interruptions quality standard - SAIDI	
Planned accumulated SAIDI limit for the regulatory period	824.87
Planned SAIDI assessed value for the third assessment period	69.36
Planned accumulated SAIDI at the end of the third assessment period	235.30
Planned accumulated average SAIDI limit at the end of the third assessment period	494.92
Compliance result	<b>Compliant</b>

**Table 5: Planned SAIDI for the assessment period**



<b>Planned interruptions quality standard - SAIFI</b>	
<b>Planned accumulated SAIFI limit for the regulatory period</b>	3.4930
<b>Planned SAIFI assessed value for the third assessment period</b>	0.3229
<b>Planned accumulated SAIFI at the end of the third assessment period</b>	0.8249
<b>Planned accumulated average SAIFI limit at the end of the third assessment period</b>	2.0958
<b>Compliance result</b>	<b>Compliant</b>

**Table 6: Planned SAIFI for the assessment period**

Further information supporting planned SAIDI assessed values are included in Section 4.1.1.

#### 4.1.1 Planned SAIDI assessed values

Alpine Energy has calculated the SAIDI assessed value in accordance with subclause 2 of Schedule 3.1.

Table 7 below shows the calculation of Alpine Energy's planned SAIDI assessed values for the assessment period.

Planned SAIDI assessed value		
Term	Description	Value
<b>Class B non-notified interruptions</b>	Class B interruptions excluding the Class B notified interruptions	34.19
<b>Class B notified interruptions falling outside window</b>	Class B notified interruptions occurred partially or wholly outside of their specified notified interruption window or alternate day	5.52
<b>SAIDI<sub>B</sub></b>	Sum of Class B non-notified interruptions	39.70
<b>Class B notified interruptions falling inside window</b>	The SAIDI values of any Class B notified interruptions where the SAIDI value is the greater of that calculated based on: (i) the duration of minutes accumulated for each ICP that the Class B notified interruption occurred for; and (ii) the period of the notified interruption window minus two hours	59.32
<b>Class B intended interruptions cancelled without notice</b>	The 'intended SAIDI values' of any intended interruption cancelled without notice is the greater of that calculated based on: (i) the duration of minutes accumulated for each ICP that the intended interruption occurred for, which will be nil; and (ii) the period of the notified interruption window minus two hours	-
<b>Class B intended interruptions cancelled with notice</b>	The 'intended SAIDI values' of any intended interruption cancelled with notice, where the 'intended SAIDI value' for each of those intended interruptions cancelled with notice is nil.	-
<b>SAIDI<sub>N</sub></b>	Sum of Class B notified interruptions	59.32
<b>Planned SAIDI assessed value</b>	$SAIDI_B + (SAIDI_N / 2)$	<b>69.36</b>

**Table 7: Planned SAIDI assessed value calculation**

## 4.2 STATEMENT OF COMPLIANCE WITH UNPLANNED INTERRUPTIONS QUALITY STANDARDS

Clause 9.8 of the Determination specifies that to comply with the annual unplanned interruptions reliability assessment Alpine Energy's unplanned SAIDI and SAIFI assessed values must not exceed the SAIDI and SAIFI annual limits.

The unplanned SAIDI assessment value and the unplanned SAIFI assessment value are specified in Schedule 3.2 of the Determination.

Unplanned SAIDI is calculated by listing all unplanned Class C interruptions on the Alpine Energy network for the assessment period.

Unplanned SAIDI is normalised for major event days (MEDs). A MED occurs when the daily SAIDI value for unplanned interruptions exceeds Alpine Energy's SAIDI boundary value of 9.17 SAIDI minutes, specified in Schedule 3.2 of the Determination.

Table 8 below shows that Alpine Energy has **complied** with the unplanned interruptions quality standard as Alpine Energy's unplanned SAIDI assessed value is less than its unplanned SAIDI limit for the assessment period.

Unplanned interruptions quality standard - SAIDI		
<b>Unplanned SAIDI limit</b>	Schedule 3.2 of the Determination	124.71
<b>Unplanned SAIDI assessed value</b>	Sum of the SAIDI values for Class C interruptions commencing within the assessment period, where the SAIDI value for each 30-minute period that starts on the hour or half past the hour within a SAIDI major event that exceeds 1/48th of the SAIDI unplanned boundary value for that assessment period is replaced with 1/48th of the SAIDI unplanned boundary value for that assessment period	92.94
<b>Compliance result</b>		<b>Compliant</b>

**Table 8: Unplanned SAIDI for the assessment period**

Unplanned SAIFI is calculated by listing all unplanned Class C interruptions on the Alpine Energy network for the assessment period. Unplanned SAIFI is normalised for major event days (MEDs). A MED occurs when the daily SAIFI value for unplanned interruptions exceeds Alpine Energy's SAIFI boundary value of 0.0671 SAIFI interruptions, specified in Schedule 3.2 of the Determination.

Table 9 below shows that Alpine Energy has **complied** with the unplanned interruptions quality standard as Alpine Energy's unplanned SAIFI assessed value is less than its unplanned SAIFI limit for the assessment period.

Unplanned interruptions quality standard - SAIFI		
<b>Unplanned SAIFI limit</b>	Schedule 3.2 of the Determination	1.1970
<b>Unplanned SAIFI assessed value</b>	Sum of the SAIFI values for Class C interruptions commencing within the assessment period, where the SAIFI value for each 30-minute period that starts on the hour or half past the hour within a SAIFI major event that exceeds 1/48th of the SAIFI unplanned boundary value for that assessment period is replaced with 1/48th of the SAIFI unplanned boundary value for that assessment period.	0.8274
<b>Compliance result</b>		<b>Compliant</b>

**Table 9: Unplanned SAIFI for the assessment period**

Information about policies, procedures and calculations for measuring planned and unplanned interruptions during the assessment period is included in Appendix C.

#### 4.3 MAJOR EVENTS

Table 10 below shows that Alpine Energy had one unplanned SAIDI major events during the assessment period.

Unplanned SAIDI major events					
Start time	End time	Location(s)	Equipment involved	Pre-normalised unplanned SAIDI	Normalised unplanned SAIDI
06/08/2022 19:30	08/08/2022 18:30	Various (See Appendix D)	Distribution Cables (excluding LV)	14.34	0.53

**Table 10: Unplanned SAIDI major events for the assessment period**

Table 11 below shows that Alpine Energy had one unplanned SAIFI major events during the assessment period.

Unplanned SAIFI major events					
Start time	End time	Location(s)	Equipment involved	Pre-normalised unplanned SAIFI	Normalised unplanned SAIFI
07/08/2022 15:30	08/08/2022 19:30	Various (See Appendix D)	Distribution Cables (excluding LV)	0.0742	0.0032

**Table 11: Unplanned SAIFI major events for the assessment period**

Further information about major events is included in Appendix D.

#### 4.4 STATEMENT OF COMPLIANCE WITH EXTREME EVENT STANDARD

Clause 9.10 of the Determination specifies that, to comply with the extreme event standards, Alpine Energy must not have an extreme event<sup>4</sup> in the assessment period. The calculation of the unplanned interruptions excludes any unplanned interruption that is the result of major external factors<sup>5</sup>. The extreme event standard limit is specified in paragraphs (1)(a) and (b) in Schedule 3.3 of the Determination.

Table 12 below shows that Alpine Energy has **complied** with the extreme event standard for the assessment period.

Extreme event standard	
<b>Number of extreme events</b>	Nil
<b>Compliance result</b>	<b>Compliant</b>

**Table 12: Extreme event standard for the assessment period**

<sup>4</sup> An extreme event occurs wherein 24 hours of an interruption starting the aggregate SAIDI value exceeds 120 minutes, or the total duration of customer interruption minutes resulting from all unplanned interruptions exceeds a total of six million customer interruption minutes.

<sup>5</sup> Major external factors include natural disaster, third-party interference, a fire that does not originate on Alpine Energy's network, or wildlife.

#### 4.5 QUALITY INCENTIVE ADJUSTMENT

The quality incentive adjustment is intended to provide an incentive for Alpine Energy to maintain or improve its quality of supply over the DPP regulatory period.

The method to calculate the quality incentive adjustment is specified in Schedule 4 of the Determination.

Table 13 below shows Alpine Energy's quality incentive adjustment for the assessment period is a penalty of \$71k.

Quality Incentive Adjustment		
Term	Description	Value (\$000)
<b>SAIDI planned adjustment</b>	$(\text{SAIDI}_{\text{planned, target}} - \text{SAIDI}_{\text{planned, assessed}}) \times 0.5 \times \text{IR}$	(57)
<b>SAIDI unplanned adjustment</b>	$(\text{SAIDI}_{\text{unplanned, target}} - \text{SAIDI}_{\text{unplanned, assessed}}) \times \text{IR}$	(8)
<b>Total adjustment</b>	SAIDI planned adjustment + SAIDI unplanned adjustment	<b>(65)</b>
<b>Revenue at risk</b>	0.02* ANAR	962
<b>Total penalty/reward</b>		(65)
<b>67<sup>th</sup> percentile estimate of post-tax WACC</b>		4.23%
<b>Quality incentive adjustment</b>		<b>(71)</b>

**Table 13: Quality incentive adjustment calculation**

The quality incentive rate will be returned to customers as a recoverable cost applied to prices two years after this assessment period, i.e., prices effective 1 April 2024.

Table 14 below show the inputs used to calculate Alpine Energy's quality incentive adjustment for the assessment period.

Quality Incentive Adjustment Inputs					
Raw Inputs					
Term	Units	Value	Term	Units	Value
<b>SAIDI planned interruption cap</b>	minutes	164.97	<b>SAIDI unplanned interruption cap</b>	minutes	124.71
<b>SAIDI planned interruption collar</b>	minutes	-	<b>SAIDI unplanned interruption collar</b>	minutes	-
<b>SAIDI planned interruption target</b>	minutes	54.99	<b>SAIDI unplanned interruption target</b>	minutes	91.88
<b>Planned SAIDI assessed value</b>	minutes	69.36	<b>Unplanned SAIDI assessed value</b>	minutes	92.94
<b>Incentive rate</b>		7,879			
<b>Actual net allowable revenue (ANAR)</b>	\$000	48,101			
Output Calculations					
<b>SAIDI planned interruption target</b>	minutes	54.99	<b>SAIDI unplanned interruption target</b>	minutes	91.88
<b>Minimum of the planned SAIDI cap and assessed value</b>	minutes	69.36	<b>Minimum of the unplanned SAIDI cap and assessed value</b>	minutes	92.94
<b>Planned SAIDI subject to incentive</b>	minutes	(14)	<b>Unplanned SAIDI subject to incentive</b>	minutes	(1)
<b>Adjustment (IR x 0.5)</b>	\$	3,940	<b>Adjustment (IR)</b>	\$	7,879
<b>SAIDI planned adjustment</b>	\$000	(57)	<b>SAIDI unplanned adjustment</b>	\$000	(8)

Table 14: Quality incentive adjustment calculation

## 5. TRANSACTIONS

Alpine Energy has not entered into any agreements with another EDB or Transpower for an amalgamation, merger, major transaction, or transfer in the assessment period.

## 6. DIRECTOR'S CERTIFICATION

A Director's certificate in the form set out in Schedule 7 of the Determination is included in Appendix E.

## 7. ASSURANCE REPORT

An assurance report meeting the requirements of Schedule 8 of the Determination is included in Appendix F.

## APPENDIX A – PASS-THROUGH AND RECOVERABLE COSTS

### Pass-through costs

Table 15 below shows the actual pass-through cost for the third assessment period.

Actual pass-through costs	
Actual pass-through costs	Actual (\$000)
Rates on system fixed assets	140
Commerce Act levies	134
Electricity Authority levies	144
Utilities Disputes levies	20
<b>Total actual pass-through cost</b>	<b>438</b>

**Table 15: Pass-through costs for the assessment period**



## Recoverable costs

Table 16 below shows the actual recoverable costs for the third assessment period.

<b>Actual recoverable costs</b>	
<b>Actual recoverable costs</b>	<b>Actual (\$000)</b>
<b>IRIS incentive adjustment</b>	329
<b>Transmission charges</b>	13,396
<b>New investment contract charges</b>	1,344
<b>Avoided transmission costs</b>	-
<b>System operator services charges</b>	11
<b>Distributed generation allowance</b>	-
<b>Catastrophic event allowance</b>	-
<b>Extended reserve allowance</b>	-
<b>Quality incentive adjustment</b>	(17)
<b>Capex wash-up</b>	(134)
<b>Transmission asset wash-up adjustment</b>	-
<b>Reconsideration event allowance</b>	-
<b>Quality standard variation engineers fee</b>	-
<b>Revenue wash-up draw down amount</b>	-
<b>Fire and Emergency NZ levies</b>	49
<b>Innovation project allowance</b>	-
<b>Urgent project allowance</b>	-
<b>Total actual recoverable costs</b>	<b>14,978</b>

**Table 16: Recoverable costs for the assessment period**

## APPENDIX B – PRICES AND QUANTITIES

Table 17 shows the actual prices and quantities for actual revenue from prices for the third assessment period.

Actual revenue from prices				
Price Category	Unit	Unit Price	Actual Quantity	Actual Revenue (\$000)
<b>LOWHCA Fixed</b>	\$/day	0.3000	2,214	242
<b>LOWLCA Fixed</b>	\$/day	0.3000	10,826	1,185
<b>LOWUHCA Fixed</b>	\$/day	0.3000	16	2
<b>LOWULCA Fixed</b>	\$/day	0.3000	42	5
<b>015HCA Fixed</b>	\$/day	1.5050	5,704	3,133
<b>015LCA Fixed</b>	\$/day	1.3654	11,041	5,503
<b>015UHCA Fixed</b>	\$/day	2.0972	37	28
<b>015ULCA Fixed</b>	\$/day	1.9367	38	27
<b>360HCA Fixed</b>	\$/day	6.1807	521	1,175
<b>360LCA Fixed</b>	\$/day	4.4840	730	1,195
<b>360UHCA Fixed</b>	\$/day	6.6626	14	34
<b>360ULCA Fixed</b>	\$/day	5.0756	15	28
<b>ASSHCA Fixed</b>	\$/day	2.0611	1,275	959
<b>ASSLCA Fixed</b>	\$/day	1.4259	401	209
<b>TOU400HCA Fixed</b>	\$/day	1.4657	36	19
<b>TOU400LCA Fixed</b>	\$/day	1.1694	99	42
<b>TOU11HCA Fixed</b>	\$/day	1.2215	4	2
<b>TOU11LCA Fixed</b>	\$/day	1.1845	4	2
<b>LOWHCA Variable Day</b>	\$/kWh	0.1018	10,117,319	1,030
<b>LOWLCA Variable Day</b>	\$/kWh	0.0962	45,003,235	4,325
<b>LOWUHCA Variable Day</b>	\$/kWh	0.1258	92,640	12
<b>LOWULCA Variable Day</b>	\$/kWh	0.1193	224,201	27
<b>015HCA Variable Day</b>	\$/kWh	0.0529	40,303,788	2,136

Price Category	Unit	Unit Price	Actual Quantity	Actual Revenue (\$000)
<b>015LCA Variable Day</b>	\$/kWh	0.0529	70,350,831	3,729
<b>015UHCA Variable Day</b>	\$/kWh	0.0529	392,848	21
<b>015ULCA Variable Day</b>	\$/kWh	0.0529	250,833	13
<b>360HCA Variable Day</b>	\$/kWh	0.0529	7,738,484	410
<b>360LCA Variable Day</b>	\$/kWh	0.0529	15,819,997	838
<b>360UHCA Variable Day</b>	\$/kWh	0.0529	412,526	22
<b>360ULCA Variable Day</b>	\$/kWh	0.0529	322,748	17
<b>ASSHCA Variable Day</b>	\$/kWh	0.0529	83,533,188	4,427
<b>ASSLCA Variable Day</b>	\$/kWh	0.0529	28,374,595	1,504
<b>TOU400HCA Variable Day</b>	\$/kWh	0.0165	13,798,499	228
<b>TOU400LCA Variable Day</b>	\$/kWh	0.0230	62,526,637	1,444
<b>TOU11HCA Variable Day</b>	\$/kWh	0.0287	15,344,023	442
<b>TOU11LCA Variable Day</b>	\$/kWh	0.0228	8,653,203	197
<b>LOWHCA Variable Night</b>	\$/kWh	0.0716	4,335,994	310
<b>LOWLCA Variable Night</b>	\$/kWh	0.0659	19,287,101	1,271
<b>LOWUHCA Variable Night</b>	\$/kWh	0.0956	39,703	4
<b>LOWULCA Variable Night</b>	\$/kWh	0.0891	96,086	9
<b>015HCA Variable Night</b>	\$/kWh	0.0227	17,273,052	390
<b>015LCA Variable Night</b>	\$/kWh	0.0227	30,150,356	681
<b>015UHCA Variable Night</b>	\$/kWh	0.0227	168,364	4
<b>015ULCA Variable Night</b>	\$/kWh	0.0227	107,500	2
<b>360HCA Variable Night</b>	\$/kWh	0.0227	3,316,493	75
<b>360LCA Variable Night</b>	\$/kWh	0.0227	6,779,999	153
<b>360UHCA Variable Night</b>	\$/kWh	0.0227	176,797	4
<b>360ULCA Variable Night</b>	\$/kWh	0.0227	138,320	3
<b>ASSHCA Variable Night</b>	\$/kWh	0.0227	35,799,938	809
<b>ASSLCA Variable Night</b>	\$/kWh	0.0227	12,160,541	275
<b>TOU400HCA Variable Night</b>	\$/kWh	0.0071	8,783,161	62

Price Category	Unit	Unit Price	Actual Quantity	Actual Revenue (\$000)
<b>TOU400LCA Variable Night</b>	\$/kWh	0.0099	40,989,505	406
<b>TOU11HCA Variable Night</b>	\$/kWh	0.0123	8,925,991	111
<b>TOU11LCA Variable Night</b>	\$/kWh	0.0098	5,630,642	55
<b>ASSHCA Demand</b>	\$/kWday	0.1488	111,251	6,042
<b>ASSLCA Demand</b>	\$/kWday	0.0967	38,113	1,345
<b>TOU400HCA Demand</b>	\$/kWday	0.4178	7,395	1,128
<b>TOU400LCA Demand</b>	\$/kWday	0.2732	22,715	2,265
<b>TOU11HCA Demand</b>	\$/kWday	0.2431	5,631	499
<b>TOU11LCA Demand</b>	\$/kWday	0.3850	4,107	577
<b>Direct Billed Customer 1</b>	\$/year			334
<b>Direct Billed Customer 2</b>	\$/year			3,986
<b>Direct Billed Customer 3</b>	\$/year			159
<b>Direct Billed Customer 4</b>	\$/year			658
<b>Direct Billed Customer 5</b>	\$/year			128
<b>Direct Billed Customer 6</b>	\$/year			46
<b>Total actual revenue from prices</b>				<b>56,404</b>

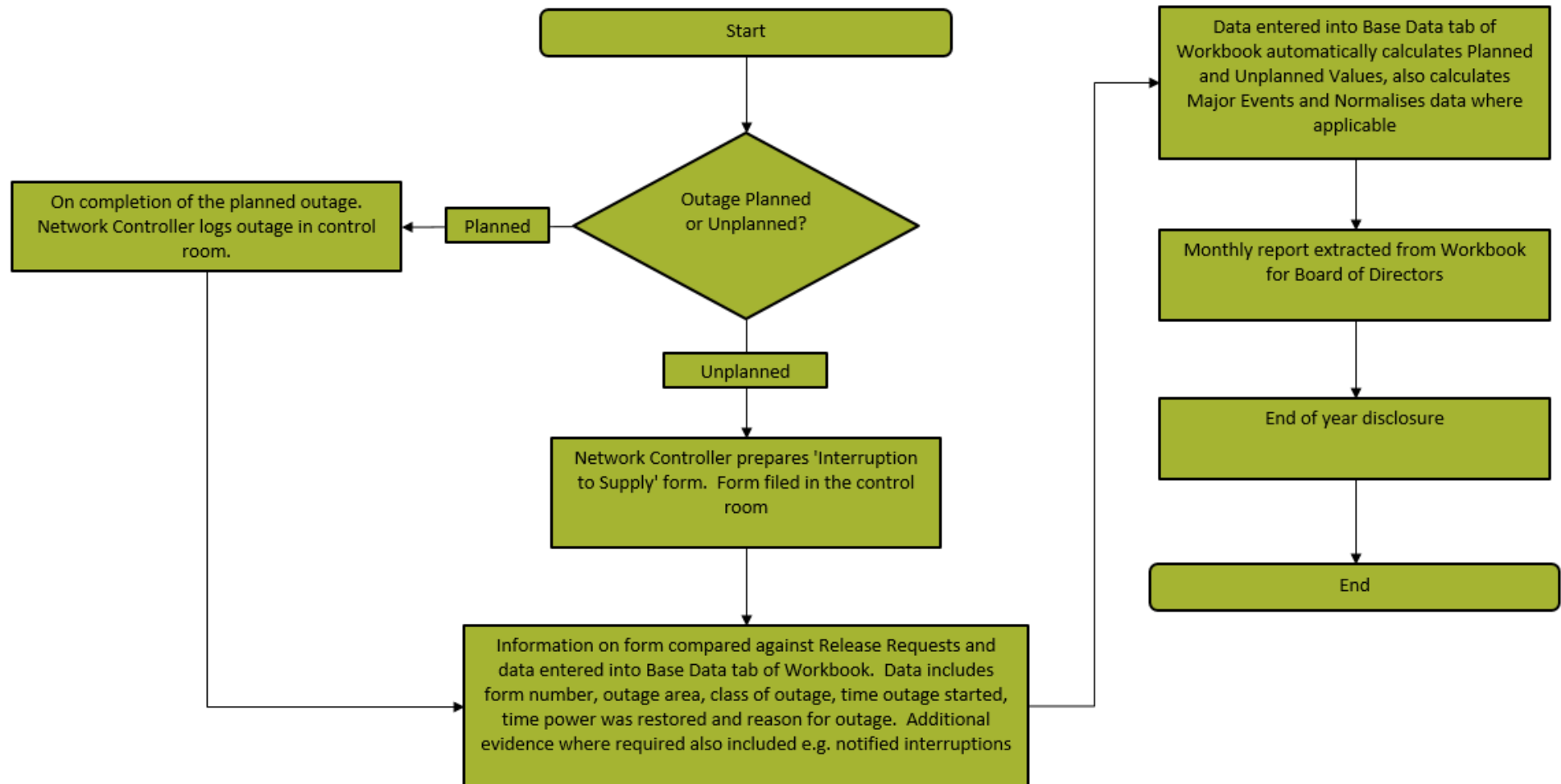
**Table 17: Actual revenue from prices for the assessment period**

Table 18 below shows the forecast revenue from prices for the third assessment period from the price setting compliance statement.

Forecast revenue from prices	
<b>Total forecast revenue from prices</b>	<b>57,408</b>

**Table 18: Forecast revenue from prices for the assessment period**

## APPENDIX C – POLICIES AND PROCEDURES FOR MEASURING PLANNED AND UNPLANNED INTERRUPTIONS



## APPENDIX D – SAIDI AND SAIFI MAJOR EVENTS

Table 19 and Table 20 below show the normalisation of the SAIDI and SAIFI major events during the assessment period. The approach to normalise unplanned SAIDI major events is specified in Schedule 3.2 of the Determination.

Normalisation of unplanned SAIDI Major Events								
SAIDI Major Event 1								
Data and time (half-hour commencing)	Sum SAIDI (half- hour)	Sum SAIDI (previous 24-hour)	Max SAIDI (rolling 24- hour)	Boundary value	1/48th Boundary Value	SAIDI Unplanned Assessed Value	Zone Substation	Feeder
6/08/2022 19:30	0.00	7.06	11.53	9.17	0.19	0.00		
6/08/2022 20:00	0.00	4.89	11.53	9.17	0.19	0.00		
6/08/2022 20:30	0.00	4.83	11.53	9.17	0.19	0.00		
6/08/2022 21:00	0.00	4.20	11.53	9.17	0.19	0.00		
6/08/2022 21:30	0.00	1.90	11.53	9.17	0.19	0.00		
6/08/2022 22:00	0.00	1.90	11.53	9.17	0.19	0.00		
6/08/2022 22:30	0.00	0.00	11.53	9.17	0.19	0.00		
6/08/2022 23:00	0.00	0.00	11.53	9.17	0.19	0.00		
6/08/2022 23:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 0:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 0:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 1:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 1:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 2:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 2:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 3:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 3:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 4:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 4:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 5:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 5:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 6:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 6:30	0.00	0.00	11.53	9.17	0.19	0.00		

Normalisation of unplanned SAIDI Major Events								
SAIDI Major Event 1								
Data and time (half-hour commencing)	Sum SAIDI (half- hour)	Sum SAIDI (previous 24-hour)	Max SAIDI (rolling 24- hour)	Boundary value	1/48th Boundary Value	SAIDI Unplanned Assessed Value	Zone Substation	Feeder
7/08/2022 7:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 7:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 8:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 8:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 9:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 9:30	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 10:00	0.00	0.00	11.53	9.17	0.19	0.00		
7/08/2022 10:30	0.00	0.00	11.58	9.17	0.19	0.00		
7/08/2022 11:00	0.00	0.00	11.58	9.17	0.19	0.00		
7/08/2022 11:30	0.00	0.00	11.58	9.17	0.19	0.00		
7/08/2022 12:00	0.10	0.10	11.58	9.17	0.19	0.10	Timaru	Smithfield
7/08/2022 12:30	0.00	0.10	11.58	9.17	0.19	0.00		
7/08/2022 13:00	0.00	0.10	11.58	9.17	0.19	0.00		
7/08/2022 13:30	0.00	0.10	11.58	9.17	0.19	0.00		
7/08/2022 14:00	0.00	0.10	11.58	9.17	0.19	0.00		
7/08/2022 14:30	0.00	0.10	11.58	9.17	0.19	0.00		
7/08/2022 15:00	0.00	0.10	11.58	9.17	0.19	0.00		
7/08/2022 15:30	0.00	0.10	14.25	9.17	0.19	0.00		
7/08/2022 16:00	0.00	0.10	14.25	9.17	0.19	0.00		
7/08/2022 16:30	0.00	0.10	14.25	9.17	0.19	0.00		
7/08/2022 17:00	0.00	0.10	14.25	9.17	0.19	0.00		
7/08/2022 17:30	0.00	0.10	14.25	9.17	0.19	0.00		
7/08/2022 18:00	0.00	0.10	14.25	9.17	0.19	0.00		
7/08/2022 18:30	0.00	0.10	14.25	9.17	0.19	0.00		
7/08/2022 19:00	11.43	11.53	14.25	9.17	0.19	0.19	Twizel	Twizel Rural
7/08/2022 19:30	0.00	11.53	14.25	9.17	0.19	0.00		
7/08/2022 20:00	0.00	11.53	14.25	9.17	0.19	0.00		

Normalisation of unplanned SAIDI Major Events								
SAIDI Major Event 1								
Data and time (half-hour commencing)	Sum SAIDI (half- hour)	Sum SAIDI (previous 24-hour)	Max SAIDI (rolling 24- hour)	Boundary value	1/48th Boundary Value	SAIDI Unplanned Assessed Value	Zone Substation	Feeder
7/08/2022 20:30	0.00	11.53	14.25	9.17	0.19	0.00		
7/08/2022 21:00	0.00	11.53	14.25	9.17	0.19	0.00		
7/08/2022 21:30	0.00	11.53	14.25	9.17	0.19	0.00		
7/08/2022 22:00	0.00	11.53	14.25	9.17	0.19	0.00		
7/08/2022 22:30	0.00	11.53	14.25	9.17	0.19	0.00		
7/08/2022 23:00	0.00	11.53	14.25	9.17	0.19	0.00		
7/08/2022 23:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 0:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 0:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 1:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 1:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 2:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 2:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 3:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 3:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 4:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 4:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 5:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 5:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 6:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 6:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 7:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 7:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 8:00	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 8:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 9:00	0.00	11.53	14.25	9.17	0.19	0.00		



Normalisation of unplanned SAIDI Major Events								
SAIDI Major Event 1								
Data and time (half-hour commencing)	Sum SAIDI (half- hour)	Sum SAIDI (previous 24-hour)	Max SAIDI (rolling 24- hour)	Boundary value	1/48th Boundary Value	SAIDI Unplanned Assessed Value	Zone Substation	Feeder
8/08/2022 9:30	0.00	11.53	14.25	9.17	0.19	0.00		
8/08/2022 10:00	0.05	11.58	14.25	9.17	0.19	0.05	Tekapo	Simons
8/08/2022 10:30	0.00	11.58	14.25	9.17	0.19	0.00		
8/08/2022 11:00	0.00	11.58	14.25	9.17	0.19	0.00		
8/08/2022 11:30	0.00	11.58	14.25	9.17	0.19	0.00		
8/08/2022 12:00	0.00	11.48	14.25	9.17	0.19	0.00		
8/08/2022 12:30	0.00	11.48	14.25	9.17	0.19	0.00		
8/08/2022 13:00	0.00	11.48	14.25	9.17	0.19	0.00		
8/08/2022 13:30	0.00	11.48	14.25	9.17	0.19	0.00		
8/08/2022 14:00	0.00	11.48	14.25	9.17	0.19	0.00		
8/08/2022 14:30	0.00	11.48	14.25	9.17	0.19	0.00		
8/08/2022 15:00	2.77	14.25	14.25	9.17	0.19	0.19	Twizel	Urban #1
8/08/2022 15:30	0.00	14.25	14.25	9.17	0.19	0.00		
8/08/2022 16:00	0.00	14.25	14.25	9.17	0.19	0.00		
8/08/2022 16:30	0.00	14.25	14.25	9.17	0.19	0.00		
8/08/2022 17:00	0.00	14.25	14.25	9.17	0.19	0.00		
8/08/2022 17:30	0.00	14.25	14.25	9.17	0.19	0.00		
8/08/2022 18:00	0.00	14.25	14.25	9.17	0.19	0.00		
8/08/2022 18:30	0.00	14.25	14.25	9.17	0.19	0.00		
<b>TOTAL</b>	<b>14.34</b>					<b>0.53</b>		

<b>Cause</b>	Defective equipment; Cable fault; Distribution cables (excluding LV) The fault occurred at the N security site Twizel Village Substation (TVS), because of the apparent slow operation of CB Z3 and the location of the secondary fault, being the burnt off jumper, it caused a total loss of supply to Twizel, rather than just the feeder with the cable fault.
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How Alpine Energy responded	<p>Local faults person was called out, attended site and carried out a review of the relays and a visual inspection. The faults person then carried on operating under instruction of the control room to isolate the faulty equipment. Received authority from AEL engineering to re-liven the 33/11kV transformer at the substation (required for power transformer tripping at zone substations)</p> <p>Attempted to liven the transformer, CB Z68 the 33kV CB feeding the TX failed to remain closed</p> <p>After investigation it was found the CB failed to latch, remedial work was carried out and the CB was successfully closed</p> <p>Power was restored to Twizel, 2 ICP's remained off due to the cable fault and these were restored later.</p>
Any mitigating factors that could have prevented the event	<p>It appears the 11kV feeder CB may have been slow to operate, causing more fault current to flow until the 33/11kV Transformer bank protection operated, this caused the outage to be much larger than it otherwise would have been and may have also caused the secondary fault.</p> <p>The 11kV feeders CB's at TVS are relatively old equipment</p>
Steps to mitigate risk of future similar events	<p>While not as a result of this incident, AEL is carrying out a major upgrade at TVS, which means there will be two 33/11kV transformers running in parallel at the site supplying two new 11kV switchboards, this should eliminate a risk of the same fault occurring.</p>

**Table 19: Normalisation of unplanned SAIDI major events and additional required information for the assessment period**

Normalisation of unplanned SAIFI Major Events								
SAIFI Major Event 1								
Data and time (half-hour commencing)	Sum SAIFI (half- hour)	Sum SAIFI (previous 24-hour)	Max SAIFI (rolling 24- hour)	Boundary value	1/48th Boundary Value	SAIFI Unplanned Assessed Value	Zone Substation	Feeder
7/08/2022 15:30	0.0000	0.0035	0.0742	0.0671	0.0014	0.0000		
7/08/2022 16:00	0.0000	0.0035	0.0742	0.0671	0.0014	0.0000		
7/08/2022 16:30	0.0000	0.0035	0.0742	0.0671	0.0014	0.0000		
7/08/2022 17:00	0.0000	0.0035	0.0742	0.0671	0.0014	0.0000		
7/08/2022 17:30	0.0000	0.0035	0.0742	0.0671	0.0014	0.0000		
7/08/2022 18:00	0.0000	0.0035	0.0742	0.0671	0.0014	0.0000		
7/08/2022 18:30	0.0000	0.0035	0.0742	0.0671	0.0014	0.0000		
7/08/2022 19:00	0.0506	0.0541	0.0742	0.0671	0.0014	0.0014	Twizel	Twizel Rural
7/08/2022 19:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 20:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 20:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 21:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 21:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 22:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 22:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 23:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
7/08/2022 23:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 0:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 0:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 1:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 1:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 2:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 2:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 3:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 3:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 4:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		

Normalisation of unplanned SAIFI Major Events								
SAIFI Major Event 1								
Data and time (half-hour commencing)	Sum SAIFI (half- hour)	Sum SAIFI (previous 24-hour)	Max SAIFI (rolling 24- hour)	Boundary value	1/48th Boundary Value	SAIFI Unplanned Assessed Value	Zone Substation	Feeder
8/08/2022 4:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 5:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 5:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 6:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 6:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 7:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 7:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 8:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 8:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 9:00	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 9:30	0.0000	0.0541	0.0742	0.0671	0.0014	0.0000		
8/08/2022 10:00	0.0004	0.0546	0.0742	0.0671	0.0014	0.0004	Tekapo	Simons
8/08/2022 10:30	0.0000	0.0546	0.0742	0.0671	0.0014	0.0000		
8/08/2022 11:00	0.0000	0.0546	0.0742	0.0671	0.0014	0.0000		
8/08/2022 11:30	0.0000	0.0546	0.0742	0.0671	0.0014	0.0000		
8/08/2022 12:00	0.0000	0.0510	0.0742	0.0671	0.0014	0.0000		
8/08/2022 12:30	0.0000	0.0510	0.0742	0.0671	0.0014	0.0000		
8/08/2022 13:00	0.0000	0.0510	0.0742	0.0671	0.0014	0.0000		
8/08/2022 13:30	0.0000	0.0510	0.0742	0.0671	0.0014	0.0000		
8/08/2022 14:00	0.0000	0.0510	0.0742	0.0671	0.0014	0.0000		
8/08/2022 14:30	0.0000	0.0510	0.0742	0.0671	0.0014	0.0000		
8/08/2022 15:00	0.0232	0.0742	0.0742	0.0671	0.0014	0.0014	Twizel	Urban #1
8/08/2022 15:30	0.0000	0.0742	0.0742	0.0671	0.0014	0.0000		
8/08/2022 16:00	0.0000	0.0742	0.0742	0.0671	0.0014	0.0000		
8/08/2022 16:30	0.0000	0.0742	0.0742	0.0671	0.0014	0.0000		
8/08/2022 17:00	0.0000	0.0742	0.0742	0.0671	0.0014	0.0000		

Normalisation of unplanned SAIFI Major Events								
SAIFI Major Event 1								
Data and time (half-hour commencing)	Sum SAIFI (half- hour)	Sum SAIFI (previous 24-hour)	Max SAIFI (rolling 24- hour)	Boundary value	1/48th Boundary Value	SAIFI Unplanned Assessed Value	Zone Substation	Feeder
8/08/2022 17:30	0.0000	0.0742	0.0742	0.0671	0.0014	0.0000		
8/08/2022 18:00	0.0000	0.0742	0.0742	0.0671	0.0014	0.0000		
8/08/2022 18:30	0.0000	0.0742	0.0742	0.0671	0.0014	0.0000		
<b>TOTAL</b>	<b>0.0742</b>					<b>0.0032</b>		

<b>Cause</b>	Defective equipment; Cable fault; Distribution cables (excluding LV) The fault occurred at the N security site Twizel Village Substation (TVS), because of the apparent slow operation of CB Z3 and the location of the secondary fault, being the burnt off jumper, it caused a total loss of supply to Twizel, rather than just the feeder with the cable fault.
<b>How Alpine Energy responded</b>	Local faults person was called out, attended site and carried out a review of the relays and a visual inspection. The faults person then carried on operating under instruction of the control room to isolate the faulty equipment. Received authority from AEL engineering to re-liven the 33/11kV transformer at the substation (required for power transformer tripping at zone substations) Attempted to liven the transformer, CB Z68 the 33kV CB feeding the TX failed to remain closed After investigation it was found the CB failed to latch, remedial work was carried out and the CB was successfully closed Power was restored to Twizel, 2 ICP's remained off due to the cable fault and these were restored later.
<b>Any mitigating factors that could have prevented the event</b>	It appears the 11kV feeder CB may have been slow to operate, causing more fault current to flow until the 33/11kV Transformer bank protection operated, this caused the outage to be much larger than it otherwise would have been and may have also caused the secondary fault. The 11kV feeders CB's at TVS are relatively old equipment.

<b>Steps to mitigate risk of future similar events</b>	While not as a result of this incident, AEL is carrying out a major upgrade at TVS, which means there will be two 33/11kV transformers running in parallel at the site supplying two new 11kV switchboards, this should eliminate a risk of the same fault occurring.
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**Table 20: Normalisation of unplanned SAIFI major events and additional required information for the assessment period**

## APPENDIX E – DIRECTORS' CERTIFICATE

### Schedule 7: Form of director's certificate for annual compliance statement

#### Clause 11.5 (d)

We, Warren McNabb and Linda Robertson, being directors of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of my/our knowledge and belief, the attached annual compliance statement of Alpine Energy Limited, and related information, prepared for the purposes of the Electricity Distribution Services Default Price-Quality Path Determination 2020 has been prepared in accordance with all the relevant requirements.



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Warren McNabb

13 June 2023



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Linda Robertson

13 June 2023

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding \$100,000 in the case of an individual or \$300,000 in the case of a body corporate.

## APPENDIX F – ASSURANCE REPORT





## Independent Assurance Report

To the Directors of Alpine Energy Limited and to the Commerce Commission

### **Independent Assurance Report on the Annual Compliance Statement for the assessment period ended 31 March 2023 as required by the Electricity Distribution Services Default Price-Quality Path Determination 2020 (consolidated 20 May 2020)**

The Auditor-General is the auditor of Alpine Energy Limited (the Company). The Auditor-General has appointed me, Elizabeth Adriana (Adri) Smit, using the staff and resources of PricewaterhouseCoopers, to undertake a reasonable assurance engagement, on his behalf, on whether the Annual Compliance Statement on pages 3 to 31 for the assessment period ended on 31 March 2023 has been prepared, in all material respects, in compliance with the Electricity Distribution Services Default Price-Quality Path Determination 2020 (consolidated 20 May 2020) (the Determination).

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#### **Opinion**

In our opinion, in all material respects:

- as far as appears from our examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and
- the Company has complied with clauses 11.5 and 11.6 of the Determination in preparing the Annual Compliance Statement for the assessment period ended 31 March 2023.

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#### **Basis for opinion**

We conducted our engagement in accordance with the Standard on Assurance Engagements (SAE) 3100 (Revised) *Assurance Engagements on Compliance*, issued by the New Zealand Auditing and Assurance Standards Board. An engagement conducted in accordance with SAE 3100 (Revised) requires that we also comply with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

We have obtained sufficient recorded evidence and explanations that we required to provide a basis for our opinion.

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#### **Directors' responsibilities**

The Directors of the Company are responsible for the:

- preparation of the Annual Compliance Statement under clause 11.4 and in accordance with the requirements in clauses 11.5 and 11.6 of the Determination; and
- identification of risks that may threaten compliance with the clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

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#### **Auditor's responsibilities**

Our responsibilities in terms of clause 11.5(e) and schedule 8(1)(b)(vi) and 8(1)(c) of the Determination, are to express an opinion on whether:

- as far as appears from our examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and



- the Annual Compliance Statement, for the assessment period ended 31 March 2023, has been prepared, in all material respects, in accordance with the requirements in clauses 11.5 and 11.6 of the Determination.

To meet these responsibilities, we planned and performed procedures in accordance with SAE 3100 (Revised), to obtain reasonable assurance about whether the Company has complied, in all material respects, with clauses 11.5 and 11.6 of the Determination.

In relation to the wash-up amount set out in clause 8.6 of the Determination, our procedures included recalculation of the wash-up amount in accordance with schedule 1.6 of the Determination and assessing it against the amounts and disclosures contained on pages 4 to 7 and 16 to 20 of the Annual Compliance Statement.

In relation to the quality standards in clause 9 of the Determination, our procedures included examination, on a test basis, of evidence relevant to the values and disclosures contained on pages 8 to 13 and 21 to 30 of the Annual Compliance Statement.

In relation to the quality incentive adjustment set out in Schedule 4 of the Determination, our procedures included recalculation of the quality incentive adjustment in accordance with Schedule 4 of the Determination and assessing it against the amounts and disclosures contained on pages 14 to 15 of the Annual Compliance Statement.

An assurance engagement to report on the Company's compliance with the Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the requirements. The procedures selected depend on our judgement, including the identification and assessment of the risks of material non-compliance with the requirements.

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#### **Inherent limitations**

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with clauses 11.5 and 11.6 of the Determination may occur and not be detected. A reasonable assurance engagement throughout the assessment period does not provide assurance on whether compliance with clauses 11.5 and 11.6 of the Determination will continue in the future.

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#### **Restricted use**

This report has been prepared for use by the Directors of the Company and the Commerce Commission in accordance with clause 11.5 (e) of the Determination and is provided solely for the purpose of establishing whether the compliance requirements have been met. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors of the Company and the Commerce Commission, or for any other purpose than that for which it was prepared.

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#### **Independence and quality control**

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.



The Auditor-General, and his employees, and PricewaterhouseCoopers and its partners and employees may deal with the Company on normal terms within the ordinary course of trading activities of the Company. Other than any dealings on normal terms within the ordinary course of trading activities of the Company, this engagement, the assurance engagement on the Information Disclosures and the annual audit of the Company's financial statements and performance information, we have no relationship with, or interests in, the Company.

A handwritten signature in black ink, appearing to read 'Adri Smit', with a large circular flourish underneath.

Elizabeth Adriana (Adri) Smit  
PricewaterhouseCoopers  
On behalf of the Auditor-General  
Christchurch, New Zealand  
13 June 2023