Alpine Energy Limited

DEFAULT PRICE QUALITY PATH COMPLIANCE STATEMENT

FOR THE ASSESSMENT DATE 31 MARCH 2012

Pursuant to the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010

14 June 2012

Contents

1) Compliance with the Price Path (Clause 11.1(a))

Alpine Energy Limited does comply with the price path at the assessment date, 31 March 2012, as specified in the *Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010*.

Clause 8.4 - 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.

Compliance is demonstrated in the following tables. The first table demonstrates that notional revenue derived using posted prices at the end of the Assessment Period is less than allowable notional revenue. The second table demonstrates that the maximum notional revenue during the Assessment Period does not exceed allowable notional revenue thus illustrating that at no time during the Assessment Period is the price path breached.

Test:	$\frac{NR_{2012}}{R_{2012}} \leq 1$	
NR_{2012}:	$	25,213,779
R_{2012}:	$	25,287,456
Result:		0.9971 < 1
Result:	*Price Path has not been breached*	

Test:	$\frac{NR_{Max}}{R_{2012}} \leq 1$	
NR_{Max}:	$	25,213,779
R_{2012}:	$	25,287,456
Result:		0.9971 < 1
Result:	*Price Path has not been breached*	

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

2) Compliance with the Quality Standards (Clause 11.1(a))

Alpine Energy Limited does comply with all requirements of the quality standards at the assessment date, 31 March 2012, as specified in the *Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010*.

Clause 9.2 - A Non-exempt EDB's Assessed Values for an Assessment Period must not exceed its Reliability Limits for that Assessment Period.

Compliance is demonstrated in the following tables. The first table demonstrates compliance with the SAIDI Limit and the second table compliance with the SAIFI limit.

Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010

Assessment Against the Quality Standards for the Assessment Date 31 March 2012

2012 Reliability Assessment (9.1(a))

Clause 9.1(a) requires compliance with Clause 9.2:
A Non-exempt EDB's Assessed Values for an Assessment Period must not exceed its Reliability Limits for that Assessment Period

Test: $\frac{SAIDI_{Assess\ 2012}}{SAIDI_{Limit}} \leq 1$

$SAIDI_{Assess\ 2012}$	161.6007	
$SAIDI_{Limit}$	164.2206	
	0.9840	< 1

Clause 9.1(a) Result: *Does not Exceed Limit*

Test: $\frac{SAIFI_{Assess\ 2012}}{SAIFI_{Limit}} \leq 1$

$SAIFI_{Assess\ 2012}$	1.2611	
$SAIFI_{Limit}$	1.6943	
	0.7443	< 1

Clause 9.1(a) Result: *Does not Exceed Limit*

Supporting evidence is presented in Appendices D and E.

Prior Period Reliability Assessment (9.1(b))

Clause 9.1.(b) requires:
Compliance with annual reliability assessments for the two immediately preceding extant Assessment Periods

$SAIDI_{Assess\ 2011}$	225.8863	$SAIFI_{Assess\ 2011}$	1.71
$SAIDI_{Limit}$	164.2206	$SAIFI_{Limit}$	1.69
1.3755	> 1	1.0081	> 1
	Exceeds Limit		*Exceeds Limit*

Compliance Summary

Clause 9.1 A Non-exempt EDB must, in respect of each Assessment Period, either:
(a) comply with the annual reliability assessment specified in clause 9.2; or
(b) have complied with those annual reliability assessments for the two immediately preceding extant Assessment Periods

	SAIDI	**SAIFI**	**Compliance**
Compliance with 9.1(a)	Does not Exceed Limit	Does not Exceed Limit	*Complies*
or			
Compliance with 9.1(b)	Exceeds Limit	Exceeds Limit	*Does not Comply*
Clause 9.1 Result:	***Complies with Quality Standard***		

Director Certification (Clause 11.1(c))

I Stephen Richard Thompson, being director of Alpine Energy Ltd 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 *Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010* are true and accurate.

14 June 2012

Independent Auditors' Report

to the Commissioners of the New Zealand Commerce Commission and the Directors of Alpine Energy Limited for the assessment period ended on 31 March 2012

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 Alpine Energy Limited's Annual Compliance Statement for the assessment period ended on 31 March 2012 on pages 2 to 4 and 8 to 17 regarding compliance with the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010.

We have audited the Annual Compliance Statement in respect of the default price-quality path prepared by Alpine Energy Limited for the assessment period ended on 31 March 2012 and dated 31 May 2012 for the purposes of clause 11 of the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010 ("the Determination").

Directors' Responsibilities

The Directors of Alpine Energy Limited 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, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on the Annual Compliance Statement based on our audit. We conducted our audit in accordance with the New Zealand Institute of Chartered Accountants Standard on Assurance Engagements 3100: *Compliance Engagements*. This standard requires that we comply with ethical and quality control requirements and plan and perform the audit to obtain reasonable assurance about whether the Annual Compliance Statement has been prepared in accordance with the Determination and is free from material misstatement.

An audit involves performing procedures to obtain audit 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. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control.

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 2 and 8 to 13 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 2012, 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 3 to 4 and 14 to 17 of the Annual Compliance Statement.

Independent Auditors' Report
Alpine Energy Limited

Our audit also included assessment of the significant estimates and judgments, if any, made by the Company in the preparation of the Annual Compliance Statement and whether adequate information has been disclosed in accordance with clause 11.1(b) of the Determination.

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

Limitations and Use of this Independent Auditor's Report

This independent auditor's report has been prepared solely for the Directors of Alpine Energy Limited and the Commissioners of the New Zealand Commerce Commission in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of Alpine Energy Limited and the Commissioners, or for any purpose other than that for which it was prepared.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the assessment period and the procedures performed in respect of the Company's compliance with the Determination are undertaken on a test basis, our engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. Our opinion has been formed on the above basis.

Independence

In addition to the annual audit, we have carried out assignments in the areas of compliance with the Electricity Distribution (Information Disclosure) Requirements 2008, other regulatory requirements of the Commerce Act 1986 and limited scope non-assurance procedures. Other than the audit and these assignments, we have no relationship with, or interests in, the Company or any of its subsidiaries. We are not aware of any relationships between our firm and Alpine Energy Limited that, in our professional judgment, may reasonably be thought to impair our independence.

Opinion

In our opinion, the Annual Compliance Statement of Alpine Energy Limited for the Assessment Period ended on 31 March 2012, has been prepared, in all material respects, in accordance with the Determination.

Our audit was completed on 14 June 2012 and our opinion is expressed as at that date.

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

PricewaterhouseCoopers

Appendix A – Price Path Compliance Calculations (Clause 11.1(b)(i))

Notional Revenue for the year ending March 2012		
Term	Description	Value $
$P_{2012} * Q_{2010}$	Prices at 31 March 2012 multiplied by 31 March 2010 Base Quantities	35,559,924
K_{2012}	Transmission Charges for year ending 31 March 2012	9,666,747
	Avoided Transmission Charges for year ending 31 March 2012	474,372
	Rates for year ending 31 March 2012	55,466
	Electricity Authority Levies for year ending 31 March 2012	106,305
	Commerce Act Levies for year ending 31 March 2012 + 1/5 of Commerce Act Levies for year ending 31 March 2010	43,255
NR_{2012}	Notional Revenue for the year ending 31 March 2012	25,213,779

Maximum Notional Revenue for the year ending March 2012		
Term	Description	Value $
$P_{Max} * Q_{2010}$	Maximum Prices between 1 April 2011 and 31 March 2012 multiplied by 31 March 2010 Base Quantities	35,559,924
K_{2012}	Transmission Charges for year ending 31 March 2012	9,666,747
	Avoided Transmission Charges for year ending 31 March 2012	474,372
	Rates for year ending 31 March 2012	55,466
	Electricity Authority Levies for year ending 31 March 2012	106,305
	Commerce Act Levies for year ending 31 March 2012 + 1/5 of Commerce Act Levies for year ending 31 March 2010	43,255
NR_{Max}	Notional Revenue for the year ending 31 March 2012	25,213,779

Allowable Notional Revenue 2012		
Term	Description	Value $
$P_{2011} * Q_{2010}$	Maximum Prices between 1 April 2010 and 31 March 2011 multiplied by 31 March 2010 Base Quantities	34,223,749
K_{2011}	Transmission Charges for year ending 31 March 2011	9,646,293
	Avoided Transmission Charges for 2011	328,773
	Rates for year ending 31 March 2011	51,106
	Electricity Commission Levies for year ending 31 March 2011	72,544
	Commerce Act Levies for year ending 31 March 2011 + 1/5 of Commerce Act Levies for year ending 31 March 2010	77,938
$R_{2011} - NR_{2011}$	Revenue Differential for year ending 31 March 2011	797,831
X	X Factor	0
$(1 + \Delta CPI_{2012})$	Average change in Consumer Price Index	1.0178
R_{2012}	Allowable Notional Revenue under the CPI-X Price Path for the year ending 31 March 2012	25,287,456

ΔCPI_{2012}			
Numerator		Denominator	
$CPI_{Dec2009}$	1093	$CPI_{Dec2008}$	1072
$CPI_{Mar2010}$	1097	$CPI_{Mar2009}$	1075
$CPI_{Jun2010}$	1099	$CPI_{Jun2009}$	1081
$CPI_{Sep2010}$	1111	$CPI_{Sep2009}$	1095
Total	4400	Total	4323
ΔCPI_{2012}	1.78%		

Revenue Differential 2011		
Term	Description	Value $
R_{2011}	Allowable Notional Revenue under the CPI-X Price Path for the year ending 31 March 2011	24,568,447
NR_{2011}	Notional Revenue for the year ending 31 March 2011	23,770,616
$R_{2011} - NR_{2011}$	Allowable Notional Revenue less Notional Revenue for the year ending 31 March 2011	797,831

Appendix B – Price and Quantity Schedules (Clause 11.1(b)(i))

		2010/11 Pricing Schedule								2010 Quantities				Revenue - 2011 Prices		
		Distribution Fixed *per annum*	Variable Day *per kWh*	Variable Night *per kWh*	Demand *per kW per annum*	Transmission Fixed *per annum*	Variable Day *per kWh*	Variable Night *per kWh*	Demand *per kW per annum*	Usage kWh Day	Night	Demand kW	Number of ICPs	**Distribution**	**Transmission**	**Total Revenue**
LOWHCA	Low Charge	$54.75	$0.0484	$0.0288	$0.00	$0.00	$0.0152	$0.0030	$0.00	2,130,180	795,891		586	157,998	34,755	192,753
LOWLCA	Low Charge	$54.75	$0.0465	$0.0269	$0.00	$0.00	$0.0152	$0.0030	$0.00	15,511,052	5,795,338		4,267	1,111,438	253,073	1,364,511
LOWUHCA	Low Uncontrolled	$54.75	$0.0484	$0.0288	$0.00	$0.00	$0.0388	$0.0266	$0.00	3,635	1,358		1	270	177	447
LOWULCA	Low Uncontrolled	$54.75	$0.0465	$0.0269	$0.00	$0.00	$0.0388	$0.0266	$0.00	14,540	5,433		4	1,042	708	1,750
015HCA	015	$248.71	$0.0268	$0.0072	$0.00	$0.00	$0.0152	$0.0030	$0.00	52,095,798	19,934,271		6,463	3,147,972	851,404	3,999,376
015LCA	015	$232.22	$0.0268	$0.0072	$0.00	$0.00	$0.0152	$0.0030	$0.00	119,775,494	45,831,666		16,928	7,473,018	1,957,497	9,430,514
015UHCA	015 Uncontrolled	$248.71	$0.0268	$0.0072	$0.00	$212.54	$0.0152	$0.0030	$0.00	25,321	9,689		25	6,967	5,727	12,694
015ULCA	015 Uncontrolled	$232.22	$0.0268	$0.0072	$0.00	$212.54	$0.0152	$0.0030	$0.00	2,303	881		41	9,589	8,752	18,341
360HCA	360	$906.42	$0.0268	$0.0072	$0.00	$0.00	$0.0152	$0.0030	$0.00	8,241,279	3,153,496		306	521,074	134,688	655,761
360LCA	360	$846.33	$0.0268	$0.0072	$0.00	$0.00	$0.0152	$0.0030	$0.00	15,751,312	6,027,184		555	935,507	257,424	1,192,932
360UHCA	360 Uncontrolled	$906.42	$0.0268	$0.0072	$0.00	$212.54	$0.0152	$0.0030	$0.00	0	0		4	3,626	850	4,476
360ULCA	360 Uncontrolled	$846.33	$0.0268	$0.0072	$0.00	$212.54	$0.0152	$0.0030	$0.00	44,081	16,868		2	2,996	1,145	4,142
ASSHCA	Assessed	$82.51	$0.0268	$0.0072	$8.96	$0.00	$0.0152	$0.0030	$30.76	83,506,753	31,953,561	65,726	989	3,139,872	3,386,349	6,526,220
ASSLCA	Assessed	$77.04	$0.0268	$0.0072	$8.37	$0.00	$0.0152	$0.0030	$30.15	22,008,234	8,421,372	29,120	302	917,676	1,237,789	2,155,466
TOU400HCA	TOU 400V	$82.51	$0.0103	$0.0015	$43.36	$0.00	$0.0025	$0.0015	$57.44	10,367,852	4,094,229	4,803	32	324,257	308,322	632,578
TOU400LCA	TOU 400V	$77.04	$0.0103	$0.0015	$40.48	$0.00	$0.0025	$0.0015	$57.44	61,952,956	28,163,889	22,765	106	1,612,936	1,507,080	3,120,015
TOU11HCA	TOU 11kV	$82.51	$0.0103	$0.0015	$32.52	$0.00	$0.0025	$0.0015	$57.44	15,293,262	5,539,671	5,804	6	355,685	380,474	736,158
TOU11LCA	TOU 11kV	$77.04	$0.0103	$0.0015	$30.36	$0.00	$0.0025	$0.0015	$57.44	12,038,920	5,242,468	4,102	4	257,254	274,029	531,283
Individually Priced	Customer 1												3	135,332	187,896	323,228
	Customer 2													1,741,214	931,417	2,672,631
	Customer 3													152,462	496,010	648,472
										418,762,973	**164,987,265**	**132,320**	**30,624**	**22,008,182**	**12,215,567**	**34,223,749**

		2011/12 Pricing Schedule								2010 Quantities				Revenue - 2012 Prices		
		Distribution				Transmission										
		Fixed *per annum*	Variable Day *per kWh*	Variable Night *per kWh*	Demand *per kW per annum*	Fixed *per annum*	Variable Day *per kWh*	Variable Night per kWh	Demand per kW per annum	Usage kWh Day	Night	Demand kW	Number of ICPs	**Distribution**	**Transmission**	**Total Revenue**
LOWHCA	Low Charge	$54.75	$0.0521	$0.0317	$0.00	$0.00	$0.0160	$0.0032	$0.00	2,130,180	795,891		586	168,261	36,667	204,928
LOWLCA	Low Charge	$54.75	$0.0487	$0.0283	$0.00	$0.00	$0.0160	$0.0032	$0.00	15,511,052	5,795,338		4,267	1,153,214	266,992	1,420,206
LOWUHCA	Low Uncontrolled	$54.75	$0.0521	$0.0317	$0.00	$0.00	$0.0409	$0.0281	$0.00	3,635	1,358		1	287	187	474
LOWULCA	Low Uncontrolled	$54.75	$0.0487	$0.0283	$0.00	$0.00	$0.0409	$0.0281	$0.00	14,540	5,433		4	1,081	748	1,829
015HCA	015	$272.54	$0.0279	$0.0075	$0.00	$0.00	$0.0160	$0.0032	$0.00	52,095,798	19,934,271		6,463	3,363,634	898,231	4,261,865
015LCA	015	$242.14	$0.0279	$0.0075	$0.00	$0.00	$0.0160	$0.0032	$0.00	119,775,494	45,831,666		16,928	7,782,511	2,065,159	9,847,670
015UHCA	015 Uncontrolled	$272.54	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	25,321	9,689		25	7,592	6,042	13,635
015ULCA	015 Uncontrolled	$242.14	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	2,303	881		41	9,998	9,233	19,231
360HCA	360	$996.65	$0.0279	$0.0075	$0.00	$0.00	$0.0160	$0.0032	$0.00	8,241,279	3,153,496		306	558,432	142,095	700,528
360LCA	360	$900.04	$0.0279	$0.0075	$0.00	$0.00	$0.0160	$0.0032	$0.00	15,751,312	6,027,184		555	983,947	271,583	1,255,530
360UHCA	360 Uncontrolled	$996.65	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	0	0		4	3,987	897	4,884
360ULCA	360 Uncontrolled	$900.04	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	44,081	16,868		2	3,156	1,209	4,364
ASSHCA	Assessed	$90.71	$0.0279	$0.0075	$9.85	$0.00	$0.0160	$0.0032	$32.45	83,506,753	31,953,561	65,726	989	3,305,313	3,572,598	6,877,911
ASSLCA	Assessed	$81.76	$0.0279	$0.0075	$8.88	$0.00	$0.0160	$0.0032	$31.81	22,008,234	8,421,372	29,120	302	960,052	1,305,868	2,265,920
TOU400HCA	TOU 400V	$90.76	$0.0107	$0.0016	$47.69	$0.00	$0.0027	$0.0016	$60.60	10,367,852	4,094,229	4,803	32	349,880	325,279	675,160
TOU400LCA	TOU 400V	$82.43	$0.0107	$0.0016	$43.31	$0.00	$0.0027	$0.0016	$60.60	61,952,956	28,163,889	22,765	106	1,705,287	1,589,969	3,295,256
TOU11HCA	TOU 11kV	$90.76	$0.0107	$0.0016	$35.77	$0.00	$0.0027	$0.0016	$60.60	15,293,262	5,539,671	5,804	6	381,266	401,400	782,666
TOU11LCA	TOU 11kV	$82.43	$0.0107	$0.0016	$32.49	$0.00	$0.0027	$0.0016	$60.60	12,038,920	5,242,468	4,102	4	271,281	289,101	560,382
Individually Priced	Customer 1												3	141,016	198,950	339,966
	Customer 2													1,777,828	931,417	2,709,245
	Customer 3													152,462	165,814	318,276
										418,762,973	**164,987,265**	**132,320**	**30,624**	**23,080,486**	**12,479,439**	**35,559,924**

		2011/12 Pricing Schedule								2010 Quantities				Revenue - Maximum		
		Distribution				Transmission										
		Fixed *per annum*	Variable Day *per kWh*	Variable Night *per kWh*	Demand *per kW per annum*	Fixed *per annum*	Variable Day *per kWh*	Variable Night per kWh	Demand per kW per annum	Usage kWh Day	Night	Demand kW	Number of ICPs	**Distribution**	**Transmission**	**Total Revenue**
LOWHCA	Low Charge	$54.75	$0.0521	$0.0317	$0.00	$0.00	$0.0160	$0.0032	$0.00	2,130,180	795,891		586	168,261	36,667	204,928
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015HCA	015	$272.54	$0.0279	$0.0075	$0.00	$0.00	$0.0160	$0.0032	$0.00	52,095,798	19,934,271		6,463	3,363,634	898,231	4,261,865
015LCA	015	$242.14	$0.0279	$0.0075	$0.00	$0.00	$0.0160	$0.0032	$0.00	119,775,494	45,831,666		16,928	7,782,511	2,065,159	9,847,670
015UHCA	015 Uncontrolled	$272.54	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	25,321	9,689		25	7,592	6,042	13,635
015ULCA	015 Uncontrolled	$242.14	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	2,303	881		41	9,998	9,233	19,231
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360LCA	360	$900.04	$0.0279	$0.0075	$0.00	$0.00	$0.0160	$0.0032	$0.00	15,751,312	6,027,184		555	983,947	271,583	1,255,530
360UHCA	360 Uncontrolled	$996.65	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	0	0		4	3,987	897	4,884
360ULCA	360 Uncontrolled	$900.04	$0.0279	$0.0075	$0.00	$224.23	$0.0160	$0.0032	$0.00	44,081	16,868		2	3,156	1,209	4,364
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TOU400LCA	TOU 400V	$82.43	$0.0107	$0.0016	$43.31	$0.00	$0.0027	$0.0016	$60.60	61,952,956	28,163,889	22,765	106	1,705,287	1,589,969	3,295,256
TOU11HCA	TOU 11kV	$90.76	$0.0107	$0.0016	$35.77	$0.00	$0.0027	$0.0016	$60.60	15,293,262	5,539,671	5,804	6	381,266	401,400	782,666
TOU11LCA	TOU 11kV	$82.43	$0.0107	$0.0016	$32.49	$0.00	$0.0027	$0.0016	$60.60	12,038,920	5,242,468	4,102	4	271,281	289,101	560,382
Individually Priced	Customer 1												3	141,016	198,950	339,966
	Customer 2													1,777,828	931,417	2,709,245
	Customer 3													152,462	165,814	318,276
										418,762,973	**164,987,265**	**132,320**	**30,624**	**23,080,486**	**12,479,439**	**35,559,924**

Appendix C – Pass Through Costs (Clause 11.1(b)(ii))

Pass Through Costs for year ending March 2012				
K_{2012}	Actual ($)	Forecast ($)	Variance ($)	Variance (%)
Transmission	9,666,747	9,591,435	75,312	0.8%
Avoided Transmission	474,372	474,372	-	0.0%
Rates	55,466	51,492	3,974	7.2%
Electricity Authority Levies	106,305	111,606	(5,301)	(5.0%)
Commerce Act Levies	43,255	-	43,255	100.0%
Total Pass Through Costs	10,346,145	10,228,905	117,240	1.1%

Through an oversight Commerce Commission Levies were not included in forecasts when calculating 2011-12 prices.

Appendix D – Quality Standard Compliance Calculations (Clause 11.1(b)(iv))

Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010

Assessment Against the Quality Standards

for the Assessment Date 31 March 2012

Reliability Data (Before Normalisation)

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

Reliability Limit Calculations

SAIDI Boundary Calculations

α_{SAIDI}	-1.1647	The average of the natural logarithm (ln) of each daily SAIDI Value in the non-zero data set
β_{SAIDI}	1.6490	The standard deviation of the natural logarithm (ln) of each daily SAIDI Value in the non-zero data set
$B_{SAIDI} = e^{(\alpha SAIDI + 2.5 * \beta SAIDI)}$	19.2556	SAIDI Boundary Value

SAIFI Boundary Calculations

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

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	19.2556	0.1927
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-

SAIDI Limit

μ_{SAIDI}	140.3620	The average annual SAIDI Value in the Normalised Reference Dataset
σ_{SAIDI}	23.8586	The standard deviation of daily SAIDI Values in the Normalised Reference Dataset multiplied by √365
$SAIDI_{Limit} = \mu_{SAIDI} + \sigma_{SAIDI}$	164.2206	SAIDI Limit Value

SAIFI Limit

μ_{SAIFI}	1.4319	The average annual SAIFI Value in the Normalised Reference Dataset
σ_{SAIFI}	0.2624	The standard deviation of daily SAIFI Values in the Normalised Reference Dataset multiplied by √365
$SAIFI_{Limit} = \mu_{SAIFI} + \sigma_{SAIFI}$	1.6943	SAIFI Limit Value

Reliability Assessment Calculations

Event Days exceeding SAIDI Boundary Value within the 2012 Assessment Dataset

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

Assessed SAIDI Value 2012

$SAIDI_{2012}$	161.6007	The sum of daily SAIDI Values in the 1 April 2011 - 31 March 2012 Normalised Assessment Dataset

Assessed SAIFI Value 2012

$SAIFI_{2012}$	1.2611	The sum of daily SAIFI Values in the 1 April 2011 - 31 March 2012 Normalised Assessment Dataset

Prior Period Assessed Values

Assessed SAIDI Value 2011

$SAIDI_{2011}$	225.8863	The sum of daily SAIDI Values in the 1 April 2010 - 31 March 2011 Normalised Assessment Dataset

Assessed SAIFI Value 2011

$SAIFI_{2011}$	1.7080	The sum of daily SAIFI Values in the 1 April 2010 - 31 March 2011 Normalised Assessment Dataset

Appendix E – Policies and Procedures for Recording SAIDI and SAIFI (Clause 11.1(b)(v))

The following are the Policies and Procedures which Alpine Energy uses for recording SAIDI and SAIFI statistics:

- All planned and unplanned outages 3.3kV and above are recorded.
- Outages less than 1 minute duration are still reported but do not affect SAIDI and SAIFI figures.
- Outages are recorded on an "Interruption to Supply" form by the Network Operator.
- The ICP data base is interrogated for customer numbers in the outage area.
- Monthly reports prepared for Board of Directors.