



Alpine Energy Limited

**Default Price-Quality Path
Compliance Statement**

For the Assessment Date 31 March 2015

27 May 2015

Pursuant to the requirements of clause 11.2(b) of the Commerce Act
(Electricity Distribution Default Price-Quality Path) Determination 2012

[page left intentionally blank]

Contents

1. Summary of Compliance.....	2
2. Compliance with the Price Path	3
3. Compliance with the Quality Path.....	4
4. Restructuring of Prices	6
5. Transactions.....	7
6. Director Certification	8
7. Auditor’s Report	9
Appendix A – Price Path Compliance Calculations	10
Appendix B – Price and Quality Schedules	14
Appendix C – Pass-through and Recoverable Costs	17
Appendix D – Quality Standard Compliance Calculations	18
Appendix E – Prior Period Reliability Assessment	21
Appendix F – Policies and Procedures for Recording SAIDI and SAIFI.....	22

1. Summary of Compliance

We have complied with both the price path (clause 8) and quality path (clause 9) of the *Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2012* (“Determination”) for the assessment date ended 31 March 2015.

We are pleased to submit the following information in our *Default Price-Quality Path Compliance Statement* pursuant to the clause 11.2(b) of the Determination:

- Price path under clauses 11.3(a), (b), (c) and (d):
 - The amount of allowable notional revenue and notional revenue
 - Prices and quantities
 - The amounts of pass-through costs
 - The amounts of recoverable costs
 - The variances between the forecast and actual amounts of pass-through costs and recoverable costs and explanatory notes of material variances.
- Quality standards under clause 11.3(h) and (i):
 - Assessed values and reliability limits
 - SAIDI and SAIFI statistics and calculations
 - The annual reliability assessments for the two previous assessment periods
 - A description of how SAIDI and SAIFI statistics were recorded
- Restructuring of prices under clause 11.3(f) and (g) – a written statement of whether clause 8.5 and 8.6 apply
- Restructuring of transactions under clause 11.3(j) and (k) – a written statement of whether clause 10 applies
- Director certification under clause 11.3(m)
- Auditor’s report under clause 11.6

In conjunction with this compliance statement, copies of our new investment contracts with Transpower New Zealand have been submitted to the Commerce Commission in soft copy format in accordance with clause 11.3(e)(ii).

2. Compliance with the Price Path

We have complied with the price path as specified by clause 8 of the Determination.

Clause 8.4 'Compliance of the price path' requires that:

The notional revenue (NR_t) of a Non-exempt EDB at any time during the Assessment Period must not exceed the allowable notional revenue (R_t) for the Assessment Period, such that:

$$\frac{NR_t}{R_t} \leq 1$$

Our compliance with the price path is demonstrated at Table 1 and Table 2 below.

Table 1: Notional Revenue calculation

$\frac{NR_{2015}}{R_{2015}} \leq 1$	
NR ₂₀₁₅ :	\$ 33,873,883
R ₂₀₁₅ :	\$ 34,487,379
Result:	0.9822 < 1
<i>Price Path has not been breached</i>	

Table 1 above shows that our notional revenue, derived using posted prices as at 31 March 2015, was less than our allowable notional revenue.

Table 2: Maximum Notional Revenue calculation

$\frac{NR_{Max}}{R_{2015}} \leq 1$	
NR _{Max} :	\$ 33,873,883
R ₂₀₁₅ :	\$ 34,487,379
Result:	0.9822 < 1
<i>Price Path has not been breached</i>	

Table 2 above shows that we did not exceed the allowable notional revenue at any time during the period.

Supporting evidence is provided in Appendices A, B and C.

3. Compliance with the Quality Path

We have complied with the quality path as specified by clause 9.1(b) of the Determination.

Clause 9.1 'Compliance with the quality standards' requires that:

A Non-exempt EDB must, in respect of each Assessment Period, either:

- (a) Comply with the annual reliability assessment specified in clause 9.2 for that Assessment Period; or*
- (b) Have complied with those annual reliability assessments for the two immediately preceding extant Assessment Periods*

Our compliance with the quality path, under clause 9.1(a), is demonstrated at Table 3 below.

Table 3: Performance against the quality standards

	SAIDI	SAIFI	Compliance
Compliance with 9.1(a)	Does not exceed limit	Does not exceed limit	<i>Complies</i>
or			
Compliance with 9.1(b)			<i>Complies</i>
2014	Exceeds Limit	Exceeds limit	<i>Does not comply</i>
2013	Does not exceed the limit	Does not exceed the limit	<i>Complies</i>
<i>Complies with Quality Standard</i>			

Table 3 above shows that we have complied with clause 9.1(b) of the Determination as we were within the allowable SAIDI and SAIFI limits during the current reporting year.

Assessed Values and Reliability Limits

Clause 9.2 'Annual reliability assessment' requires that:

A Non-Exempt EDB's Assessed Values for an Assessment Period must not exceed its Reliability Limits for that Assessment Period, such that:

$$\frac{SAIDI_{ASSESS,t}}{SAIDI_{LIMIT}} \leq 1 ; \text{ and}$$

$$\frac{SAIFI_{ASSESS,t}}{SAIFI_{LIMIT}} \leq 1$$

We have not exceeded the allowable SAIDI and/or SAIFI limits. Our assessed SAIDI and SAIFI calculations are demonstrated at Table 4 and Table 5 below.

Table 4: Assessed SAIDI calculation

$\frac{SAIDI_{Assess\ 2015}}{SAIDI_{Limit}} \leq 1$		
SAIDI _{Assess 2014/15}	140.2837	
SAIDI _{Limit}	164.2206	
Result:	0.8542	< 1
<i>Does not exceed limit</i>		

Table 5: Assessed SAIFI calculation

$\frac{SAIFI_{Assess\ 2015}}{SAIFI_{Limit}} \leq 1$		
SAIFI _{Assess 2014}	1.1566	
SAIFI _{Limit}	1.6943	
Result:	0.6826	< 1
<i>Does not exceed limit</i>		

Supporting evidence is presented in Appendices D, E and F.

4. Restructuring of Prices

We did not restructure our prices that applied during the assessment period and therefore clause 8.5 and 8.6 do not apply.

5. Transactions

We did not enter into transaction resulting in an amalgamation or merger nor did we enter into transactions resulting in consumers being supplied by a different EDB. Accordingly, clause 10 does not apply.

6. Director Certification

I, Alister John France, being a director of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached Annual Compliance Statement of Alpine Energy Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Price-Quality Path Determination 2012* are true and accurate.



Alister John France
27 May 2015

7. Auditor's Report



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ALPINE ENERGY LIMITED AND TO THE COMMERCE COMMISSION

The Auditor-General is the auditor of Alpine Energy Limited (the company). The Auditor-General has appointed me, Mark, Bramley, using the staff and resources of PricewaterhouseCoopers, to provide an opinion, on her behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2015 on pages 3 to 9 and 12 to 22 complies, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2012 NZCC 35 (the Determination).

Directors' responsibilities for the Annual Compliance Statement

The directors of the company are responsible for the preparation of the Annual Compliance Statement in accordance with the Determination, and for such internal control as the directors determine is necessary to enable the preparation of an Annual Compliance Statement that is free from material misstatement.

Auditor's responsibility for the Annual Compliance Statement

Our responsibility is to express an opinion on whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination.

Basis of opinion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the External Reporting Board and the Standard on Assurance Engagements 3100: Compliance Engagements issued by the External Reporting Board.

These standards require that we comply with ethical requirements and plan and perform our audit to provide reasonable assurance (which is also referred to as 'audit' assurance) about whether the Annual Compliance Statement has been prepared in all material respects in accordance with the Determination.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the Annual Compliance Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Compliance Statement, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the Annual Compliance Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

*PricewaterhouseCoopers, Westpac Building, 106 George Street, PO Box 5848, Dunedin 9058, New Zealand
T: +64 3 470 3600, F: +64 3 470 3601, pwc.co.nz*



In relation to the price path set out in clause 8 of the Determination, our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 4,7,8 and 12 to 17 of the Annual Compliance Statement.

In relation to the SAIDI and SAIFI statistics for the Reference Period and the Assessment Period ended on 31 March 2015, including the calculation of the Reliability Limits and the Assessed Values, which are relevant to the quality standards set out in clause 9 of the Determination, our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 5, 6 and 18 to 22 of the Annual Compliance Statement.

Our audit also included assessment of the significant estimates and judgements, if any, made by the company in the preparation of the Annual Compliance Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Use of this report

This independent auditor's report has been prepared for the directors of the company and for the Commerce Commission for the purpose of providing those parties with independent audit assurance about whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

Because of the inherent limitations of an audit engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

We did not examine every transaction, adjustment or event underlying the Annual Compliance Statement nor do we guarantee complete accuracy of the Annual Compliance Statement. Also we did not evaluate the security and controls over the electronic publication of the Annual Compliance Statement.

The opinion expressed in this independent auditor's report has been formed on the above basis.

Independence

When carrying out the engagement we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. We also complied with the independent auditor requirements specified in the Determination.



The Auditor-General, and her employees, and PricewaterhouseCoopers and its partners and employees may deal with the company and its subsidiaries 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 business, this engagement, other regulatory compliance engagements and the annual audit of the company's financial statements, we have no relationship with or interests in the company and its subsidiaries.

Opinion

In our opinion, the Annual Compliance Statement of Alpine Energy Limited for the year ended on 31 March 2015, has been prepared, in all material respects, in accordance with the Determination.

Our audit was completed on 27 May 2015 and our opinion is expressed as at that date.

A handwritten signature in blue ink that reads 'Mark Bramley'.

Mark Bramley
PricewaterhouseCoopers
On behalf of the Auditor-General
Dunedin, New Zealand

Appendix A – Price Path Compliance Calculations

Table 6: Notional Revenue Calculation

Notional Revenue for the year ending March 2015		
Term	Description	Value \$
$P_{2015} * Q_{2013}$	Prices at 31 March 2015 multiplied by 31 March 2013 Quantities	48,578,023
K_{2015}	Rates for year ending 31 March 2015	60,496
	Electricity Commission Levies for year ending 31 March 2015	135,739
	Commerce Act Levies for year ending 31 March 2015 + 1/5 of Commerce Act Levies for year ending 31 March 2010	101,948
	Electricity and Gas Complaints Commission Levies for year ending 31 March 2015	11,576
V_{2015}	Transmission Charges for year ending 31 March 2015	13,997,908
	Transpower New Investment Contract charges for the year ending 31 March 2015	396,473
NR_{2015}	Notional Revenue for the year ending 31 March 2015	33,873,883

Table 7: Maximum Notional Revenue Calculation

Maximum Notional Revenue for the year ending March 2015		
Term	Description	Value \$
$P_{Max} * Q_{2013}$	Maximum Prices between 1 April 2014 and 31 March 2015 multiplied by 31 March 2013 Quantities	48,578,023
K_{2015}	Rates for year ending 31 March 2015	60,496
	Electricity Authority Levies for year ending 31 March 2015	135,739
	Commerce Act Levies for year ending 31 March 2015 + 1/5 of Commerce Act Levies for year ending 31 March 2010	101,948
	Electricity and Gas Complaints Commission Levies for year ending 31 March 2015	11,576
V_{2015}	Transmission Charges for year ending 31 March 2015	13,997,908
	Transpower New Investment Contract charges for the year ending 31 March 2015	396,473
NR_{Max}	Notional Revenue for the year ending 31 March 2015	33,873,883

Table 8: Allowable Notional Revenue Calculation

Allowable Notional Revenue 2015		
Term	Description	Value \$
$P_{2014} * Q_{2013}$	Maximum Prices between 1 April 2013 and 31 March 2014 multiplied by 31 March 2013 Quantities	42,977,360
K_{2014}	Rates for year ending 31 March 2014	58,545
	Electricity Commission Levies for year ending 31 March 2014	93,628
	Commerce Act Levies for year ending 31 March 2014 + 1/5 of Commerce Act Levies for year ending 31 March 2010	86,839
	Electricity and Gas Complaints Commission Levies for year ending 31 March 2014	12,021
V_{2014}	Transmission Charges for year ending 31 March 2014	12,292,285
	Transpower New Investment Contract charges for the year ending 31 March 2014	403,630
$R_{2014} - NR_{2014}$	Revenue Differential for year ending 31 March 2014	1,021,954
X	X Factor	-10%
$(1 + DCPI_{2015})$	Average change in Consumer Price Index	1.0097
R_{2015}	Allowable Notional Revenue under the CPI-X Price Path for the year ending 31 March 2015	34,487,379

Table 9: Change in CPI Calculation

DCPI ₂₀₁₅			
Numerator		Denominator	
CPI _{Dec2012}	1169	CPI _{Dec2011}	1158
CPI _{Mar2013}	1174	CPI _{Mar2012}	1164
CPI _{Jun2013}	1176	CPI _{Jun2012}	1168
CPI _{Sep2013}	1187	CPI _{Sep2012}	1171
Total	4706	Total	4661
DCPI ₂₀₁₅			.97%

Table 10: Revenue Differential 2014

Revenue Differential 2014		
Term	Description	Value \$
R_{2014}	Allowable Notional Revenue under the CPI-X Price Path for the year ending 31 March 2014	27,753,025
NR_{2014}	Notional Revenue for the year ending 31 March 2014	26,731,071
$R_{2014} - NR_{2014}$	Allowable Notional Revenue less Notional Revenue for the year ending 31 March 2014	1,021,954

Appendix B – Price and Quality Schedules

Table 11: Prices and Quantities for Notional Revenue

		2014/15 Pricing Schedule								2013 Quantities					Revenue - 2015 Prices		
		Distribution				Transmission				Day	Night	RCPD	Demand	Number of	Distribution	Transmission	Total
		Fixed	Variable Day	Variable Night	Demand	Fixed	Variable Day	Variable Night	RCPD								
per annum	per kWh	per kWh	per kW per annum	per annum	per kWh	per kWh	per kW	per kW per annum	kWh	kWh	kW	Demand kW	ICPs				
LOWHCA	Low Charge	\$54.75	\$0.0725	\$0.0451	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	3,620,079	1,349,783			909	\$373,099	\$86,937	\$460,035
LOWLCA	Low Charge	\$54.75	\$0.0659	\$0.0385	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	25,221,081	9,403,933			6,333	\$2,370,852	\$605,688	\$2,976,541
LOWUHCA	Low Uncontrolled	\$54.75	\$0.0725	\$0.0451	\$0.00	\$0.00	\$0.0571	\$0.0394	\$0.00	19,912	7,425			5	\$2,052	\$1,430	\$3,482
LOWULCA	Low Uncontrolled	\$54.75	\$0.0659	\$0.0385	\$0.00	\$0.00	\$0.0571	\$0.0394	\$0.00	39,825	14,849			10	\$3,744	\$2,859	\$6,603
015HCA	015	\$379.48	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	50,533,860	18,842,055			6,275	\$4,466,561	\$1,213,579	\$5,680,140
015LCA	015	\$319.40	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	116,184,380	43,320,509			15,020	\$9,591,839	\$2,790,186	\$12,382,025
015UHCA	015 Uncontrolled	\$379.48	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	24,561	9,158			30	\$12,398	\$9,956	\$22,354
015ULCA	015 Uncontrolled	\$319.40	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	2,234	833			51	\$16,382	\$15,976	\$32,358
360HCA	360	\$1,387.70	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	8,549,972	3,187,942			370	\$866,271	\$205,329	\$1,071,600
360LCA	360	\$1,187.23	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	14,350,088	5,350,574			621	\$1,329,439	\$344,620	\$1,674,059
360UHCA	360 Uncontrolled	\$1,387.70	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	254,188	94,777			11	\$25,754	\$9,539	\$35,293
360ULCA	360 Uncontrolled	\$1,187.23	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	161,756	60,312			7	\$14,986	\$6,070	\$21,056
ASSHCA	Assessed	\$126.31	\$0.0375	\$0.0101	\$13.71	\$0.00	\$0.0223	\$0.0046	\$45.18	81,003,049	30,202,798		79,833	1,082	\$4,573,840	\$5,552,156	\$10,125,996
ASSLCA	Assessed	\$107.85	\$0.0375	\$0.0101	\$11.71	\$0.00	\$0.0223	\$0.0046	\$44.30	21,348,382	7,959,958		33,677	343	\$1,312,310	\$2,004,576	\$3,316,886
TOU400HCA	TOU 400V	\$126.38	\$0.0144	\$0.0022	\$66.40	\$0.00	\$0.0036	\$0.0022	\$84.37	10,632,380	4,405,112		5,418	31	\$526,470	\$505,084	\$1,031,555
TOU400LCA	TOU 400V	\$108.73	\$0.0144	\$0.0022	\$57.13	\$0.00	\$0.0036	\$0.0022	\$84.37	60,945,113	27,825,008		23,350	104	\$2,284,118	\$2,250,657	\$4,534,775
TOU11HCA	TOU 11kV	\$126.38	\$0.0144	\$0.0022	\$49.80	\$0.00	\$0.0036	\$0.0022	\$84.37	16,300,514	6,026,244		5,764	6	\$535,791	\$558,248	\$1,094,039
TOU11LCA	TOU 11kV	\$108.73	\$0.0144	\$0.0022	\$42.85	\$0.00	\$0.0036	\$0.0022	\$84.37	11,125,620	4,905,260		4,180	4	\$350,548	\$403,510	\$754,059
Individually Priced	Alliance	\$144,264					\$0.0036	\$0.0022	\$84.37	8,155,011	3,138,267		3,104	1	\$144,264	\$298,147	\$442,411
	Fonterra	\$1,845,448				\$46,535			\$20.10			3,694	28,254	2	\$1,845,448	\$1,083,909	\$2,929,357
	Opuha	\$165,331										3,179		1	\$165,331	-\$181,931	-\$16,600
										428,472,006	166,104,796	6,873	183,580	31,216	\$30,811,498	\$17,766,524	\$48,578,023

Table 12: Prices and Quantities for Maximum Notional Revenue

		2014/15 Pricing Schedule									2013 Quantities					Maximum - 2015 Prices		
		Distribution				Transmission					Day	Night	RCPD	Demand	Number of	Distribution	Transmission	Total
		Fixed	Variable Day	Variable Night	Demand	Fixed	Variable Day	Variable Night	RCPD	Demand								
per annum	per kWh	per kWh	per kW per annum	per annum	per kWh	per kWh	per kW	per kW per annum	kWh	kWh	kW	Demand kW	ICPs					
LOWHCA	Low Charge	\$54.75	\$0.0725	\$0.0451	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	3,620,079	1,349,783			909	\$373,099	\$86,937	\$460,035	
LOWLCA	Low Charge	\$54.75	\$0.0659	\$0.0385	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	25,221,081	9,403,933			6,333	\$2,370,852	\$605,688	\$2,976,541	
LOWUHCA	Low Uncontrolled	\$54.75	\$0.0725	\$0.0451	\$0.00	\$0.00	\$0.0571	\$0.0394	\$0.00	19,912	7,425			5	\$2,052	\$1,430	\$3,482	
LOWULCA	Low Uncontrolled	\$54.75	\$0.0659	\$0.0385	\$0.00	\$0.00	\$0.0571	\$0.0394	\$0.00	39,825	14,849			10	\$3,744	\$2,859	\$6,603	
015HCA	015	\$379.48	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	50,533,860	18,842,055			6,275	\$4,466,561	\$1,213,579	\$5,680,140	
015LCA	015	\$319.40	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	116,184,380	43,320,509			15,020	\$9,591,839	\$2,790,186	\$12,382,025	
015UHCA	015 Uncontrolled	\$379.48	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	24,561	9,158			30	\$12,398	\$9,956	\$22,354	
015ULCA	015 Uncontrolled	\$319.40	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	2,234	833			51	\$16,382	\$15,976	\$32,358	
360HCA	360	\$1,387.70	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	8,549,972	3,187,942			370	\$866,271	\$205,329	\$1,071,600	
360LCA	360	\$1,187.23	\$0.0375	\$0.0101	\$0.00	\$0.00	\$0.0223	\$0.0046	\$0.00	14,350,088	5,350,574			621	\$1,329,439	\$344,620	\$1,674,059	
360UHCA	360 Uncontrolled	\$1,387.70	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	254,188	94,777			11	\$25,754	\$9,539	\$35,293	
360ULCA	360 Uncontrolled	\$1,187.23	\$0.0375	\$0.0101	\$0.00	\$312.21	\$0.0223	\$0.0046	\$0.00	161,756	60,312			7	\$14,986	\$6,070	\$21,056	
ASSHCA	Assessed	\$126.31	\$0.0375	\$0.0101	\$13.71	\$0.00	\$0.0223	\$0.0046	\$45.18	81,003,049	30,202,798		79,833	1,082	\$4,573,840	\$5,552,156	\$10,125,996	
ASSLCA	Assessed	\$107.85	\$0.0375	\$0.0101	\$11.71	\$0.00	\$0.0223	\$0.0046	\$44.30	21,348,382	7,959,958		33,677	343	\$1,312,310	\$2,004,576	\$3,316,886	
TOU400HCA	TOU 400V	\$126.38	\$0.0144	\$0.0022	\$66.40	\$0.00	\$0.0036	\$0.0022	\$84.37	10,632,380	4,405,112		5,418	31	\$526,470	\$505,084	\$1,031,555	
TOU400LCA	TOU 400V	\$108.73	\$0.0144	\$0.0022	\$57.13	\$0.00	\$0.0036	\$0.0022	\$84.37	60,945,113	27,825,008		23,350	104	\$2,284,118	\$2,250,657	\$4,534,775	
TOU11HCA	TOU 11kV	\$126.38	\$0.0144	\$0.0022	\$49.80	\$0.00	\$0.0036	\$0.0022	\$84.37	16,300,514	6,026,244		5,764	6	\$535,791	\$558,248	\$1,094,039	
TOU11LCA	TOU 11kV	\$108.73	\$0.0144	\$0.0022	\$42.85	\$0.00	\$0.0036	\$0.0022	\$84.37	11,125,620	4,905,260		4,180	4	\$350,548	\$403,510	\$754,059	
Individually Priced	Alliance	\$144,264					\$0.0036	\$0.0022	\$84.37	8,155,011	3,138,267			3,104	\$144,264	\$298,147	\$442,411	
	Fonterra	\$1,845,448				\$46,535			\$114.47					2	\$1,845,448	\$1,083,909	\$2,929,357	
	Opuha	\$165,331							-\$57.24					1	\$165,331	-\$181,931	-\$16,600	
											428,472,006	166,104,796	6,873	183,580	31,216	\$30,811,498	\$17,766,524	\$48,578,023

Table 13: Prices and Quantities for Allowable Notional Revenue

		2013/14 Pricing Schedule									2013 Quantities					Revenue - 2014 Prices		
		Distribution				Transmission					Day	Night	RCPD	Demand	Number of	Distribution	Transmission	Total
		Fixed	Variable Day	Variable Night	Demand	Fixed	Variable Day	Variable Night	Demand	per kW per annum								
per annum	per kWh	per kWh	per kW per annum	per annum	per kWh	per kWh	RCPD per kW	per kW per annum	kWh	kWh	kW	Demand kW	ICPs					
LOWHCA	Low Charge	\$54.75	\$0.0636	\$0.0396	\$0.00	\$0.00	\$0.0196	\$0.0040	\$0.00	3,620,079	1,349,783			909	\$333,456	\$76,353	\$409,809	
LOWLCA	Low Charge	\$54.75	\$0.0578	\$0.0338	\$0.00	\$0.00	\$0.0196	\$0.0040	\$0.00	25,221,081	9,403,933			6,333	\$2,122,363	\$531,949	\$2,654,312	
LOWUHCA	Low Uncontrolled	\$54.75	\$0.0636	\$0.0396	\$0.00	\$0.00	\$0.0501	\$0.0345	\$0.00	19,912	7,425			5	\$1,834	\$1,254	\$3,088	
LOWULCA	Low Uncontrolled	\$54.75	\$0.0578	\$0.0338	\$0.00	\$0.00	\$0.0501	\$0.0345	\$0.00	39,825	14,849			10	\$3,351	\$2,508	\$5,859	
015HCA	015	\$332.89	\$0.0329	\$0.0089	\$0.00	\$0.00	\$0.0196	\$0.0040	\$0.00	50,533,860	18,842,055			6,275	\$3,919,143	\$1,065,832	\$4,984,975	
015LCA	015	\$280.19	\$0.0329	\$0.0089	\$0.00	\$0.00	\$0.0196	\$0.0040	\$0.00	116,184,380	43,320,509			15,020	\$8,416,472	\$2,450,496	\$10,866,968	
015UHCA	015 Uncontrolled	\$332.89	\$0.0329	\$0.0089	\$0.00	\$273.88	\$0.0196	\$0.0040	\$0.00	24,561	9,158			30	\$10,876	\$8,734	\$19,611	
015ULCA	015 Uncontrolled	\$280.19	\$0.0329	\$0.0089	\$0.00	\$273.88	\$0.0196	\$0.0040	\$0.00	2,234	833			51	\$14,371	\$14,015	\$28,386	
360HCA	360	\$1,217.33	\$0.0329	\$0.0089	\$0.00	\$0.00	\$0.0196	\$0.0040	\$0.00	8,549,972	3,187,942			370	\$760,079	\$180,331	\$940,410	
360LCA	360	\$1,041.47	\$0.0329	\$0.0089	\$0.00	\$0.00	\$0.0196	\$0.0040	\$0.00	14,350,088	5,350,574			621	\$1,166,491	\$302,664	\$1,469,155	
360UHCA	360 Uncontrolled	\$1,217.33	\$0.0329	\$0.0089	\$0.00	\$273.88	\$0.0196	\$0.0040	\$0.00	254,188	94,777			11	\$22,597	\$8,374	\$30,971	
360ULCA	360 Uncontrolled	\$1,041.47	\$0.0329	\$0.0089	\$0.00	\$273.88	\$0.0196	\$0.0040	\$0.00	161,756	60,312			7	\$13,149	\$5,329	\$18,478	
ASSHCA	Assessed	\$110.80	\$0.0329	\$0.0089	\$12.03	\$0.00	\$0.0196	\$0.0040	\$39.63	81,003,049	30,202,798		79,833	1,082	\$4,014,082	\$4,872,253	\$8,886,335	
ASSLCA	Assessed	\$94.61	\$0.0329	\$0.0089	\$10.27	\$0.00	\$0.0196	\$0.0040	\$38.86	21,348,382	7,959,958		33,677	343	\$1,151,519	\$1,758,956	\$2,910,476	
TOU400HCA	TOU 400V	\$110.86	\$0.0126	\$0.0019	\$58.25	\$0.00	\$0.0032	\$0.0019	\$74.01	10,632,380	4,405,112		5,418	31	\$461,373	\$443,380	\$904,752	
TOU400LCA	TOU 400V	\$95.38	\$0.0126	\$0.0019	\$50.12	\$0.00	\$0.0032	\$0.0019	\$74.01	60,945,113	27,825,008		23,350	104	\$2,000,997	\$1,976,025	\$3,977,023	
TOU11HCA	TOU 11kV	\$110.86	\$0.0126	\$0.0019	\$43.69	\$0.00	\$0.0032	\$0.0019	\$74.01	16,300,514	6,026,244		5,764	6	\$469,331	\$490,205	\$959,536	
TOU11LCA	TOU 11kV	\$95.38	\$0.0126	\$0.0019	\$37.59	\$0.00	\$0.0032	\$0.0019	\$74.01	11,125,620	4,905,260		4,180	4	\$307,011	\$354,284	\$661,294	
Individually Priced	Alliance	\$140,339					\$0.0032	\$0.0019	\$74.01	8,155,011	3,138,267			1	\$140,339	\$261,786	\$402,125	
	Fonterra	\$1,800,101				\$46,535			\$20.47					2	\$1,800,101	\$1,038,736	\$2,838,837	
	Opuha	\$163,005							-\$49.72					1	\$163,005	-\$158,043	\$4,962	
										428,472,006	166,104,796		6,873	183,580	31,216	\$27,291,940	\$15,685,420	\$42,977,360

Appendix C – Pass-through and Recoverable Costs

Table 14: Pass-through and Recoverable Costs Variances

Pass Through Costs and Recoverable Costs for year ending March 2015				
Category	Actual (\$)	Forecast (\$)	Variance (\$)	Variance (%)
Rates	60,496	62,789	(2,293)	(3.8%)
Electricity Authority Levies	135,739	137,101	(1,362)	(1.0%)
Commerce Act Levies	101,948	90,463	11,485	11.3%
EGCC Levies	11,576	11,752	(176)	(1.5%)
Transmission	13,997,908	14,612,917	(615,009)	(4.4%)
New investment charges	396,473	402,096	(5,623)	(1.4%)
Pass Through Costs	14,704,139	15,317,118	(612,979)	(4.2%)

Explanatory notes:

Commerce Act Levies had a variance of greater than 10% when actual was compared to budget. Actual expenditure was \$11,485 (or 11.3%) above budget predominately due the payment of \$9,915 invoiced during the 31 March 2015 assessment period for a wash-up of the second quarter 2011/12 levies by MBIE. The remaining variance (i.e., \$1,570) is due to the assumption that the increase in Commerce Act Levies would be 1.2%, which was less than the actual increase of 2.0%.

Appendix D – Quality Standard Compliance Calculations

Reliability Data

Table 15: SAIDI and SAIFI data

Year	SAIDI (Interruption Duration)			SAIFI (Interruption Frequency)		
	Class B	Class C	Total	Class B	Class C	Total
2005	10.86	58.07	68.93	0.08	0.91	0.99
2006	8.27	50.33	58.60	0.16	0.92	1.08
2007	69.98	1,043.95	1,113.93	0.28	1.59	1.87
2008	62.32	87.18	149.50	0.30	1.38	1.68
2009	82.81	118.13	200.94	0.36	1.33	1.69
	Reference Period Total SAIDI		1,591.90	Reference Period Total SAIFI		7.31
	Reference Period Average SAIDI		318.38	Reference Period Average SAIFI		1.46
2011	62.42	163.47	225.89	0.27	1.43	1.70
2012	54.30	107.30	161.60	0.25	1.01	1.26
2013	38.32	109.95	148.27	0.15	1.14	1.30
2014	33.99	824.41	858.40	0.15	2.05	2.20
2015	48.99	91.29	140.28	0.29	0.87	1.16

Table 16: Assessed SAIDI and SAIFI value 2015

Year	SAIDI	SAIFI
2015	140.2837	1.1566

Reliability Limits

Table 17: SAIDI and SAIFI Boundary Values

SAIDI Boundary Calculations

a_{SAIDI}	-1.1647	The average of the natural logarithm (ln) of each daily SAIDI Value in the non-zero data set
b_{SAIDI}	1.6490	The standard deviation of the natural logarithm (ln) of each daily SAIDI Value in the non-zero data set
$B_{SAIDI} = e^{(a_{SAIDI} + 2.5*b_{SAIDI})}$	19.2546	

SAIFI Boundary Calculations

a_{SAIFI}	-6.1189	The average of the natural logarithm (ln) of each daily SAIFI Value in the non-zero data set
b_{SAIFI}	1.7889	The standard deviation of the natural logarithm (ln) of each daily SAIFI Value in the non-zero data set
$B_{SAIFI} = e^{(a_{SAIFI} + 2.5*b_{SAIFI})}$	0.1927	

Table 18: Event Days exceeding SAIDI Boundary Value within the Reference Event Days exceeding SAIDI Boundary Value within the Reference Dataset

Event Days exceeding SAIDI Boundary Value within the Reference Dataset

Date	Pre-Normalised SAIDI	Pre-Normalised SAIFI	Normalised SAIDI	Normalised SAIFI
12-Jun-06	909.3428	0.3509	19.2546	0.1927
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-

Table 19: SAIDI and SAIFI limits

SAIDI Limit

m_{SAIDI}	140.3620
s_{SAIDI}	23.8586

The average annual SAIDI Value in the Normalised Reference Dataset

The standard deviation of daily SAIDI Values in the Normalised Reference Dataset multiplied by $\sqrt{365}$

$SAIDI_{Limit} = m_{SAIDI} + s_{SAIDI}$	164.2206
---	----------

SAIFI Limit

m_{SAIFI}	1.4319
s_{SAIFI}	0.2624

The average annual SAIFI Value in the Normalised Reference Dataset

The standard deviation of daily SAIFI Values in the Normalised Reference Dataset multiplied by $\sqrt{365}$

$SAIFI_{Limit} = m_{SAIFI} + s_{SAIFI}$	1.6943
---	--------

Table 20: Event Days exceeding SAIDI Boundary Value within 2015

Date	Pre-Normalised SAIDI	Pre-Normalised SAIFI	Normalised SAIDI	Normalised SAIFI

Appendix E – Prior Period Reliability Assessment

Table 21: Assessed Prior Period SAIDI and SAIFI

Year	SAIDI	SAIFI
2014	274.7657	1.9990
2013	148.2667	1.2979

Table 22: Assessed Prior Period SAIDI and SAIFI Compliance

SAIDI _{Assess 2014}	274.7657	SAIFI _{Assess 2013}	1.9990
SAIDI _{Limit}	164.2206	SAIFI _{Limit}	1.6943
1.6732	> 1	1.1798	> 1
<i>Exceeds Limit</i>		<i>Exceeds limit</i>	

SAIDI _{Assess 2013}	148.2667	SAIFI _{Assess 2012}	1.2979
SAIDI _{Limit}	164.2206	SAIFI _{Limit}	1.6943
0.9029	< 1	0.7660	< 1
<i>Does not exceed the limit</i>		<i>Does not exceed the limit</i>	

Appendix F – Policies and Procedures for Recording SAIDI and SAIFI

We apply the following policies and procedures to record our SAIDI and SAIFI:

- All planned and unplanned outages 3.3kV and above are recorded
- Outages less than 1 minute are reported but do not affect SAIDI and SAIFI
- Outages are recorded on 'Interruption to Supply' forms by the Network Operator
- The ICP database is interrogated for consumer numbers in the outage area
- Monthly reports are prepared for executive management and the Board

Figure 1 below outlines our process for recording outages.

Figure 1: Process for recording outages

