



# **Default Price-Quality Path Annual Compliance Statement**

Powerco Electricity Distribution Services



Assessment Period: 01 April 2024 – 31 March 2025

## Contents

1. Summary	3
2. Assessment against the price path	4
2.1 Calculation of the revenue wash-up amount	4
2.2 Calculation of actual allowable revenue	5
2.3 Calculation of actual revenue	8
2.4 Calculation of revenue foregone	9
3. Assessment against the quality path	10
3.1 Planned interruptions	10
3.2 Unplanned interruptions	12
3.3 Unplanned SAIDI and SAIFI calculations	13
3.4 Quality incentive adjustment	14
3.5 Reliability policies and procedures	16
4. Major transactions	18
5. Directors' certificate	19
6. Auditor's report	20
7. Appendices	23
Attachment A – Prices and actual quantities for the assessment period	24
Attachment B – Commentary on major event day	30
Attachment C – Compliance statement references	32

## 1. Summary

### **Powerco is required to annually report on compliance with its price-quality path**

Powerco Limited's electricity distribution business ("Powerco") is subject to regulation under the Commerce Act 1986. For the year ending March 2025 Powerco was subject to default price-quality path (DPP) requirements, having transitioned to this from a customised price-quality path (CPP). The requirements of the DPP apply for the final two years (1 April 2023 to 31 March 2025) of the five-year period as set out the DPP Determination.

The DPP requirements are set out in the Electricity Distribution Services Default Price-Quality Path (Powerco transition) Amendments Determination 2022<sup>1</sup> ("Determination"). The Determination requires Powerco to provide an annual compliance statement ("Statement") to the Commission within 5 months after the end of each assessment period

This Statement confirms that Powerco:

- complies with the requirement to calculate the wash-up amount for the assessment period (section 2)
- complies with the quality standards for the assessment period (section 3)
- has not entered into any agreement with another EDB or Transpower for an amalgamation, merger, major transaction or non-reopener transaction in the assessment period (section 4)

Powerco is available to assist the Commission with its review of this Statement and will provide any additional information as requested.

This statement was prepared by and approved on the 26<sup>th</sup> August 2025. It was published and made publicly available on the 29<sup>th</sup> August 2025 in accordance with the Determination. A copy is available at Powerco's principal office (Powerco, 35 Junction Street, New Plymouth). The Statement is published on Powerco's website ([www.powerco.co.nz](http://www.powerco.co.nz)) and additional copies can be provided on request.

---

<sup>1</sup> [Electricity Distribution Services Default Price-Quality Path \(Powerco transition\) Amendments Determination 2022](#)

## 2. Assessment against the price path

Each year Powerco calculates an annual 'wash-up' of the difference between revenue received and allowable revenue adjusted for actual CPI, pass-through costs and recoverable costs. The purpose of the wash-up mechanism is to restore Powerco to the position it would have been in had the forecasted quantities, pass through and recoverable costs, and level of CPI been made with perfect foresight, taking account of the time value of money.

The wash-up amount for this 2025 assessment period will be included in the calculation of allowable revenue and price-setting for the year ending 2027. The two-year differential reflects the timing between the end of this assessment period (March), finalising actual revenues (around September) and setting prices for the following year (occurs around December).

For presentation purposes, the tables set out in this section are aggregates of the price and quantity information. While dollar balances are rounded to the nearest thousand dollars, the underlying compliance calculations apply the whole number and are reflected in the totals. The rounding of each component may result in tables which look like they don't add up - this is the rounding effect.

### 2.1 Calculation of the revenue wash-up amount

The Determination requires the wash-up amount to be calculated as demonstrated by table 1. The three components of this calculation are described in more detail throughout section 3 of this Statement.

Table 1: Wash-up amount calculation

Calculation components	\$000
Actual allowable revenue	465,951
Less: Actual revenue	448,669
Less: Revenue forgone	-
<b>Wash-up amount 2025</b>	<b>17,282</b>

Calculation specified in Schedule 1.6 of the Determination

The positive wash-up amount indicates an under recovery of revenue. This will be recoverable in pricing year 2027 by adding it to allowable revenue, adjusting for the time-value of money.

## 2.2 Calculation of actual allowable revenue

The first step is to calculate what should have been allowed for 2025: actual allowable revenue. The Determination defines actual allowable revenue as in table 2. The calculation of each component is explained in subsequent sections.

Table 2: Actual allowable revenue calculation

Calculation components	\$000
[a] Actual net allowable revenue	329,915
[b] Plus: Actual pass-through costs	6,796
[c] Plus: Actual recoverable costs	93,560
[d] Plus: Revenue wash-up draw down amount	34,890
[e] Plus: 2025 pass-through balance compensation	790
<b>Actual allowable revenue</b>	<b>465,951</b>

Specified in Schedule 1.6(10) of the Determination

### [a] Actual net allowable revenue

Actual net allowable revenue is the maximum revenue, excluding pass-through costs and recoverable costs and any wash-up draw down amount, that Powerco can earn in the assessment period. This is specified in Schedule 1.6 (11) of the Determination for the fifth assessment period.

### [b][c] Actual pass-through and recoverable costs

Tables 3 and 4 contain actual pass-through and recoverable costs for 2025, with a comparison to forecast for reference. Actual pass-through costs were \$2.1m higher than forecast driven by differences in regulatory levies and rates. These can be difficult to forecast given the mismatched financial years along them being based on whole-of-sector inputs and actions e.g. generation and demand. Local authority rates were forecast with a CPI increase, where actual increases were ~42%, a reflection the large rate rises in 2025 and a higher-than-average allocation to electricity assets. Commerce Commission levies also came in higher than forecast due to higher electricity regulation and IM review costs.

Table 3: Actual and forecast pass-through costs

Pass-through costs	Actual \$000	Forecast \$000	Variance \$000
Local Authority rates	3,417	2,400	1,017
Electricity Authority levies	1,424	1,070	354
Commerce Commission levies	1,708	972	736
Utility Disputes levies	246	248	(2)
<b>Total</b>	<b>6,796</b>	<b>4,690</b>	<b>2,106</b>

Table 4: Actual and forecast recoverable costs

Recoverable costs	Actual \$000	Forecast \$000	Variance \$000
Capex IRIS incentive adjustment	(723)	(723)	0
Opex IRIS incentive adjustment	(2,524)	(2,414)	(109)
Transpower connection charges	17,375	17,208	167
Benefit-based charge System Operator services	15,476	15,476	0
Residual Charge Avoided liability from the purchase of transmission assets from Transpower	56,602	56,602	0
Transpower new investment charges	6,155	6,155	0
Quality incentive adjustment	(3,030)	(3,180)	150
Capex wash-up adjustment	3,456	3,446	10
Fire and Emergency NZ levies	123	0	123
Innovation project allowance	650	0	650
<b>Total</b>	<b>93,560</b>	<b>92,570</b>	<b>991</b>

For the 2025 assessment period actual recoverable costs were \$991k higher than forecast, driven by actual recoverable amounts not included in the forecast.

#### [d] Revenue wash-up draw down amount

The revenue wash-up draw-down amount represents any under or over recovery of revenue from two years prior (2023). It is calculated in accordance with schedules 1.6 and 1.7 of the Determination. The 'revenue wash-up draw down amount' for this fifth assessment period of DPP3 (2025) is \$34.89m, as shown in table 5. It is noted that in the 2022 and 2025 Price Setting Statements, incorrect WACC values were used when calculating the time value of money adjustment component of this amount. These errors have been corrected in this statement, and the values in table 5 reflect the corrected calculations to ensure customers are made whole.

Table 5: 2025 revenue wash-up draw-down amount

Calculation components	\$000
Wash-up amount 2023	32,158 <sup>2</sup>
Plus: adjustment for 67th percentile estimate of post-tax WACC (4.23%)	2,778 <sup>3</sup>

<sup>2</sup> See table 1 of the 2023 Annual Compliance Statement <https://www.powerco.co.nz/who-we-are/disclosures-and-submissions/electricity-disclosures>

<sup>3</sup> In the 2025 Price Setting Statement this adjustment was calculated using an incorrect WACC value of 6.78% from the 2023 year resulting in a value of \$4.51m, in this statement the correct WACC from the 2025 year (4.23%) has been used, reducing the value by \$1.73m to \$2.78m.

Calculation components	\$000
Less: adjustment to correct wash-up draw down amount recovered in 2022 <sup>4</sup>	(46)
<b>Revenue wash-up draw down amount 2025</b>	<b>34,890</b>

#### [e] 2025 pass-through balance compensation

For the fifth assessment period of the DPP regulatory period the wash-up amount for Powerco Limited includes the 2025 pass-through balance compensation in accordance with the equation outlined in schedule 1.6 (1) and (10) of the Determination.<sup>5</sup>

---

<sup>4</sup> The time value of money adjustment component of the wash-up drawn down amount recovered in 2022 annual compliance was incorrect, this adjustment returns this value to customers including the time value of money from 2022 to 2025.

<sup>5</sup> This pass-through balance relates to a correction of a DPP2 pass through balance technical error relating to the drafting of a mathematical formula. This is described in detail in the [Powerco DPP3 transition reasons paper \(para 4.6 - 4.18\)](#)



## 2.3 Calculation of actual revenue

Actual revenue is calculated in table 6 as:

- actual revenue from prices is the sum of each price multiplied by each corresponding actual quantity and,
- other regulated income is income associated with the supply of electricity distribution services, other than through prices, investment related income, capital contributions, or vested assets. Notably, other regulatory income includes gains and losses on asset disposals.

Table 6: Actual revenue calculation

Calculation components	\$000
Actual revenue from prices	457,617
Plus: Other regulated income	(8,948)
<b>Actual revenue</b>	<b>448,669</b>

Specified in clause 4.2 of the Determination

Attachment A contains all schedules of prices and actual quantities used to calculate actual revenue from prices. These schedules total \$457.735m, \$118,000 higher than actual revenue from prices disclosed above. The difference relates to prior period revisions that are receipted in the current year. The actual revenue of \$457.617m reconciles to the general ledger.

Table 7 summarises the sources of other regulated income.

Table 7: Other regulated income

Calculation components	\$000
Gains/losses on asset disposals	(11,868)
Other regulated income	2,920
<b>Total other regulated income</b>	<b>(8,948)</b>

The value of gains and losses on disposals is consistent with the value reported in the 2025 Information Disclosure. Schedule 15 in that disclosure includes a discussion about the underlying methodology used to calculate this figure.



2.4 Calculation of revenue foregone

Revenue forgone for 2025 is zero due to the revenue reduction percentage for 2025 being 0.96%, which is below the 20% threshold (table 8).

Table 8: Revenue reduction percentage calculation

Calculation components	\$000
Actual revenue from prices	457,617
Forecast revenue from prices	462,055
Revenue reduction percentage	0.96%
Revenue forgone	Nil

The percentage is specified in clause 4.2 of the Determination as  $1 - (\text{actual revenue from prices} / \text{forecast revenue from prices})$

The revenue forgone component of the wash-up calculation places a cap on the amount of revenue that may be recovered through the wash-up mechanism. This can occur if there is a reduction in revenue from prices exceeding 20% of allowable revenue. This would most likely occur due to a significant reduction in demand.

### 3. Assessment against the quality path

This section outlines how Powerco has complied with the quality standards set in the DPP quality path and the calculation of the quality incentive adjustment. Separate planned and unplanned quality standards apply.

Planned interruptions quality compliance is demonstrated as the sum of Powerco's planned SAIDI (SAIFI) assessed values for the two DPP assessment periods (2024, 2025), not exceeding the adjusted planned accumulated SAIDI (SAIFI) limit specified in clause 9.5 and Schedule 3.1 of the Determination.

Unplanned interruptions quality compliance is demonstrated each assessment period by Powerco's unplanned SAIDI (SAIFI) assessed values, not exceeding the unplanned SAIDI (SAIFI) limit specified in Schedule 3.2 of the determination

For presentation purposes, the tables in this section are aggregates of the SAIDI and SAIFI information. While results are rounded to two(four) decimal places for SAIDI(SAIFI), the underlying calculations apply the whole number.

#### 3.1 Planned interruptions

Planned SAIDI and SAIFI comprises all planned Class B interruptions on Powerco's network for the assessment period.

Clause 9.1 of the Determination specifies Powerco (a non-exempt EDB) must comply with the planned interruptions reliability cap specified in clause 9.2 for the DPP regulatory period.

Clause 9.2 specifies that compliance is achieved at the end of the fifth assessment period of the DPP regulatory period, if the sum of Powerco's planned SAIDI (SAIFI) assessed values do not exceed the planned accumulated SAIDI (SAIFI) limit specified in Schedule 3.1 or, where applicable, the adjusted planned accumulated SAIDI (SAIFI) limit.

The adjusted planned accumulated SAIDI (SAIFI) limit does apply to Powerco, per Clause 9.5 of the Determination, as we have transitioned from a CPP onto the DPP in 2024 during the DPP regulatory period (2021-2025). The adjusted limit is calculated by dividing the five-year SAIDI (SAIFI) limit specified in Schedule 3.1 by five and multiplying by the number of years the DPP applies to Powerco, being two years (2024 and 2025).

#### Compliance with the adjusted planned accumulated SAIDI limit

Table 9: Planned interruptions SAIDI reliability assessment

DPP Requirement	Result
Planned accumulated SAIDI limit for the regulatory period	772.50
<b>Adjusted planned accumulated SAIDI limit for the regulatory period</b>	<b>309.00</b>
Planned SAIDI assessed value for the fifth assessment period	66.29
<b>Planned accumulated SAIDI for the regulatory period</b>	<b>138.62</b>
<b>Compliance Assessment</b>	<b>Complies</b>

## Calculation of Planned SAIDI assessed value for the fourth assessment period

Schedule 3.1 (2) specifies the calculation components and formula to calculate the planned SAIDI assessed value (*SAIDI planned, assessed*) for an assessment period as being:

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

Table 10: Calculation of planned SAIDI assessed value

Component	Description	Result
<i>SAIDI<sub>B</sub></i>	is the sum of the SAIDI values:	
	(a) Class B interruptions that are not Class B notified interruptions;	1.29
	(b) Class B notified interruptions occurring partially or wholly outside of their specified notified interruption window or alternate day, the SAIDI value attributable to the period of minutes that falls outside of that specified notified interruption window or alternate day.	13.44
	<b>(a) + (b) = <i>SAIDI<sub>B</sub></i></b>	<b>14.74</b>
<i>SAIDI<sub>N</sub></i>	is the sum of:	
	(a) the SAIDI values of notified interruptions falling inside the interruption window or alternate day; being the greater of:	
	(i) the duration of minutes accumulated for each ICP that the Class B notified interruption occurred for; and	99.27
	(ii) the period of the notified interruption window minus two hours;	
	(b) the 'intended SAIDI values' of any intended interruption cancelled without notice; being the greater of:	
	(i) the duration of minutes accumulated for each ICP that the intended interruption occurred for, which will be nil; and	3.84
	(ii) the period of the notified interruption window minus two hours; and	
	(c) the 'intended SAIDI values' of any intended interruption cancelled with notice, where the 'intended SAIDI value' for each of those intended interruptions cancelled with notice is nil.	0.00
	<b>(a) + (b) + (c) = <i>SAIDI<sub>N</sub></i></b>	<b>103.11</b>
<i>SAIDI<sub>B</sub></i> + ( <i>SAIDI<sub>N</sub></i> / 2)	<b>SAIDI planned, assessed</b>	<b>66.29</b>

### Compliance with the adjusted planned accumulated SAIFI limit

Table 11: Planned interruptions SAIFI reliability assessment

DPP Requirement	Result
Planned accumulated SAIFI limit for the regulatory period	3.5113
<b>Adjusted planned accumulated SAIFI limit for the regulatory period</b>	<b>1.4045</b>
Planned SAIFI assessed value for the fifth assessment period	0.5362
<b>Planned accumulated SAIFI for the regulatory period</b>	<b>0.9631</b>
<b>Compliance Assessment</b>	<b>Complies</b>

### Planned interruption reporting

Powerco has complied with clauses 9.1 and 9.2 of the Determination, not exceeding the planned SAIDI and SAIFI limits for the assessment period, therefore is not required to provide the Commission with 'planned interruption reporting' per clause 12.1 of the Determination.

## 3.2 Unplanned interruptions

Unplanned SAIDI and SAIFI comprises all planned Class C interruptions on Powerco's network for the assessment period.

Clause 9.7 of the Determination specifies Powerco (a non-exempt EDB) must comply with the annual unplanned interruptions reliability assessment specified in clause 9.8 for the assessment period.

Clause 9.8 specifies that to comply with the annual unplanned interruptions reliability assessment, Powerco's unplanned SAIDI (SAIFI) assessed value for unplanned interruptions for the assessment period must not exceed the unplanned SAIDI (SAIFI) limit specified in Schedule 3.2.

### Compliance with the unplanned SAIDI limit

Table 12: Unplanned interruptions SAIDI reliability assessment

DPP Requirement	Result
<b>Unplanned SAIDI limit</b>	<b>180.25</b>
Unplanned SAIDI assessed value	110.82
<b>Compliance Assessment</b>	<b>Complies</b>

### Compliance with the unplanned SAIFI limit

Table 13: Unplanned interruptions SAIFI reliability assessment

DPP Requirement	Result
<b>Unplanned SAIFI limit</b>	<b>2.2684</b>
Unplanned SAIFI assessed value	1.4382
<b>Compliance Assessment</b>	<b>Complies</b>

## 3.3 Unplanned SAIDI and SAIFI calculations

### Unplanned SAIDI

To calculate unplanned SAIDI, the assessment dataset is populated by listing all unplanned (Class C) interruptions on Powerco's network for the assessment period. Unplanned SAIDI is normalised for major event days ("MED").

A SAIDI MED occurs when the sum of SAIDI values for any period of 24 hours, that starts on the hour or half past the hour, exceeds the SAIDI unplanned boundary value. For the current regulatory period the SAIDI unplanned boundary value is 9.82 minutes.

Table 14: Calculating Powerco's unplanned SAIDI assessment values

Calculation components	Result
Assessment dataset for SAIDI <i>Total unplanned SAIDI for the assessment period</i>	120.98
Normalise assessment dataset (1 MEDs) <i>For each 30 minute period within a SAIDI major event, if the unplanned SAIDI value exceeds 1/48<sup>th</sup> of the SAIDI unplanned boundary value, this unplanned SAIDI value is replaced with 1/48<sup>th</sup> of the SAIDI unplanned boundary value.</i>	(10.16)
<b>Unplanned SAIDI assessed value</b>	<b>110.82</b>

### Major event days in the assessment period

There was one SAIDI major event with a duration of 47.5hrs or 1.98 days in the assessment period:

Table 15: SAIDI major event day

Start Time & Date		End Time & Date		SAIDI Value Before normalisation	SAIDI Value after normalisation
16 June 2024	00:30	18 June 2024	00:00	11.1648	1.0091

Further information on major event days is included in Attachment B - Commentary on major event days

## Unplanned SAIFI

To calculate unplanned SAIFI, the assessment dataset is populated by listing all unplanned (Class C) interruptions on Powerco's network for the assessment period. Unplanned SAIFI is normalised for MEDs.

A SAIFI MED occurs when the sum of SAIFI values for any period of 24 hours, that starts on the hour or half past the hour, exceeds Powerco's SAIFI unplanned boundary Value of 0.0628.

Table 16: Calculating Powerco's unplanned SAIFI assessment values

Calculation components	Result
Assessment dataset for SAIFI <i>Total unplanned SAIFI for the assessment period</i>	1.5000
Normalise assessment dataset (1 MEDs) <i>For each 30 minute period within a SAIFI major event, if the unplanned SAIFI value exceeds 1/48<sup>th</sup> of the SAIFI unplanned boundary value, this unplanned SAIFI value is replaced with 1/48<sup>th</sup> of the SAIFI unplanned boundary value.</i>	(0.0615)
<b>SAIFI unplanned</b>	<b>1.4382</b>

## Major event days in the assessment period

There was one SAIFI major event with a duration of 47.5hrs or 1.98 days in the assessment period:

Table 17: SAIFI major event day

Start Time & Date		End Time & Date		SAIFI Value Before normalisation	SAIFI Value after normalisation
16 Sep 2024	12:00	18 Sep 2024	11:30	0.0660	0.0045

Further information on major event days is included in Attachment B - Commentary on major event days

## 3.4 Quality incentive adjustment

The quality incentive adjustment must be calculated by Powerco within 5 months after the expiration of the assessment period in accordance schedule 4 of the Determination and is a recoverable cost in the assessment period following that in which it was calculated (2027 pricing year).

To satisfy clause 11.6(e) of the Determination, Powerco's target, collar, cap, incentive rate for planned and unplanned SAIDI is presented below as well as the supporting calculations for the quality incentive adjustment amount for the 2027 pricing year.

Table 18: SAIDI quality measures

Interruption type	Target	Collar	Cap	Incentive rate (IR)
Unplanned	151.96	-	180.25	\$47,908
Planned	51.50	-	154.50	

## Quality incentive adjustment

The quality incentive adjustment for Powerco is calculated as the lessor of:

- (i) The sum of:
- A.  $(SAIDI_{unplanned,target} - SAIDI_{unplanned,assessed}) * IR$ ;
  - and
  - B.  $(SAIDI_{planned,target} - SAIDI_{planned,assessed}) * 0.5 * IR$ ;
- and
- (ii) the revenue at risk  $(0.02 * ANAR_{2025})$

That sum is adjusted for the time-value of money by multiplying the sum in accordance with the following formula-

$$(1 + 67\text{th percentile estimate of post-tax WACC})^2$$

Table 19: Quality incentive adjustment calculation

Component	A. (SAIDI <sub>unplanned</sub> )	B. (SAIDI <sub>planned</sub> )
Target	151.96	51.50
- Assessed	110.82	66.29
* Multiplier	1.0	0.5
* Incentive Rate	\$47,908	
Subtotal	\$1,970,903	(\$354,257)
<b>A + B</b>	<b>\$1,616,646</b>	
ANAR <sub>2025</sub>	329,914,980	
<b>Revenue at risk</b> $(0.02 * ANAR_{2025})$	<b>\$6,598,300</b>	
Lessor of: (A + B or revenue at risk)	\$1,616,646	
Time value of money (WACC=4.23%)	\$139,661	
<b>Quality incentive adjustment</b> for the 2027 assessment period	<b>\$1,756,307</b>	



## 3.5 Reliability policies and procedures

### Recording interruptions

Powerco has well developed processes to capture outage / interruption information and ensure the accuracy of these records. Key aspects of this calculation include:

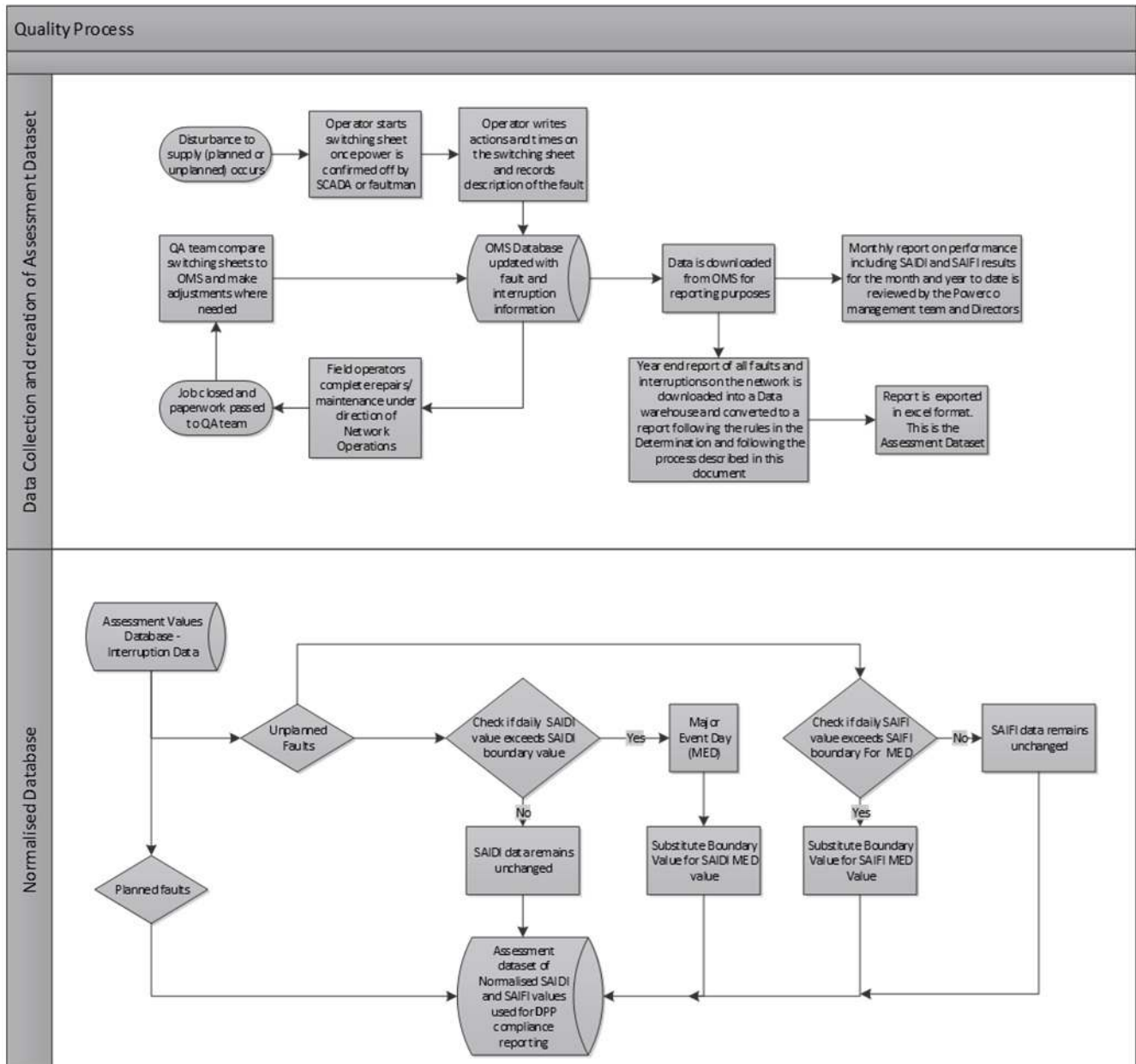
- The underlying reliability records are created and maintained by Powerco's Network Operations Team which initiate and manage all fault reports.
- The start of an interruption is recorded when there is a SCADA alarm for assets that have a real time link to Powerco's SCADA system. For other assets, which is the majority on our network, the interruption is recorded when Powerco is first notified of the fault by retailers or field staff.
- All fault reports contain switching sequences and where available SCADA printouts of transformers and areas affected, along with any other relevant information to support accurate evaluation.
- Details on the fault report are entered into the Powerco Outage Management System ("OMS") database. Information recorded includes the date, time and cause of the fault, voltage of the faulted circuit and the transformers affected.
- Powerco notes the introduction of new systems to assist with the management of outages and interruptions during the 2015 assessment period. This OMS provides enhanced oversight and recording of outages, enhancing the robustness of recording processes.
- The faults recorded may be due to third party causes (transmission problems, generation problems, or the actions of other electricity industry participants or third parties) this information is also recorded in the OMS database but excluded for compliance reporting.
- When power is restored for less than one minute following an initial interruption the successive interruption is not counted as a new SAIFI event. The duration of the successive interruption is added to the duration of the initial interruption. This is consistent with prior year treatment.
- When power is restored for one minute or longer following an initial interruption the successive interruption is counted as a new SAIFI event. The duration of the successive interruption is assigned to the new SAIDI event. This is consistent with prior year treatment.

### Calculating SAIDI and SAIFI

In utilising the input data noted above, Powerco applies processes to ensure compliance with Schedules 3.1 and 3.2 of the Determination, as shown diagrammatically in Figure 1. The following key calculation steps are applied:

- To calculate SAIDI and SAIFI customer connection numbers ("ICPs") are calculated from the Geographic Information System ("GIS") for the transformers affected. ICPs are updated to the GIS daily from the Electricity Registry.
- The customer connection number used in the annual calculation of SAIDI and SAIFI is the average of customer numbers at the end of each month of the assessment year. The sum of all customer minutes interrupted is divided by the average customer connection numbers to derive the annual SAIDI minutes. The sum of the number of customer interruptions is divided by the average customer connection numbers to derive the annual SAIFI value.
- Results are calculated using the outage / interruption records in OMS noting a range of global corrections and refinements are required as set out below.
- As specified by the Determination, data is limited to include only Powerco interruptions that cause a cessation of electricity for a period of at least one minute, affect at least one consumer and occur on an electricity line capable of conveying electricity at a voltage of at least 3.3 kV.
- The unplanned data is normalised to account for the impact of MEDs.

Figure 1: Powerco's process to create the normalized dataset



## 4. Major transactions

Powerco has not entered into any agreement with another EDB or Transpower for an amalgamation, merger, major transaction or non-reopener transaction in the assessment period.

## 5. Directors' certificate

**Director's Certificate for the Default Price-quality Path  
Annual Compliance Statement  
For the period 1 April 2024 – 31 March 2025**

I, Richard Van Breda, being a director of Powerco certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached annual compliance statement of Powerco, 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.



Director

26 August 2025

Date

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.

## 6. Auditor's report



### INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF POWERCO LIMITED AND THE COMMERCE COMMISSION

#### Report on Powerco Limited's Electricity Default Price-Quality Path Annual Compliance Statement 2025

We have conducted a reasonable assurance engagement on whether the information disclosed by Powerco Limited ('the Company') on pages 3 to 18 and 23 to 34 (including sections 1, 2, 3, and 4 and Appendices A to C), of the Company's Electricity Default Price-Quality Path Annual Compliance Statement ('the Annual Compliance Statement') for the period 1 April 2024 to 31 March 2025 has been prepared, in all material respects, in accordance with the Electricity Distribution Services Default Price-Quality Path (Powerco transition) Amendments Determination 2022 ('the Determination').

#### Opinion

In our opinion:

- the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the period 1 April 2024 to 31 March 2025; and
- 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.

#### Basis for Opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000 (Revised)') and the Standard on Assurance Engagements (SAE) 3100 (Revised) *Compliance Engagements* ('ISAE (NZ) 3100 (Revised)'), issued by the New Zealand Auditing and Assurance Standards Board. Copies of these standards are available on the External Reporting Board's website.

These standards require that we comply with ethical requirements and plan and perform our assurance engagement to provide reasonable assurance about whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. Reasonable assurance is a high level of assurance.

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

#### Board of Directors' Responsibility

The Board of Directors is responsible on behalf of the Company for the preparation of the Annual Compliance Statement in accordance with the Determination. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Annual Compliance Statement in accordance with the Determination.

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) ('PES 1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.





Other than in our capacity as auditor and the provision of other assurance services including the audit of financial statements and the audit of regulatory disclosure statements, we have no relationship with or interests in the Company. These services have not impaired our independence as auditor of the Company as required by the Determination.

The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### **Our Responsibility**

Our responsibility is to express an opinion on whether as far as appears from an 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 whether the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement. ISAE (NZ) 3000 (Revised) and SAE 3100 (Revised) require that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material respects, with the Determination in preparing its 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 the controls implemented to meet the requirements of the Determination. The procedures selected depend on our judgement, including the identification and assessment of risk of material non-compliance with the Determination whether due to fraud, error, or non-compliance with the Determination.

In evaluating those risks, we consider 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. A reasonable assurance engagement also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the Annual Compliance Statement.

Our procedures included:

- examining, on a sample basis, evidence relevant to the amounts and disclosures contained on pages 3 to 18 of the Annual Compliance Statement in relation to the Default Price Path Compliance Information and Quality Compliance Information set out in Clauses 8 and 9 of the Determination respectively;
- assessing significant estimates and judgements, if any, made by the Company in the preparation of the Annual Compliance Statement;
- assessing whether the basis of preparation of the Annual Compliance Statement has been adequately disclosed;
- assessing whether the wash-up amount set out in Clause 8.6 of the Determination, is in accordance with schedule 1.6 of the Determination and assessing it against the amounts and disclosures contained on pages 3 to 18 of the Annual Compliance Statement,
- assessing whether the quality incentive adjustment set out in Schedule 4 of the Determination, is in accordance with Schedule 4 of the Determination and assessing it against the amounts and disclosures contained on pages 3 to 18 of the Annual Compliance Statement.
- ensuring that the information used in preparing the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems.



These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in preparing the Annual Compliance Statement for the period 1 April 2024 to 31 March 2025.

#### **Inherent Limitations**

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control, 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 year ended 31 March 2025, and the procedures performed in respect of Powerco Limited's compliance with the Determination in preparing the Annual Compliance Statement are undertaken on a test basis, our reasonable assurance engagement cannot be relied on to detect all instances where Powerco Limited may not have complied with the applicable requirements. The opinion expressed in this report has been formed on the above basis.

#### **Use of Report**

This report is provided solely for your exclusive use and solely for the purpose of complying with Clause 11.5(e) of the Determination. However, we understand that a copy of this report has been requested by the Commerce Commission solely for the purpose above. We agree that a copy of our report may be provided to the Commerce Commission. This report is not to be used for any other purpose. We accept or assume no duty, responsibility, or liability to any party, other than you, in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in our report.

A stylized, handwritten-style signature of "Deloitte Limited" in black ink.

**Deloitte Limited**  
Auckland, New Zealand  
26 August 2025



## 7. Appendices

The following list of appendices provides further information supporting this compliance statement.

Attachment reference	Information provided
A – Price and actual quantities for the assessment period	Details prices and corresponding actual quantities for each tariff group across Powerco's Eastern and Western networks. The product of prices and actual quantities is Powerco's actual revenue from prices for the assessment period in section 2 of this document.
B – Commentary on major event days	Provides further detail on reliability and major event days.
C – Compliance statement references	Notes the compliance requirements from the Determination and where they are evidenced in this Statement.

# DPP Annual Compliance Statement 2025



## Attachment A – Prices and actual quantities for the assessment period

Western Network			Overall Prices FY25 (Prices 1 April 2024 to 31 March 2025)												
Tariff Group	Network Group	Tariff Description	Fixed Charges					Variable Charges							
			ICP \$/day	Installed Capacity \$/kVA/Day	HV Metering Charge (\$/day)	Distribution Charge (\$/AMD)	Transmission Charge (\$/AMD)	Uncontrolled \$/kWh	Controlled \$/kWh	TOU Peak - Winter \$/kWh	TOU Off-Peak \$/kWh	TOU Peak - Summer \$/kWh	Unmetered \$/kWh	Distributed Generation \$/kWh	Reactive Power Charge \$/kVAR
			FDC	FDC*	CT/VT	*DIST*	*TRAN*	24UC	CTRL	PEAK	OFFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial															
W05A	A	Low User	0.60					0.0999	0.0526	0.1790	0.0676	0.1640	0.1104		
W06A	A	Standard User	0.90					0.0863	0.0390	0.1654	0.0540	0.1504	0.0968		
W05B	B	Low User	0.60					0.1299	0.0846	0.2041	0.0996	0.1891	0.1449		
W06B	B	Standard User	0.90					0.1163	0.0710	0.1905	0.0860	0.1755	0.1313		
Medium Commercial															
W01A	*	Unmetered	0.45										0.1198		
W02A	*	Streetlighting		0.1000											
W01B	*	Unmetered	0.45										0.1539		
W02B	*	Streetlighting		0.1100											
W22A	*	3ph60A >199kVA	10.00					0.0793	0.0452	0.1505	0.0502	0.1320			
W22B	*	3ph60A >199kVA	10.00					0.1063	0.0740	0.1731	0.0790	0.1546			
Medium Commercial															
W29	A	100kVA < 300kVA	10.00		4.5400	0.4264	0.0307	0.0173						7.0000	
W29	B	100kVA < 300kVA	10.00		4.5400	0.5345	0.0291	0.0173						7.0000	
W29	C	100kVA < 300kVA	10.00		4.5400	0.6023	0.0851	0.0173						7.0000	
W29	D	100kVA < 300kVA	10.00		4.5400	0.6255	0.2073	0.0173						7.0000	
W29	E	100kVA < 300kVA	10.00		4.5400	0.4131	0.0327	0.0173						7.0000	
W29	F	100kVA < 300kVA	10.00		4.5400	0.4700	0.0364	0.0173						7.0000	
W29	G	100kVA < 300kVA	10.00		4.5400	0.8572	0.0620	0.0173						7.0000	
W29	H	100kVA < 300kVA	10.00		4.5400	0.4646	0.0334	0.0173						7.0000	
W29	I	100kVA < 300kVA	10.00		4.5400	0.3829	0.0171	0.0173						7.0000	
W29	J	100kVA < 300kVA	10.00		4.5400	0.5840	0.0806	0.0173						7.0000	
Large Commercial / Industrial															
W50	*	Individual ICP prices	216.78											7.0000	
W60	*	Individual ICP prices	703.79											7.0000	
BASEPOWER		Non-ICP Based	1.60												

# DPP Annual Compliance Statement 2025



Western Network			Quantities FY25 (1 April 2024 to 31 March 2025)												
Tariff Group	Network Group	Tariff Description	Fixed Volumes					Variable Charges - kWh							
			ICP Days	kVA Installed	Meters	AMD	AMD	kWh Uncontrolled	kWh Controlled	kWh TOU Peak - Winter	kWh TOU Off Peak	kWh TOU Peak - Summer	kWh Unmetered	kWh Distributed Generation	kVAr Demand pa
			FDC	FDC*	CT/VT	*DIST*	*TRAN*	24UC	CTRL	PEAK	OFFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial															
W05A	A	Low User	24,636,691					61,500,056	41,807,216	38,470,643	148,580,143	24,650,831	11,543	5,814,289	
W06A	A	Standard User	20,716,779					217,762,595	61,984,931	67,505,413	297,065,065	53,685,692	7,800	10,755,573	
W05B	B	Low User	9,483,936					22,544,091	16,086,622	14,862,036	59,515,226	9,910,276		2,976,614	
W06B	B	Standard User	10,806,376					129,528,214	23,734,445	32,029,520	155,763,006	27,895,105		3,644,546	
Medium Commercial															
W01A	*	Unmetered	198,549										5,640,778		
W02A	*	Streetlighting													
W01B	*	Unmetered	142,493										2,226,783		
W02B	*	Streetlighting													
W22A	*	3ph60A >199kVA	4,537					513,936		38,946	286,090	94,672			
W22B	*	3ph60A >199kVA	3,077					251,050		183	135,524	49,297		65,649	
Medium Commercial															
W29	A	100kVA < 300kVA	26,350			7,236	7,236	24,056,370							6,755
W29	B	100kVA < 300kVA	5,110			1,404	1,404	4,401,661							4,262
W29	C	100kVA < 300kVA	730			94	94	224,074							40
W29	D	100kVA < 300kVA	582			81	81	63,217							94
W29	E	100kVA < 300kVA	8,186			2,378	2,378	8,398,748							1,896
W29	F	100kVA < 300kVA	4,214			1,381	1,381	3,720,125							609
W29	G	100kVA < 300kVA	1,825			1,013	1,013	2,614,471							738
W29	H	100kVA < 300kVA	16,139			4,602	4,602	13,025,018							5,322
W29	I	100kVA < 300kVA	44,967			12,492	12,492	38,262,535							12,220
W29	J	100kVA < 300kVA	1,460			446	446	1,337,891							861
Large Commercial / Industrial															
W50	*	Individual ICP prices	91,808	-		-	-	274,438,256							55,718
W60	*	Individual ICP prices	21,059					372,243,876							29,200
BASEPOWER		Non-ICP Based	4,380												
Western Region Total			66,219,247	-	-	31,129	31,129	1,174,886,184	143,613,214	152,906,742	661,345,053	116,285,874	7,886,904	23,256,671	117,715

Western Network			Overall Revenue			
<u>Tariff Group</u>	<u>Network Group</u>	<u>Tariff Description</u>	Fixed	Variable	Demand	Total
<b>Residential+Small Commercial</b>						
W05A	A	Low User	14,782,015	29,317,189	-	44,099,203
W06A	A	Standard User	18,645,101	56,492,316	-	75,137,417
W05B	B	Low User	5,690,362	15,124,497	-	20,814,859
W06B	B	Standard User	9,725,738	41,142,110	-	50,867,848
<b>Medium Commercial</b>						
W01A	*	Unmetered	89,347	675,765		765,112
W02A	*	Streetlighting	-	-		-
W01B	*	Unmetered	64,122	342,702		406,824
W02B	*	Streetlighting	-	-		-
W22A	*	3ph60A >199kVA	45,370	73,475		118,845
W22B	*	3ph60A >199kVA	30,770	45,046		75,816
<b>Medium Commercial</b>						
W29	A	100kVA < 300kVA	1,470,801	416,175	47,283	1,934,260
W29	B	100kVA < 300kVA	339,923	76,149	29,833	445,904
W29	C	100kVA < 300kVA	30,885	3,876	281	35,042
W29	D	100kVA < 300kVA	30,564	1,094	661	32,319
W29	E	100kVA < 300kVA	468,810	145,298	13,274	627,382
W29	F	100kVA < 300kVA	297,481	64,358	4,266	366,105
W29	G	100kVA < 300kVA	358,120	45,230	5,166	408,516
W29	H	100kVA < 300kVA	997,959	225,333	37,253	1,260,545
W29	I	100kVA < 300kVA	2,273,522	661,942	85,537	3,021,001
W29	J	100kVA < 300kVA	122,790	23,146	6,026	151,961
<b>Large Commercial / Industrial</b>						
W50	*	Individual ICP prices	19,901,937	-	390,029	20,291,966
W60	*	Individual ICP prices	14,821,104	-	204,398	15,025,502
BASEPOWER		Non-ICP Based	7,017			7,017
<b>Western Region Total</b>			<b>90,193,738</b>	<b>144,875,701</b>	<b>824,006</b>	<b>235,893,444</b>



# DPP Annual Compliance Statement 2025



Eastern Network			Overall Prices FY25 (Prices 1 April 2024 to 31 March 2025)													
Tariff Group	Network Group	Tariff Description	Fixed Charges					Variable Charges								
			ICP \$/day	Installed Capacity \$/kVA/Day	HV Metering Charge (\$/day)	Distribution Charge (\$/AMD)	Transmission Charge (\$/AMD)	Uncontrolled \$/kWh	Controlled \$/kWh	TOU Peak - Winter \$/kWh	TOU Off Peak \$/kWh	TOU Peak - Summer \$/kWh	Unmetered \$/kWh	Distributed Generation \$/kWh	Reactive Power Charge \$/kVAr	
			FDC	FDC*	CT/VT	*DIST*	*TRAN*	24UC	CTRL	PEAK	OPFK	PEAK	UNML	24DG	PFC	
Residential+Small Commercial																
V05S	Valley	Low User	0.60					0.1078	0.0593	0.1934	0.0693	0.1934	0.1320			
V06S	Valley	Standard User	1.30					0.0759	0.0274	0.1615	0.0374	0.1615	0.1001			
V08	Valley	Holiday Home	1.45					0.0690	0.0275	0.1610	0.0275	0.1610	0.1001			
T05S	Tauranga	Low User	0.60					0.0934	0.0408	0.1732	0.0558	0.1602	0.1140			
T06S	Tauranga	Standard User	1.20					0.0661	0.0135	0.1459	0.0285	0.1329	0.0867			
Unmetered Supply																
V01	Valley	Unmetered	0.45										0.1379			
V02	Valley	Streetlighting		0.1916												
T01	Tauranga	Unmetered	0.45										0.1190			
T02	Tauranga	Streetlighting		0.2023												
Medium Commercial																
V22	Valley	3ph60A >199kVA	12.79					0.0746		0.1574	0.0373	0.1574		7.0000		
V28	Valley	200kVA >299kVA	30.29					0.0674		0.1403	0.0346	0.1403		7.0000		
T22	Tauranga	3ph60A >199kVA	11.99					0.0635	0.0391	0.1383	0.0282	0.1261		7.0000		
T28	Tauranga	200kVA >299kVA	27.39					0.0611		0.1323	0.0275	0.1207		7.0000		
Large Commercial / Industrial																
V40	Valley	Individual ICP prices	167.18											7.0000		
V60	Valley	Individual ICP prices	1,167.91											7.0000		
V71	Kinleith	Individual ICP prices	29,597.88											7.0000		
T50	Tauranga	Individual ICP prices	134.59											7.0000		
T601	Tauranga	Individual ICP prices	753.98											7.0000		

# DPP Annual Compliance Statement 2025



Eastern Network			Quantities FY25 (1 April 2024 to 31 March 2025)												
Tariff Group	Network Group	Tariff Description	Fixed Volumes				Variable Charges - kWh								
			ICP Days	kVA Installed	CT/VTs	AMD	AMD	kWh Uncontrolled	kWh Controlled	kWh TOU Peak - Winter	kWh TOU Off Peak	kWh TOU Peak - Summer	kWh Unmetered	kWh Distributed Generation	kVAr Demand pa
			FDC	FDC*	CT/VT	*DIST*	*TRAN*	24UC	CTRL	PEAK	OFFPK	PEAK	UNML	24DG	PFC
Residential+Small Commercial															
V05S	Valley	Low User	13,606,883					23,398,028	30,643,056	19,920,349	82,124,812	13,891,460	913	3,569,103	
V06S	Valley	Standard User	13,679,821					92,104,611	35,865,381	44,654,089	209,306,167	40,816,059	2,048	3,900,027	
V08	Valley	Holiday Home													
T05S	Tauranga	Low User	13,474,651					22,337,188	39,343,919	22,332,923	88,404,998	15,123,812	110	6,299,311	
T06S	Tauranga	Standard User	19,896,007					97,781,396	74,330,642	55,772,441	234,322,880	42,024,000	55,847	7,365,658	
Unmetered Supply															
V01	Valley	Unmetered	67,104										648,058		
V02	Valley	Streetlighting	4,318,257	11,831									2,508,160		
T01	Tauranga	Unmetered	126,316										2,228,485		
T02	Tauranga	Streetlighting	5,321,305	14,579									3,229,950		
Medium Commercial															
V22	Valley	3ph60A >199kVA	209,658					25,721,054		5,663,710	29,986,307	6,055,971		560,985	
V28	Valley	200kVA >299kVA	19,176					4,981,568		986,688	5,031,857	948,195		5,074	1,775
T22	Tauranga	3ph60A >199kVA	279,750					24,102,183	116,113	5,809,694	28,017,510	5,807,649		310,920	
T28	Tauranga	200kVA >299kVA	54,559					7,257,917		3,990,414	19,617,224	3,739,153		1,717	8,163
Large Commercial / Industrial															
V40	Valley	Individual ICP prices	37,766					67,134,866							21,068
V60	Valley	Individual ICP prices	10,627					333,102,596							23,962
V71	Kinleith	Individual ICP prices	365					308,076,836							
T50	Tauranga	Individual ICP prices	88,415					175,138,213							33,241
T601	Tauranga	Individual ICP prices	14,244					237,791,671							34,604
Eastern Region Total			71,204,903	26,410	-	-	-	1,418,928,129	180,299,111	159,130,308	696,811,755	128,406,299	8,673,571	22,012,796	122,814

Eastern Network			Overall Revenue			
<u>Tariff Group</u>	<u>Network Group</u>	<u>Tariff Description</u>	Fixed	Variable	Demand	Total
<b>Residential+Small Commercial</b>						
V05S	Valley	Low User	8,164,130	16,570,014		24,734,144
V06S	Valley	Standard User	17,783,767	29,605,136		47,388,903
V08	Valley	Holiday Home				
T05S	Tauranga	Low User	8,084,791	14,915,434		23,000,224
T06S	Tauranga	Standard User	23,875,208	27,872,047		51,747,255
<b>Unmetered Supply</b>						-
V01	Valley	Unmetered	30,197	89,367		119,564
V02	Valley	Streetlighting	827,378			827,378
T01	Tauranga	Unmetered	56,842	265,190		322,032
T02	Tauranga	Streetlighting	1,076,500			1,076,500
<b>Medium Commercial</b>						
V22	Valley	3ph60A >199kVA	2,681,526	4,881,958		7,563,483
V28	Valley	200kVA >299kVA	580,841	781,324	12,427	1,374,592
T22	Tauranga	3ph60A >199kVA	3,354,203	3,860,948		7,215,150
T28	Tauranga	200kVA >299kVA	1,494,371	1,962,180	57,140	3,513,691
<b>Large Commercial / Industrial</b>						
V40	Valley	Individual ICP prices	6,313,643		147,475	6,461,119
V60	Valley	Individual ICP prices	12,411,153		167,737	12,578,890
V71	Kinleith	Individual ICP prices	10,803,225			10,803,225
T50	Tauranga	Individual ICP prices	11,900,187		232,687	12,132,874
T601	Tauranga	Individual ICP prices	10,739,631		242,231	10,981,862
<b>Eastern Region Total</b>			<b>120,177,592</b>	<b>100,803,597</b>	<b>859,698</b>	<b>221,840,887</b>



Attachment B – Commentary on major event days

16-18 June 2024 – SAIDI Major Event

33kV Circuit Breaker in Waihi tripped causing loss of supply to the Whangamatā substation

Table 19: Details of the SAIDI major event day

Start Time & Date		End Time & Date		SAIDI Value Before normalisation	SAIDI Value after normalisation
16 June 2024	00:30	18 June 2024	00:00	11.1648	1.0091
Main Locations	Powerco Eastern Network – Valley – Waihi				
ICPs Affected	8,964				
Main Equipment	Subtransmission Line				
How Powerco Responded	<p>The Battery Energy Storage System (BESS) briefly supplied the Central Business District but dropped out after 17 minutes</p> <p>Powerco restored supply to using back feed options.</p> <p>Downer began repairs at once weather conditions allowed for safe access for the crew. Full supply was restored.</p>				
Prevention and future improvements	<p>Future actions outlined include sharing information about the failed asset. Additional analysis of failed eyebolts to ascertain the failure mode</p> <p>Planned work completed mid-August 2024 to upgrade suspension insulator assets.</p> <p>Understand BESS capability and operational constraints for similar unplanned outages in the future, to prevent supply dropping off</p>				

16-18 September 2024 – SAIFI Major Event

Thames 66kV Circuit Breaker tripped due to a combination of high winds, hail and planned maintenance resulting in outages to the Thames, Whitianga, Tairua and Coromandel substations

In addition, within an overlapping 24-hour period, SAIFI exceeded the boundary value in the Taranaki region due to a broken eyebolt caused by high wind.

Table 20: Details of the SAIFI major event day

Start Time & Date		End Time & Date		SAIFI Value Before normalisation	SAIFI Value after normalisation
16 September 2024	12:00	18 September 2024	11:30	0.0660	0.0045
Main Locations	Powerco Eastern Network – Valley – Thames Powerco Western Network – Taranaki – Te Roti				
ICPs Affected	23,579				
Main Equipment	Subtransmission and Distribution Lines				
How Powerco Responded	<p>Transpower was carrying out planned works on the Kopu substation resulting in a single circuit breaker being the sole source of supply to the Thames, Tairua, Whitianga and Coromandel substations.</p> <p>Due to its location on the Thames 66kV, the fault resulted in loss of supply to the substations.</p> <p>Total restoration took 1 hour and 33 minutes, but was delayed for some customers due to Automated Backfeed Restoration (ABR) devices that remained open after the initial circuit breakers were reclosed</p>				
Prevention and future improvements	<p>The planned outage should have been delayed due to high winds and poor weather conditions.</p> <p>Network configuration could have been altered to reduce the number of substations supplied from one source of supply, thus minimizing the impact of the outage.</p>				

## Attachment C – Compliance statement references

The following tables reference the Determination requirements and provide guidance on the section of this Statement that meets the specified requirements.

Table C1: Wash-up amount calculation

Determination clause	Determination requirement	Compliance statement section
8.6	Powerco must calculate the wash-up amount for each assessment period using the methodology specified in Schedule 1.6.	2

Table D2: Quality path summary

Determination clause	Determination requirement	Compliance statement section
9.2(a)	the sum of Powerco's planned SAIDI assessed values for the DPP regulatory period, being the sum accumulated for all five assessment periods of the DPP regulatory period, must not exceed the planned accumulated SAIDI limit specified in paragraph (1) of Schedule 3.1 or, where applicable, the adjusted planned accumulated SAIDI limit; and	3.1
9.2(b)	the sum of Powerco's planned SAIFI assessed values for the DPP regulatory period, being the sum accumulated for all five assessment periods of the DPP regulatory period, must not exceed the planned accumulated SAIFI limit specified in paragraph (1) of Schedule 3.1 or, where applicable, the adjusted planned accumulated SAIFI limit.	
9.8(a)	Powerco's unplanned SAIDI assessed value for unplanned interruptions for the assessment period must not exceed the unplanned SAIDI limit specified in paragraph (1) of Schedule 3.2; and	3.2
9.8(b)	Powerco's unplanned SAIFI assessed value for unplanned interruptions for the assessment period must not exceed the unplanned SAIFI limit specified in paragraph (1) of Schedule 3.2.	

Table D3: Annual compliance statement

Determination clause	Determination requirement	Compliance statement section
An annual Compliance Statement must be provided to the Commission consisting of:		
11.5(a)(i)	State whether or not Powerco has – complied with the requirements to calculate the wash-up amount in clause 8.6 for the assessment period and	1
11.5(a)(ii)	Complied with the quality standards in clause 9 for the assessment period;	1
11.5(b)	State the day on which the statement was prepared;	1
11.5(c)	State whether or not Powerco has entered into any agreement with another EDB or Transpower for an amalgamation, merger, major transaction or transfer in the assessment period;	1
11.5(d)	Include a certificate in the form set out in Schedule 7, signed by at least one director of Powerco; and	5
11.5(e)	Be accompanied by an assurance report meeting the requirements in Schedule 8, in respect of all information contained in the ‘annual compliance statement’.	6
11.6(a)	Details of the wash-up amount calculation as specified in clause 8.6, together with supporting information for all components of the calculation;	2 and Attachment A
11.6(b)	Actions taken to mitigate any non-compliance with clause 9 and Schedules 3.1-3.3 and to prevent similar non-compliance in future assessment periods;	N/a
11.6(c)	For the planned interruptions reliability assessment cap specified in clause 9.2, the planned SAIDI assessed value, planned SAIFI assessed value, planned SAIDI accumulated limit and planned SAIFI accumulated limit for the assessment period, and any supporting calculations (including those in Schedule 3.1);	N/a
11.6(d)	For the annual unplanned interruptions reliability assessment specified in clause 9.8, the unplanned SAIDI assessed value, unplanned SAIFI assessed value, unplanned SAIDI limit, unplanned SAIFI limit, SAIDI unplanned boundary value and SAIFI unplanned boundary value for the assessment period, and any supporting calculations (including those in Schedule 3.2);	N/a

Determination clause	Determination requirement	Compliance statement section
11.6(e)	For the quality incentive adjustment, SAIDI planned interruption cap, SAIDI unplanned interruption cap, SAIDI planned interruption collar, SAIDI unplanned interruption collar, SAIDI planned interruption target, SAIDI unplanned interruption target and incentive rate for the assessment period, and any supporting calculations (including those in Schedule 4);	3.4
11.6(f)	A description of the policies and procedures which the non-exempt EDB has used for capturing and recording Class B interruptions and Class C interruptions, and for calculating planned SAIDI assessed values and unplanned SAIDI assessed values and planned SAIFI assessed values and unplanned SAIFI assessed values for the assessment period;	3.5
11.6(g)(i-xii)	Information relating to each SAIDI major event within the assessment period,	3.2, 3.3 and Attachment B
11.6(h)(i-xii)	Information relating to each SAIFI major event within the assessment period,	

