



DEFAULT PRICE-QUALITY PATH ANNUAL COMPLIANCE STATEMENT

Assessment Period: 1 April 2020 – 31 March 2021
30 August 2021

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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 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 first assessment period, commencing 1 April 2020 and ending 31 March 2021.

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 30 August 2021. 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, and additional copies can be provided on request.

3. WASH-UP AMOUNT

The Determination requires Alpine Energy to calculate an annual wash-up of the difference between the revenue received and allowable revenue adjusted for actual CPI, pass-through costs, and recoverable costs.

The wash-up is a mechanism of the revenue cap intended to keep EDBs whole for any over or under-recovery of revenue due to the use of forecast quantities to set prices before the start of the assessment period. The wash-up amount will be applied to prices two years after this assessment period. The wash-up amount for this assessment period will be included in calculating the allowable revenue and prices for the 2023 assessment period (RY23), beginning 1 April 2022.

For presentation purposes, the tables in this Section 3 are rounded to the nearest thousand dollars (\$000). However, for the avoidance of doubt, the underlying compliance calculations apply to the whole number.

3.1 Statement of compliance

As demonstrated in Table 1 in Section 3.2 and consistent with clause 8.6 of the Determination, Alpine Energy has complied with the wash-up amount calculation for the first assessment period.

3.2 Wash-up amount calculation

Schedule 1.6 of the Determination specifies that the wash-up amount is the amount calculated using the following formula—

$$AAR - AR - RV$$

Where—

AAR is the actual allowable revenue;

AR is the actual revenue; and

RV is the revenue foregone.

Further information supporting **actual allowable revenue** is included in Section 3.2.1.

Further information supporting **actual revenue** is included in Section 3.2.2.

Further information supporting **revenue foregone** is included in Section 3.2.3.

Table 1: Wash-up amount calculation

Wash-up amount RY21		
Term	Description	Value (\$000)
Actual allowable revenue (AAR)	<i>Sum of actual net allowable revenue, actual pass-through and recoverable costs, pass-through balance and revenue wash-up draw down amount</i>	56,782
Actual revenue (AR)	<i>Sum of actual revenue from prices plus other regulated income</i>	58,940
Revenue foregone (RV)	<i>Actual net allowable revenue x (revenue reduction percentage - 20%) when revenue reduction percentage is greater than 20%, otherwise nil</i>	-
Wash-up amount	AAR - AR - RV	(2,158)

The negative wash-up amount indicates an over recovery of revenue to be returned to customers through prices effective 1 April 2022 (RY23) by subtracting it from forecast allowable revenue.

Alpine Energy's over recovered revenue in its first assessment year can be largely attributable to having used the actual pass-through balance for the assessment period ending 31 March 2019 of \$5,248,974 as a demonstrably reasonable estimate at the time of setting prices of the pass-through balance as at 31 March 2020, as per clause 4.2 of the DPP Determination. Alpine Energy used the actual pass-through balance for the assessment period ending 31 March 2019 as its pass-through balances had been escalating for the prior three assessment periods—

- \$5,248,974 for the assessment period ending 31 March 2019
- \$4,371,046 for the assessment period ending 31 March 2018
- \$1,938,431 for the assessment period ending 31 March 2017.¹

¹ Please note that the pass-through balance for the assessment period ending 31 March 2016 was \$542,444.

Upon completing the DPP Compliance Statement for year ending 31 March 2020, the pass through balance was calculated at \$2,304,818.

In late 2018 Alpine Energy discovered that the escalating under-recoveries were caused by mass-market quantities being materially understated in its billing system.

Alpine Energy uses GXP pricing, which by design identifies consumers without time-of-use metering (TOU) as a mass market. Mass market consumers are deemed non-half hour (NHH) consumers as they do not have TOU meters or prices. As smart meters were rolled out on Alpine Energy's network from January 2015, SmartCo, the metering equipment provider (MEP), changed the meter identifier in the Registry from NHH to HHR to reflect that the meters were now half-hour meters (HHR). The change in meter identifier meant that Alpine Energy's billing system was not recognising the HHR script for a growing number of its mass-market consumers. Alpine Energy was able to correct the issue before the start of RY20 (i.e., 1 April 2019), the final assessment period under the weighted average price cap.

When setting prices for RY21, the first assessment period under the revenue cap, Alpine Energy elected to apply a conservative approach using the actual pass-through balance for the assessment period ending 31 March 2019. The conservative approach was intended to address any undetected lagging system issues that would perpetuate the escalating historical under-recovery into the new DPP regulatory period under a revenue cap.

Given that the wash-up for RY21 is material, in hindsight taking the conservative approach was not necessary. The system correction fully addressed the script issue. Accordingly, Alpine Energy did not experience any lagging system issues for which it had made allowance by taking its approach.

3.2.1 Actual allowable revenue

Schedule 1.6 of the Determination specifies that for the first assessment period of the DPP regulatory period, the amount calculated using the formula —

$$\text{actual net allowable revenue} + \text{actual pass-through costs and recoverable costs} - (\text{pass-through balance} \times (1 + 67^{\text{th}} \text{ percentile estimate of post-tax WACC}))$$

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

Table 2: Actual allowable revenue calculation

Actual allowable revenue RY21		
Term	Description	Value (\$000)
Actual net allowable revenue (ANAR)	Amount specified as forecast net allowable revenue for the first assessment period	42,653
Actual pass-through costs	Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period	343
Actual recoverable costs	Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period	11,383
Pass-through balance	The amount calculated for the assessment period ending 31 March 2020 under clause 8.6 of the 2015 DPP Determination	(2,305)
Total actual allowable revenue (AAR)	Actual net allowable revenue + actual pass-through costs and actual recoverable costs — (pass-through balance x (1 + 67 th percentile estimate of post-tax WACC))	56,782

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

3.2.2 Actual revenue

The Determination specifies that actual revenue means the sum of the actual revenue from prices plus other regulated income—

- **actual revenue from prices** is the sum of each price multiplied by each corresponding actual quantity; and
- **other regulated income** is forecast income associated with the supply of electricity distribution services, including gains and losses on disposed assets, but excluding income through prices, investment-related income, capital contributions, or vested assets.

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

Table 3: Actual revenue calculation

Actual revenue RY21		
Term	Description	Value (\$000)
Actual revenue from prices	<i>Actual prices between 1 April 2020 and 31 March 2021 multiplied by actual quantities for the assessment period</i>	58,940
Other regulated income	<i>Other income associated with supply of electricity distribution services</i>	-
Total actual revenue (AR)	<i>Sum of actual revenue from prices plus other regulated income</i>	58,940

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

3.2.3 Revenue foregone

Clause 4.2 of the Determination specifies that revenue foregone means—

- a) where the revenue reduction percentage is greater than 20%, the amount calculated using the formula—

$$\text{actual net allowable revenue} \times (\text{revenue reduction percentage} - 20\%)$$
- b) where the revenue reduction percentage is not greater than 20%, the revenue foregone, nil.

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

Table 4: Revenue foregone calculation

Revenue foregone RY21		
Term	Description	Value (\$000)
Actual net allowable revenue (ANAR)	Amount specified as forecast net allowable revenue for the first assessment period	42,653
Revenue reduction percentage (RRP)	1 - (actual revenue from prices / forecast revenue from prices)	-0.28%
Revenue foregone (RV)	Actual net allowable revenue x (RRP- 20%) when RRP is greater than 20%, otherwise nil	-

4. QUALITY STANDARDS

Alpine Energy must comply with the quality standards under the Determination. This Section 4 of the Annual Compliance Statement demonstrates that as per—

- clause 9.1 Alpine Energy complies with the planned interruptions reliability assessment cap; and
- clause 9.7 Alpine Energy complies with the unplanned interruptions reliability assessment; and
- clause 9.9 Alpine Energy complies with the extreme event standard.

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, in respect of planned interruptions, at the end of the fifth assessment period (i.e., 31 March 2025)—

- (a) the accumulation of Alpine Energy's planned SAIDI assessed values for the DPP regulatory period (i.e., the five years 1 April 2020 to 31 March 2025) must not exceed the planned accumulated SAIDI limit of 824.87 SAIDI minutes or, where applicable, the adjusted planned accumulated SAIDI limit; and
- (b) the accumulation of Alpine Energy's planned SAIFI assessed values for the DPP regulatory period must not exceed the planned accumulated SAIFI limit of 3.4930 SAIFI interruptions or, where applicable, the adjusted planned accumulated SAIFI limit.

The accumulation of Alpine Energy's planned SAIDI and SAIFI assessed values are reported in section 4.1.1. The planned accumulated SAIDI limit and planned accumulated SAIFI limit are 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 first assessment period.

Table 5: Planned SAIDI for the assessment period

Planned interruptions quality standard - SAIDI	
Sum of planned SAIDI assessed values ≤ Planned accumulated SAIDI limit	
Planned accumulated SAIDI limit	824.87
Planned SAIDI assessed value for the first assessment period	87.55
Compliance result	Compliant

Table 6: Planned SAIFI for the assessment period

Planned interruptions quality standard - SAIFI	
Sum of planned SAIFI assessed values ≤ Planned accumulated SAIFI limit	
Planned accumulated SAIFI limit	3.4930
Planned SAIFI assessed value for the first assessment period	0.2582
Compliance result	Compliant

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

4.1.1 Planned SAIDI and SAIFI assessed values

Schedule 3, subclause (2) specifies that the planned SAIDI assessed value is calculated using the following formula —

$$SAIDI_{planned,assessed} = SAIDI_B + \frac{SAIDI_N}{2}$$

where—

$SAIDI_B$ is the sum of the SAIDI values for any planned interruptions commencing within the assessment period that are not Class B notified interruptions.

$SAIDI_N$ is the sum of the SAIDI values attributable to any minutes that fall within the specified notified interruption window or alternate day of any Class B notified interruptions.

Class B notified interruptions mean a planned interruption that Alpine Energy has given additional notice for. The planned interruption is recorded as a planned interruption in Alpine Energy's internal systems. Additional notice means a notice provided by Alpine Energy before an intended interruption is due to commence. Amongst other requirements, the notice must be provided to:

- (i) all of Alpine Energy's consumers directly billed by it affected by the intended interruption no later than ten working days before that intended interruption is to commence; and
- (ii) for all Alpine Energy's consumers not directly billed by it affected by the intended interruption, one of the following:
 - A. all electricity retailers affected by the intended interruption no later than ten working days before that intended interruption is due to commence; or
 - B. all of Alpine Energy's consumers (except for those consumers directly billed by Alpine Energy) affected by the intended interruption no later than four working days before that intended interruption is due to commence.

Schedule 3, subclause (3) specifies that the planned SAIFI assessed value is the sum of the SAIFI values for Class B interruptions commencing within the assessment period.

Table 7 below and Table 8 on page 15 show Alpine Energy's planned SAIDI and SAIFI assessed values for the assessment period.

Table 7: Planned SAIDI assessed value calculation

Planned SAIDI assessed value RY21		
Term	Description	Value
Class B non-notified interruptions		87.55
Class B notified interruptions falling outside window		-
SAIDI _B	<i>Sum of Class B non-notified interruptions</i>	87.55
Class B notified interruptions falling inside window		-
Class B intended interruptions cancelled without notice		-
Class B intended interruptions cancelled with notice		-
SAIDI _N	<i>Sum of Class B notified interruptions</i>	-
Planned SAIDI assessed value	$SAIDI_B + (SAIDI_N / 2)$	87.55

During the assessment period, Alpine Energy had a significant planned outage on its Twizel network. Notification of the intended interruption was given via multiple channels, including email, letter drops, local newspapers, local radio, Facebook, and Alpine Energy's website. The information provided on each medium included:

- (i) that the intended interruption is to be treated as a 'notified interruption';
- (ii) the notified interruption window and, where applicable, the one alternate day;
- (iii) the reason(s) for the intended interruption; and
- (iv) information on where to access any further information or updates on the intended interruption, including any updates on whether the intended interruption will occur within the notified interruption window or the one alternate day.

Despite Alpine Energy taking all reasonable measures to ensure that consumers were notified of the intended interruption, it has had to classify the intended interruption as non-notified. The reason being that Alpine Energy could not evidence that 'all consumers' had received the notice and understood that notice.

Alpine Energy will continue to notify consumers via the current process. In addition, Alpine Energy will also notify the Retailers of the impending notified interruptions in order to satisfy Schedule 3, subclause (4)(d)(ii) of the Determination, and accordingly it will be able to claim the intended interruption for which it gave notice as a notified interruption.

Table 8: Planned SAIFI assessed value RY21

Planned SAIFI assessed value RY21		
Term	Description	Value
Planned SAIFI assessed value	<i>Sum of Class B interruptions commencing within the assessment period</i>	0.2582

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—

- (a) unplanned SAIDI assessment value for unplanned interruptions for the assessment period must not exceed the unplanned SAIDI limit of 124.71 SAIDI minutes; and
- (b) unplanned SAIFI assessed value for unplanned interruptions for the assessment period must not exceed the unplanned SAIFI limit of 1.1970 SAIFI interruptions.

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 9 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.

Table 9: Unplanned SAIDI for the assessment period

Unplanned interruptions quality standard RY21 - SAIDI		
Unplanned SAIDI assessed value ≤ Unplanned SAIDI limit		
Unplanned SAIDI limit		124.71
Unplanned SAIDI assessed value	Sum of normalised SAIDI values for Class C interruptions commencing within the assessment period	77.48
Compliance result		Compliant

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 10 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.

Table 10: Unplanned SAIFI for the assessment period

Unplanned interruptions quality standard RY21 - SAIFI		
Unplanned SAIFI assessed value ≤ Unplanned SAIFI limit		
Unplanned SAIFI limit		1.1970
Unplanned SAIFI assessed value	Sum of normalised SAIFI values for Class C interruptions commencing within the assessment period	0.6354
Compliance result		Compliant

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

4.2.1 Major events

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

Table 11: Unplanned SAIDI major events for the assessment period

Unplanned SAIDI major events RY21			
Start	End	Pre-normalised unplanned SAIDI	Normalised unplanned SAIDI
8/01/2021 22:00	10/01/2021 21:00	20.09	0.7204
9/03/2021 19:00	11/03/2021 18:00	12.1797	0.3454

Table 12 below shows that Alpine Energy had three unplanned SAIFI major events during the assessment period.

Table 12: Unplanned SAIFI major events for the assessment period

Unplanned SAIFI major events RY21			
Start	End	Pre-normalised unplanned SAIFI	Normalised unplanned SAIFI
9/01/2021 2:00	11/01/2021 1:00	0.14	0.0058
16/01/2021 20:00	18/01/2021 19:00	0.1317	0.0084
10/03/2021 0:00	11/03/2021 18:00	0.0881	0.0052

Further information about major events is included in Appendix D.

4.3 Statement of compliance with extreme event standard

Clause 9.10 of the Determination specifies that Alpine Energy must not have an extreme event in the assessment period to comply with the extreme event standard. An extreme event occurs wherein 24 hours of an interruption starting:

- (a) the aggregate SAIDI value exceeds 120 minutes, or
- (b) the total duration of customer interruption minutes resulting from all unplanned interruptions exceeds a total of six million customer interruption minutes.

The calculation of the unplanned interruptions excludes any unplanned interruption that is the result of major external factors. Major external factors include natural disaster, third-party interference, a fire that does not originate on Alpine Energy's network, or wildlife.

The extreme event standard limit is specified in paragraphs (1)(a) and (b) in Schedule 3.3 of the Determination.

Table 13 below shows that Alpine Energy has complied with the extreme event standard for the assessment period.

Table 13: Extreme event standard for the assessment period

Extreme event standard RY21	
Unplanned SAIDI value ≤ 120 minutes, and customer interruption minutes ≤ six million during any 24-hour period, excluding unplanned interruptions from major external factors	
Number of extreme events	Compliance result
-	Compliant

4.4 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. If in an assessment period Alpine Energy performs above the target, it gains revenue. However, should Alpine Energy perform below the target, it losses revenue. The incentive is Asymmetric so that the revenue at risk is higher for underperforming than overperforming against targets.

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

Table 14 below shows Alpine Energy's quality incentive adjustment for the assessment period is -\$16,000.

Table 14: Quality incentive adjustment calculation

Quality Incentive Adjustment RY21		
Term	Description	Value (\$000)
SAIDI planned adjustment	$(SAIDI_{planned, target} - SAIDI_{planned, assessed}) \times 0.5 \times IR$	(128)
SAIDI unplanned adjustment	$(SAIDI_{unplanned, target} - SAIDI_{unplanned, assessed}) \times IR$	113
Total adjustment	$SAIDI_{planned adjustment} + SAIDI_{unplanned adjustment}$	(15)
Revenue at risk	$0.02 \times ANAR$	853.06
Total penalty/reward		(15)
67th percentile estimate of post-tax WACC		4.23%
Quality incentive adjustment		(16)

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 2022 (RY23).

Table 15 below show the inputs used to calculate Alpine Energy's quality incentive adjustment for the assessment period.

Table 15: Quality incentive adjustment calculation

Quality Incentive Adjustment Inputs RY21					
Term	Units	Value	Term	Units	Value
SAIDI planned interruption cap	minutes	164.97	SAIDI unplanned interruption cap	minutes	124.71
SAIDI planned interruption collar	minutes	-	SAIDI unplanned interruption collar	minutes	-
SAIDI planned interruption target	minutes	54.99	SAIDI unplanned interruption target	minutes	91.88
Planned SAIDI assessed value	minutes	87.55	Unplanned SAIDI assessed value	minutes	77.48
Incentive rate		7,879			
Actual net allowable revenue (ANAR)	\$000	42,653			
SAIDI planned interruption target	minutes	55	SAIDI unplanned interruption target	minutes	92
Minimum of the planned SAIDI cap and assessed value	minutes	88	Minimum of the unplanned SAIDI cap and assessed value	minutes	77
Planned SAIDI subject to incentive	minutes	(33)	Unplanned SAIDI subject to incentive	minutes	14
Adjustment (IR x 0.5)	\$	3,940	Adjustment (IR)	\$	7,879
SAIDI planned adjustment	\$000	(128)	SAIDI unplanned adjustment	\$000	113

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.

8. APPENDIX A – PASS-THROUGH AND RECOVERABLE COSTS

Pass-through costs

Table 16: Pass-through costs for the assessment period

Actual pass-through costs	Actual and forecast pass-through costs RY21			Explanation for variances
	Actual (\$000)	Forecast (\$000)	Forecast variance (\$000)	
Rates on system fixed assets	112	118	(6)	
Commerce Act levies	66	103	(37)	See below
Electricity Authority levies	146	138	8	
Utilities Disputes levies	19	21	(2)	See below
Total actual pass-through costs	343	380	(37)	

Alpine Energy over-recovered its total pass-through costs by \$37,000 or 9.7%. The principal cause of the over-recovery was actuals being lower than Alpine Energy's historical growth assumptions.

Commerce Act levies were 35% lower than forecast. The forecast uses the prior year as the base year and inflates the levies by a historical growth assumption based on actual levies between 2012 and 2019 of 2.2%. In RY19, levies included the costs of the Input Methodologies review, and in RY20, the levies included costs for developing and implementing DPP3. By applying a historical growth assumption to RY19 and RY20, Alpine Energy overinflated its forecast levies because, for the Commission, RY21 was a year of lower activity than the prior two years.

Utilities Disputes charges were 10% lower than forecast. The forecast was based on historical growth rates of 4.9% that were set based on actual charges between 2012 and 2019. Actual charges decreased in RY20, which means Alpine Energy had an inflated base on which it set its forecast RY21 charges. Though the RY21 Utilities Disputes charges increased by 3.3% compared to RY20, the decrease in RY20 resulted in Alpine Energy's historical growth being materially higher than actuals.

Variances in the rate on system fixed assets and Electricity Authority levies are considered immaterial, i.e., are less than a 5% variance.

Recoverable costs**Table 17: Recoverable costs for the assessment period**

Actual and forecast recoverable costs RY21				
Actual recoverable costs	Actual (\$000)	Forecast (\$000)	Forecast variance (\$000)	Explanation for variances
IRIS incentive adjustment	(2,270)	(2,270)	-	
Transmission charges	12,121	11,116	1,005	See below
New investment contract charges	1,349	1,235	114	See below
System operator services charges	10	-	10	See below
Quality incentive adjustment	140	140	-	
Fire and Emergency NZ levies	33	53	(20)	See below
Total actual recoverable costs	11,383	10,274	1,109	

The Transmission and New Investment charges were 8.3% higher than forecast. There were two reasons behind the variance. Firstly, the approach used to forecast the charges was to ensure the RY20 pass through balance was returned to consumers. Alpine Energy reduced its estimated Transmission and New Investment Charges by allocating the RY20 pass-through balance to recoverable costs. The RY20 pass through balance was however included in the PTBA, which meant the RY20 over recovery was returned twice. Secondly in addition, the Transmission invoices through the year were higher than originally forecast.

The System Operator services charges were 100% higher than forecast. Historically, Alpine Energy included the System Operator services charges in the Transmission charge forecast and did not itemise the charges as they were immaterial. Although charges remain immaterial for the foreseeable future, Alpine Energy intends to itemise the System Operator service charges in its price setting compliance statement from 1 April 2022 (i.e., RY23).

The Fire and Emergency NZ levies were 37.7% lower than forecast. Because RY21 was the first assessment period that levies could be treated as a recoverable cost Alpine Energy used RY20 invoices of \$52,885 to forecast RY21 levies. After setting the levies, Alpine Energy received two credits from the insurers for the cancellation of the previous policy and the subsequent wash-up of the new charges.

There was no variance in the IRIS incentive adjustment or the variance in the quality incentive adjustment.

Pass-through balance

Table 18: Pass-through balance calculation

Pass-through balance RY21		
Term	Description	Value (\$000)
Pass-through balance	<i>Pass-through balance for the assessment period ending 31 March 2020</i>	(2,305)
67th percentile estimate of post-tax WACC		4.23%
Pass-through balance	<i>Pass-through balance x (1 + 67th percentile post-tax WACC)</i>	(2,402)

9. APPENDIX B – PRICES AND QUANTITIES

Table 19 shows the actual prices and quantities for actual revenue from prices for the first assessment period.

Table 19: Actual revenue from prices for the assessment period

Actual revenue from prices RY21				
Price Category	Unit	Unit price	Actual quantity	Actual revenue (\$000)
LOWHCA Fixed	\$/day	0.1500	2,037	112
LOWLCA Fixed	\$/day	0.1500	10,601	580
LOWUHCA Fixed	\$/day	0.1500	17	1
LOWULCA Fixed	\$/day	0.1500	41	2
015HCA Fixed	\$/day	1.4281	5,818	3,033
015LCA Fixed	\$/day	1.2883	11,417	5,369
015UHCA Fixed	\$/day	1.9293	35	25
015ULCA Fixed	\$/day	1.7718	40	26
360HCA Fixed	\$/day	6.0684	513	1,136
360LCA Fixed	\$/day	4.3791	724	1,157
360UHCA Fixed	\$/day	6.4524	14	33
360ULCA Fixed	\$/day	4.8826	15	27
ASSHCA Fixed	\$/day	1.9803	1,291	933
ASSLCA Fixed	\$/day	1.3510	404	199
TOU400HCA Fixed	\$/day	1.3909	37	19
TOU400LCA Fixed	\$/day	1.0963	102	41
TOU11HCA Fixed	\$/day	1.1475	6	3
TOU11LCA Fixed	\$/day	1.1110	4	2
LOWHCA Variable Day	\$/kWh	0.1209	9,278,826	1,122
LOWLCA Variable Day	\$/kWh	0.1152	44,708,044	5,150
LOWUHCA Variable Day	\$/kWh	0.1412	88,302	12

LOWULCA Variable Day	\$/kWh	0.1348	213,447	29
015HCA Variable Day	\$/kWh	0.0690	40,962,415	2,826
015LCA Variable Day	\$/kWh	0.0690	72,155,438	4,979
015UHCA Variable Day	\$/kWh	0.0690	354,435	24
015ULCA Variable Day	\$/kWh	0.0690	283,175	20
360HCA Variable Day	\$/kWh	0.0690	8,204,374	566
360LCA Variable Day	\$/kWh	0.0690	14,605,739	1,008
360UHCA Variable Day	\$/kWh	0.0690	475,041	33
360ULCA Variable Day	\$/kWh	0.0690	245,136	17
ASSHCA Variable Day	\$/kWh	0.0690	95,937,884	6,620
ASSLCA Variable Day	\$/kWh	0.0690	25,464,791	1,757
TOU400HCA Variable Day	\$/kWh	0.0215	16,341,140	351
TOU400LCA Variable Day	\$/kWh	0.0191	67,568,680	1,291
TOU11HCA Variable Day	\$/kWh	0.0293	18,999,806	557
TOU11LCA Variable Day	\$/kWh	0.0229	9,443,013	216
LOWHCA Variable Night	\$/kWh	0.0814	3,523,909	287
LOWLCA Variable Night	\$/kWh	0.0757	16,979,205	1,285
LOWUHCA Variable Night	\$/kWh	0.1017	33,535	3
LOWULCA Variable Night	\$/kWh	0.0954	81,063	8
015HCA Variable Night	\$/kWh	0.0296	15,556,692	460
015LCA Variable Night	\$/kWh	0.0296	27,403,167	811
015UHCA Variable Night	\$/kWh	0.0296	134,607	4
015ULCA Variable Night	\$/kWh	0.0296	107,544	3
360HCA Variable Night	\$/kWh	0.0296	3,115,854	92
360LCA Variable Night	\$/kWh	0.0296	5,546,963	164
360UHCA Variable Night	\$/kWh	0.0296	180,411	5
360ULCA Variable Night	\$/kWh	0.0296	93,098	3
ASSHCA Variable Night	\$/kWh	0.0296	36,860,771	1,091
ASSLCA Variable Night	\$/kWh	0.0296	9,591,952	284
TOU400HCA Variable Night	\$/kWh	0.0092	7,181,096	66
TOU400LCA Variable Night	\$/kWh	0.0082	30,823,519	253

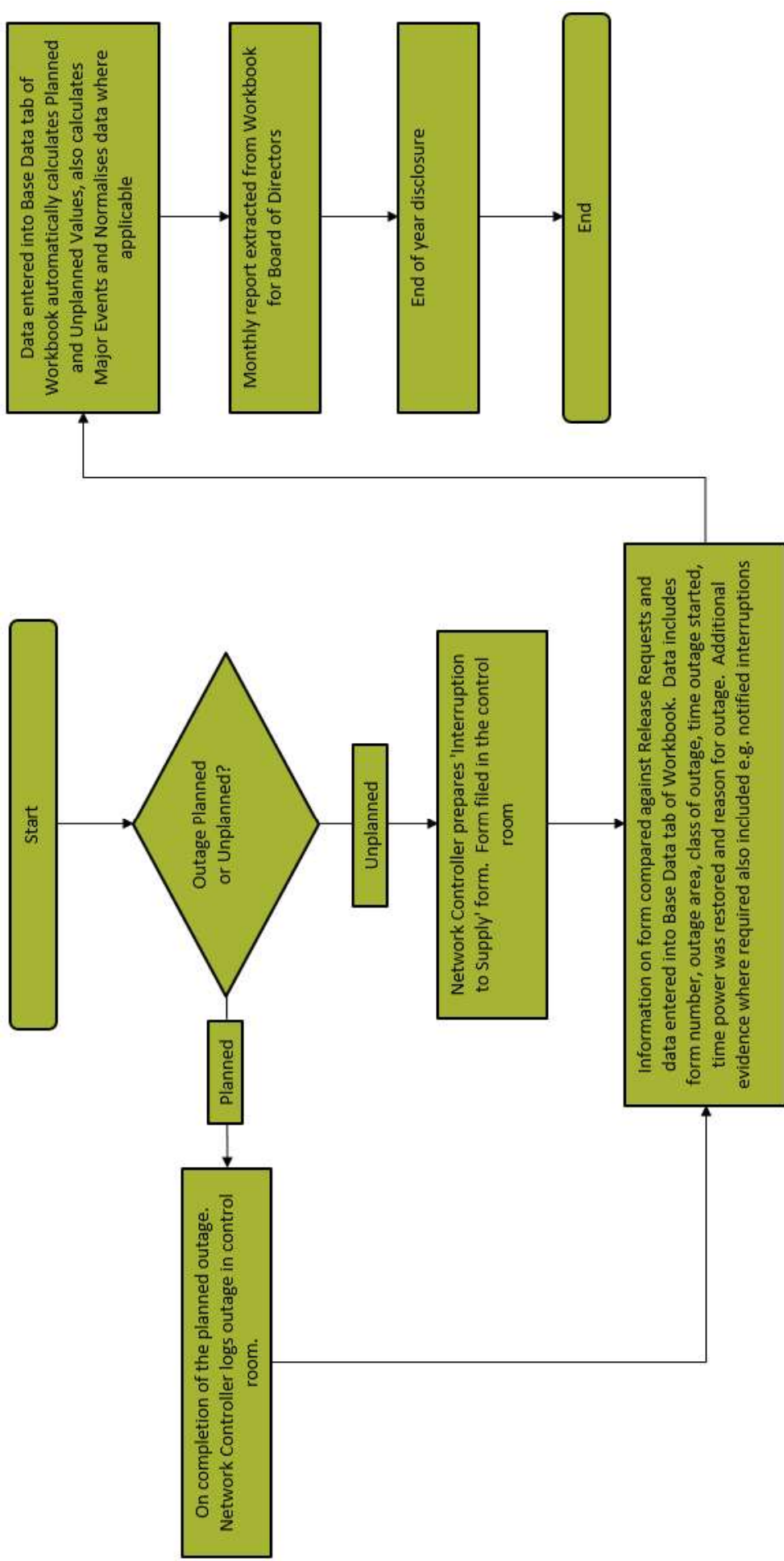
TOU11HCA Variable Night	\$/kWh	0.0126	7,433,542	94
TOU11LCA Variable Night	\$/kWh	0.0098	4,267,417	42
ASSHCA Demand	\$/kWday	0.1028	108,435	4,069
ASSLCA Demand	\$/kWday	0.0930	37,248	1,264
TOU400HCA Demand	\$/kWday	0.4194	7,383	1,130
TOU400LCA Demand	\$/kWday	0.2851	22,806	2,373
TOU11HCA Demand	\$/kWday	0.2484	6,128	556
TOU11LCA Demand	\$/kWday	0.3337	3,684	449
Direct Billed Customer 1	\$/year			293
Direct Billed Customer 2	\$/year			3,106
Direct Billed Customer 3	\$/year			54
Direct Billed Customer 4	\$/year			1,135
Direct Billed Customer 5	\$/year			226
Direct Billed Customer 6	\$/year			55
Total actual revenue from prices				58,940

Table 20 below shows the forecast revenue from prices for the first assessment period from the price setting compliance statement.

Table 20: Forecast revenue from prices for the assessment period

Forecast revenue from prices RY21	
Total forecast revenue from prices	58,778

10. APPENDIX C – POLICIES AND PROCEDURES FOR MEASURING PLANNED AND UNPLANNED INTERRUPTIONS



11. APPENDIX D – SAIDI AND SAIFI MAJOR EVENTS

Table 21 and Table 22 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.

Table 21: Normalisation of unplanned SAIDI major events for the assessment period

Normalisation of unplanned SAIDI major events RY21							9.17
SAIDI unplanned boundary value		Waimate 8-10 Jan 2021			Geraldine 9-11 Mar 2021		
1/48th of the SAIDI unplanned boundary value		Half hour commencing	Raw SAIDI value for Class C interruption	Normalised SAIDI value for Class C interruption	Half hour commencing	Raw SAIDI value for Class C interruption	Normalised SAIDI value for Class C interruption
0.19		10:30 PM	0.00	0.00	07:00 PM	0.00	0.00
0.19		11:00 PM	0.00	0.00	07:30 PM	0.00	0.00
0.19		11:30 PM	0.00	0.00	08:00 PM	0.00	0.00
0.19		12:00 AM	0.00	0.00	08:30 PM	0.00	0.00
0.19		12:30 AM	0.00	0.00	09:00 PM	0.00	0.00
0.19		01:00 AM	0.00	0.00	09:30 PM	0.00	0.00
0.19		01:30 AM	0.00	0.00	10:00 PM	0.00	0.00
0.19		02:00 AM	0.00	0.00	10:30 PM	0.00	0.00
0.19		02:30 AM	0.00	0.00	11:00 PM	0.00	0.00
0.19		03:00 AM	0.00	0.00	11:30 PM	0.00	0.00
0.19		03:30 AM	0.00	0.00	12:00 AM	0.00	0.00
0.19		04:00 AM	0.00	0.00	12:30 AM	0.00	0.00
0.19		04:30 AM	0.00	0.00	01:00 AM	0.00	0.00
0.19		05:00 AM	0.00	0.00	01:30 AM	0.00	0.00
0.19		05:30 AM	0.00	0.00	02:00 AM	0.00	0.00
0.19		06:00 AM	0.00	0.00	02:30 AM	0.00	0.00
0.19		06:30 AM	0.00	0.00	03:00 AM	0.00	0.00
0.19		07:00 AM	0.00	0.00	03:30 AM	0.00	0.00
0.19		07:30 AM	0.00	0.00	04:00 AM	0.00	0.00
0.19		08:00 AM	0.00	0.00	04:30 AM	0.00	0.00
0.19		08:30 AM	0.00	0.00	05:00 AM	0.00	0.00

0.19	09:00 AM	0.00	0.00	0.00	05:30 AM	0.00	0.00	0.00
0.19	09:30 AM	0.00	0.00	0.00	06:00 AM	0.00	0.00	0.00
0.19	10:00 AM	0.00	0.00	0.00	06:30 AM	0.00	0.00	0.00
0.19	10:30 AM	0.00	0.00	0.00	07:00 AM	0.00	0.00	0.00
0.19	11:00 AM	0.00	0.00	0.00	07:30 AM	0.00	0.00	0.00
0.19	11:30 AM	0.00	0.00	0.00	08:00 AM	0.00	0.00	0.00
0.19	12:00 PM	0.00	0.00	0.00	08:30 AM	0.00	0.00	0.00
0.19	12:30 PM	0.00	0.00	0.00	09:00 AM	0.00	0.00	0.00
0.19	01:00 PM	0.00	0.00	0.00	09:30 AM	0.00	0.00	0.00
0.19	01:30 PM	0.00	0.00	0.00	10:00 AM	0.00	0.00	0.00
0.19	02:00 PM	0.00	0.00	0.00	10:30 AM	0.00	0.00	0.00
0.19	02:30 PM	0.00	0.00	0.00	11:00 AM	0.00	0.00	0.00
0.19	03:00 PM	0.00	0.00	0.00	11:30 AM	0.00	0.00	0.00
0.19	03:30 PM	0.00	0.00	0.00	12:00 PM	0.00	0.00	0.00
0.19	04:00 PM	0.00	0.00	0.00	12:30 PM	0.00	0.00	0.00
0.19	04:30 PM	0.00	0.00	0.00	01:00 PM	0.02	0.02	0.02
0.19	05:00 PM	0.00	0.00	0.00	01:30 PM	0.00	0.00	0.00
0.19	05:30 PM	0.00	0.00	0.00	02:00 PM	0.00	0.00	0.00
0.19	06:00 PM	0.00	0.00	0.00	02:30 PM	0.00	0.00	0.00
0.19	06:30 PM	0.00	0.00	0.00	03:00 PM	0.00	0.00	0.00
0.19	07:00 PM	0.00	0.00	0.00	03:30 PM	0.00	0.00	0.00
0.19	07:30 PM	0.00	0.00	0.00	04:00 PM	0.00	0.00	0.00
0.19	08:00 PM	0.00	0.00	0.00	04:30 PM	0.00	0.00	0.00
0.19	08:30 PM	0.00	0.00	0.00	05:00 PM	0.00	0.00	0.00
0.19	09:00 PM	0.00	0.00	0.00	05:30 PM	0.00	0.00	0.00
0.19	09:30 PM	0.00	0.00	0.00	06:00 PM	0.00	0.00	0.00
0.19	10:00 PM	18.03	0.00	0.19	06:30 PM	12.03	0.19	0.19
0.19	10:30 PM	0.00	0.00	0.00	07:00 PM	0.00	0.00	0.00
0.19	11:00 PM	0.00	0.00	0.00	07:30 PM	0.00	0.00	0.00
0.19	11:30 PM	0.00	0.00	0.00	08:00 PM	0.00	0.00	0.00
0.19	12:00 AM	0.00	0.00	0.00	08:30 PM	0.00	0.00	0.00
0.19	12:30 AM	0.00	0.00	0.00	09:00 PM	0.00	0.00	0.00
0.19	01:00 AM	0.00	0.00	0.00	09:30 PM	0.00	0.00	0.00
0.19	01:30 AM	0.12	0.12	0.12	10:00 PM	0.00	0.00	0.00
0.19	02:00 AM	0.00	0.00	0.00	10:30 PM	0.00	0.00	0.00
0.19	02:30 AM	1.67	0.00	0.19	11:00 PM	0.00	0.00	0.00
0.19	03:00 AM	0.03	0.03	0.03	11:30 PM	0.03	0.03	0.03
0.19	03:30 AM	0.00	0.00	0.00	12:00 AM	0.03	0.03	0.03
0.19	04:00 AM	0.00	0.00	0.00	12:30 AM	0.00	0.00	0.00
0.19	04:30 AM	0.00	0.00	0.00	01:00 AM	0.00	0.00	0.00
0.19	05:00 AM	0.00	0.00	0.00	01:30 AM	0.00	0.00	0.00

0.19	05:30 AM	0.00	0.00	0.00	02:00 AM	0.00	0.00	0.00
0.19	06:00 AM	0.00	0.00	0.00	02:30 AM	0.00	0.00	0.00
0.19	06:30 AM	0.00	0.00	0.00	03:00 AM	0.00	0.00	0.00
0.19	07:00 AM	0.00	0.00	0.00	03:30 AM	0.00	0.00	0.00
0.19	07:30 AM	0.00	0.00	0.00	04:00 AM	0.00	0.00	0.00
0.19	08:00 AM	0.00	0.00	0.00	04:30 AM	0.00	0.00	0.00
0.19	08:30 AM	0.00	0.00	0.00	05:00 AM	0.00	0.00	0.00
0.19	09:00 AM	0.00	0.00	0.00	05:30 AM	0.00	0.00	0.00
0.19	09:30 AM	0.00	0.00	0.00	06:00 AM	0.00	0.00	0.00
0.19	10:00 AM	0.00	0.00	0.00	06:30 AM	0.00	0.00	0.00
0.19	10:30 AM	0.00	0.00	0.00	07:00 AM	0.00	0.00	0.00
0.19	11:00 AM	0.00	0.00	0.00	07:30 AM	0.00	0.00	0.00
0.19	11:30 AM	0.00	0.00	0.00	08:00 AM	0.00	0.00	0.00
0.19	12:00 PM	0.00	0.00	0.00	08:30 AM	0.01	0.01	0.01
0.19	12:30 PM	0.00	0.00	0.00	09:00 AM	0.00	0.00	0.00
0.19	01:00 PM	0.00	0.00	0.00	09:30 AM	0.00	0.00	0.00
0.19	01:30 PM	0.00	0.00	0.00	10:00 AM	0.00	0.00	0.00
0.19	02:00 PM	0.00	0.00	0.00	10:30 AM	0.00	0.00	0.00
0.19	02:30 PM	0.00	0.00	0.00	11:00 AM	0.00	0.00	0.00
0.19	03:00 PM	0.00	0.00	0.00	11:30 AM	0.00	0.00	0.00
0.19	03:30 PM	0.00	0.00	0.00	12:00 PM	0.07	0.07	0.07
0.19	04:00 PM	0.00	0.00	0.00	12:30 PM	0.00	0.00	0.00
0.19	04:30 PM	0.00	0.00	0.00	01:00 PM	0.00	0.00	0.00
0.19	05:00 PM	0.00	0.00	0.00	01:30 PM	0.00	0.00	0.00
0.19	05:30 PM	0.00	0.00	0.00	02:00 PM	0.00	0.00	0.00
0.19	06:00 PM	0.00	0.00	0.00	02:30 PM	0.00	0.00	0.00
0.19	06:30 PM	0.00	0.00	0.00	03:00 PM	0.00	0.00	0.00
0.19	07:00 PM	0.00	0.00	0.00	03:30 PM	0.00	0.00	0.00
0.19	07:30 PM	0.00	0.00	0.00	04:00 PM	0.00	0.00	0.00
0.19	08:00 PM	0.00	0.00	0.00	04:30 PM	0.00	0.00	0.00
0.19	08:30 PM	0.00	0.00	0.00	05:00 PM	0.00	0.00	0.00
0.19	09:00 PM	0.00	0.00	0.00	05:30 PM	0.00	0.00	0.00
0.19	09:30 PM	0.24	0.19	0.72	06:00 PM	0.00	0.00	0.00
Total		20.09		0.72		12.18		0.35

Table 22: Normalisation of unplanned SAIFI major events for the assessment period

Normalisation of unplanned SAIFI major events RY21										
SAIFI unplanned boundary value										0.0671
1/48th of the SAIFI unplanned boundary value	Waimate 9-11 Jan 2021			Waimate 16-18 Jan 2021			Geraldine 10-11 Mar 2021			
	Half hour commencing	Raw SAIFI value for Class C interruption	Normalised SAIFI value for Class C interruption	Half hour commencing	Raw SAIFI value for Class C interruption	Normalised SAIFI value for Class C interruption	Half hour commencing	Raw SAIFI value for Class C interruption	Normalised SAIFI value for Class C interruption	
0.0014	02:00 AM	-	-	08:00 PM	-	-	12:00 AM	-	-	-
0.0014	02:30 AM	-	-	08:30 PM	-	-	12:30 AM	-	-	-
0.0014	03:00 AM	-	-	09:00 PM	-	-	01:00 AM	-	-	-
0.0014	03:30 AM	-	-	09:30 PM	0.0010	0.0010	01:30 AM	-	-	-
0.0014	04:00 AM	-	-	10:00 PM	-	-	02:00 AM	-	-	-
0.0014	04:30 AM	-	-	10:30 PM	-	-	02:30 AM	-	-	-
0.0014	05:00 AM	-	-	11:00 PM	-	-	03:00 AM	-	-	-
0.0014	05:30 AM	-	-	11:30 PM	-	-	03:30 AM	-	-	-
0.0014	06:00 AM	-	-	12:00 AM	-	-	04:00 AM	-	-	-
0.0014	06:30 AM	-	-	12:30 AM	-	-	04:30 AM	-	-	-
0.0014	07:00 AM	-	-	01:00 AM	-	-	05:00 AM	-	-	-
0.0014	07:30 AM	-	-	01:30 AM	-	-	05:30 AM	-	-	-
0.0014	08:00 AM	-	-	02:00 AM	-	-	06:00 AM	-	-	-
0.0014	08:30 AM	-	-	02:30 AM	-	-	06:30 AM	-	-	-
0.0014	09:00 AM	-	-	03:00 AM	-	-	07:00 AM	-	-	-
0.0014	09:30 AM	-	-	03:30 AM	-	-	07:30 AM	-	-	-
0.0014	10:00 AM	-	-	04:00 AM	-	-	08:00 AM	-	-	-
0.0014	10:30 AM	-	-	04:30 AM	-	-	08:30 AM	-	-	-
0.0014	11:00 AM	-	-	05:00 AM	-	-	09:00 AM	-	-	-
0.0014	11:30 AM	-	-	05:30 AM	-	-	09:30 AM	-	-	-
0.0014	12:00 PM	-	-	06:00 AM	-	-	10:00 AM	-	-	-
0.0014	12:30 PM	-	-	06:30 AM	-	-	10:30 AM	-	-	-
0.0014	01:00 PM	-	-	07:00 AM	-	-	11:00 AM	-	-	-
0.0014	01:30 PM	-	-	07:30 AM	-	-	11:30 AM	-	-	-
0.0014	02:00 PM	-	-	08:00 AM	-	-	12:00 PM	-	-	-
0.0014	02:30 PM	-	-	08:30 AM	-	-	12:30 PM	-	-	-
0.0014	03:00 PM	-	-	09:00 AM	-	-	01:00 PM	0.0003	0.0003	0.0003
0.0014	03:30 PM	-	-	09:30 AM	-	-	01:30 PM	-	-	-
0.0014	04:00 PM	-	-	10:00 AM	0.0574	0.0014	02:00 PM	-	-	-
0.0014	04:30 PM	-	-	10:30 AM	-	-	02:30 PM	-	-	-

0.0014	05:00 PM	-	-	-	-	-	-	-	-	03:00 PM	-	-
0.0014	05:30 PM	-	-	-	-	-	-	-	-	03:30 PM	-	-
0.0014	06:00 PM	-	-	-	-	-	-	-	-	04:00 PM	-	-
0.0014	06:30 PM	-	-	-	-	-	-	-	-	04:30 PM	-	-
0.0014	07:00 PM	-	-	-	-	-	-	-	-	05:00 PM	-	-
0.0014	07:30 PM	-	-	-	-	-	-	-	-	05:30 PM	-	-
0.0014	08:00 PM	-	-	-	-	-	-	-	-	06:00 PM	-	-
0.0014	08:30 PM	-	-	-	-	-	-	-	-	06:30 PM	0.0635	0.0014
0.0014	09:00 PM	-	-	-	-	-	-	-	-	07:00 PM	-	-
0.0014	09:30 PM	-	-	-	-	-	-	-	-	07:30 PM	-	-
0.0014	10:00 PM	0.0594	0.0014	-	-	-	-	-	-	08:00 PM	-	-
0.0014	10:30 PM	-	-	-	-	-	-	-	-	08:30 PM	-	-
0.0014	11:00 PM	-	-	-	-	-	-	-	-	09:00 PM	-	-
0.0014	11:30 PM	-	-	-	-	-	-	-	-	09:30 PM	-	-
0.0014	12:00 AM	-	-	-	-	-	-	-	-	10:00 PM	-	-
0.0014	12:30 AM	-	-	-	-	-	-	-	-	10:30 PM	-	-
0.0014	01:00 AM	-	-	-	-	-	-	-	-	11:00 PM	-	-
0.0014	01:30 AM	0.0101	0.0014	-	-	-	-	-	-	11:30 PM	0.0112	0.0014
0.0014	02:00 AM	-	-	-	-	-	-	-	-	12:00 AM	0.0124	0.0014
0.0014	02:30 AM	0.0401	0.0014	-	-	-	-	-	-	12:30 AM	-	-
0.0014	03:00 AM	0.0258	0.0014	-	-	-	-	-	-	01:00 AM	-	-
0.0014	03:30 AM	-	-	-	-	-	-	-	-	01:30 AM	-	-
0.0014	04:00 AM	-	-	-	-	-	-	-	-	02:00 AM	-	-
0.0014	04:30 AM	-	-	-	-	-	-	-	-	02:30 AM	-	-
0.0014	05:00 AM	-	-	-	-	-	-	-	-	03:00 AM	-	-
0.0014	05:30 AM	-	-	-	-	-	-	-	-	03:30 AM	-	-
0.0014	06:00 AM	-	-	-	-	-	-	-	-	04:00 AM	-	-
0.0014	06:30 AM	-	-	-	-	-	-	-	-	04:30 AM	-	-
0.0014	07:00 AM	-	-	-	-	-	-	-	-	05:00 AM	-	-
0.0014	07:30 AM	-	-	-	-	-	-	-	-	05:30 AM	-	-
0.0014	08:00 AM	-	-	-	-	-	-	-	-	06:00 AM	-	-
0.0014	08:30 AM	-	-	-	-	-	-	-	-	06:30 AM	-	-
0.0014	09:00 AM	-	-	-	-	-	-	-	-	07:00 AM	-	-
0.0014	09:30 AM	-	-	-	-	-	-	-	-	07:30 AM	-	-
0.0014	10:00 AM	-	-	-	-	-	-	-	-	08:00 AM	-	-
0.0014	10:30 AM	-	-	-	-	-	-	-	-	08:30 AM	0.0000	0.0000
0.0014	11:00 AM	-	-	-	-	-	-	-	-	09:00 AM	-	-
0.0014	11:30 AM	-	-	-	-	-	-	-	-	09:30 AM	-	-
0.0014	12:00 PM	-	-	-	-	-	-	-	-	10:00 AM	-	-
0.0014	12:30 PM	-	-	-	-	-	-	-	-	10:30 AM	-	-
0.0014	01:00 PM	-	-	-	-	-	-	-	-	11:00 AM	-	-

0.0014	01:30 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	02:00 PM	-	-	-	-	-	-	-	-	-	-	-	0.0007
0.0014	02:30 PM	-	-	-	-	-	-	0.0001	-	0.0001	-	-	-
0.0014	03:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	03:30 PM	-	-	-	-	-	-	0.0001	-	0.0001	-	-	-
0.0014	04:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	04:30 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	05:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	05:30 PM	-	-	-	-	-	-	0.0011	-	0.0011	-	-	-
0.0014	06:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	06:30 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	07:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	07:30 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	08:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	08:30 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	09:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	09:30 PM	0.0002	-	0.0002	-	-	-	-	-	-	-	-	-
0.0014	10:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	10:30 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	11:00 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	11:30 PM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	12:00 AM	-	-	-	-	-	-	0.0010	-	0.0010	-	-	-
0.0014	12:30 AM	-	-	-	-	-	-	-	-	-	-	-	-
0.0014	01:00 AM	-	-	-	-	-	-	-	-	-	-	-	-
Total		0.1357	0.0058	0.1317	0.0084	0.0881	0.0052						

SAIDI Major Events

Cause	Start date	Start time	End date	End time	Raw SAIDI	Normalised SAIDI	Location	Main equipment	How we responded	Any mitigating factors that may have prevented or minimised it	Description of any steps proposes to take to mitigate the risk of similar event
Insulator failure	9/01/2021	22:00	10/01/2021	4:30	19.7039	0.3821	Waimate	Distribution lines (excluding LV)	As per our Master Services (MSA) agreement with our fault contractor, we dispatched fault field crew as soon as the fault happened.	One particular field circuit breaker had failed to operate as intended.	We are investigating the replacement of the failed field circuit breaker. We have also begun a township reliability project to look at ways to reduce SAIDI and SAIFI impacts to our customers in the major rural towns.
Unknown	10/03/2021	18:57	11/03/2021	0:16	12.0254	0.191	Geraldine	Distribution lines (excluding LV)	As per our MSA agreement with our fault contractor, we dispatched fault field crew as soon as the fault happened.	The outage happened when we had a scheduled maintenance at the substation which necessitated tying of two feeders via the use of our mobile substation. The outage was significant due to failure of overhead jumpers, which would have been a result of overload due to the tied feeders. This resulted. The burnt jumper resulted in our inability to restore supply adequately, and coupled with the maintenance meant the network was not in a normal state. The failure of the jumper was believed to be a secondary fault; the primary fault could not be identified at the time. It could be a multitude of possibilities, including objects (high load vehicles such as trucks, wildlife etc.) striking the overhead lines.	We are investigating the replacement of the failed field circuit breaker. We have also begun a township reliability project to look at ways to reduce SAIDI and SAIFI impacts to our customers in the major rural towns.

SAIFI Major Events

Cause	Start date	Start time	End date	End time	Raw SAIFI	Normalised SAIFI	Location	Main equipment	How we responded	Any mitigating factors that may have prevented or minimised it	Description of any steps proposes to take to mitigate the risk of similar event
Insulator failure	9/01/2021	22:00	10/01/2021	4:30	0.1355	0.0056	Waimate	Distribution lines (excluding LV)	As per our MSA agreement with our fault contractor we dispatched fault field crew as soon as the fault happened who, under instruction of a controller followed usual fault finding procedures and restoration of the network.	One particular field circuit breaker had failed to operate as intended, this was shown to be an issue with the relay controlling the CB.	We are investigating the replacement of the relay that controls this field circuit breaker and others in the network that may have similar issues. We have also begun a township reliability project to look at ways to reduce SAIDI and SAIFI impacts to our customers in the major rural towns.
Insulator failure	17/01/2021	10:15	17/01/2021	22:04	0.1274	0.0042	Waimate	Distribution lines (excluding LV)	As per our MSA agreement with our fault contractor we dispatched fault field crew as soon as the fault happened who, under instruction of a controller followed usual fault finding procedures and restoration of the network.	One particular field circuit breaker had failed to operate as intended, this was shown to be an issue with the relay controlling the CB.	We are investigating the replacement of the relay that controls this field circuit breaker and others in the network that may have similar issues. We have also begun a township reliability project to look at ways to reduce SAIDI and SAIFI impacts to our customers in the major rural towns.
Unknown	10/03/2021	18:57	11/03/2021	0:16	0.0872	0.0042	Geraldine	Distribution lines (excluding LV)	As per our MSA agreement with our fault contractor we dispatched fault field crew as soon as the fault happened who, under instruction of a controller followed usual fault finding procedures, carried out repairs and restoration of the network.	The outage happened during a major project at the Geraldine zone substation which necessitated tying of two feeders via the use of our mobile substation. The outage was significant due to failure of overhead jumpers, which would have been a result of overload due to the tied feeders. This resulted. The burnt jumper resulted in our inability to restore supply adequately until repairs had been made to the faulty jumper, and coupled with the maintenance meant the network was not in a normal state. The failure of the jumper was believed to be a secondary fault; the primary fault could not be identified at the time. It could be a multitude of possibilities, including objects (high load vehicles such as trucks, wildlife etc.) striking the overhead lines.	We are investigating the replacement of the failed field circuit breaker. We have also begun a township reliability project to look at ways to reduce SAIDI and SAIFI impacts to our customers in the major rural towns.

12. APPENDIX E – DIRECTOR'S CERTIFICATE

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

Clause 11.5 (d)

We, Warren Boyce McNabb and Linda May 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.



W B McNabb

Date: 30th August 2021



L M Robertson

Date: 30th August 2021

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.



Independent Assurance Report

TO THE DIRECTORS OF ALPINE ENERGY LIMITED ON THE ANNUAL COMPLIANCE STATEMENT FOR THE ASSESSMENT PERIOD ENDED 31 MARCH 2021 AS REQUIRED BY THE ELECTRICITY DISTRIBUTION SERVICES DEFAULT PRICE-QUALITY PATH DETERMINATION 2020

The Auditor-General is the auditor of Alpine Energy Limited (the Company). The Auditor-General has appointed me, Nathan Wylie, using the staff and resources of PricewaterhouseCoopers, to undertake a reasonable assurance engagement, on his behalf, on whether the Annual Compliance Statement on pages 4 to 37 for the assessment period ended on 31 March 2021 has been prepared, in all material respects, in compliance with the Electricity Distribution Services Default Price-Quality Path Determination 2020 (the 'Determination').

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 2021.

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 (NZ) 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.

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.
- For the identification of risks that may threaten compliance with the clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

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 2021, 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 9 and 23 to 28 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 10 to 19 and 29 to 37 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 20 to 21 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.

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.

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.

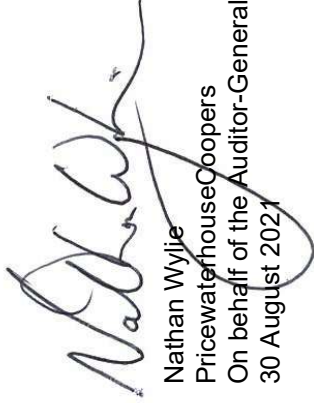
Independence and quality control

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, 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, we have no relationship with or interests in the Company.


Nathan Wylie
PricewaterhouseCoopers
On behalf of the Auditor-General
30 August 2021

Christchurch