



**POWERCO**

**Gas Distribution  
Services Default  
Price-Quality Path  
2015**

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19 NOVEMBER 2015

**Disclaimer:** This document has been prepared to comply with the Commerce Act (Gas Distribution Services Default Price-Quality Path) Determination 2013. The information in this document has been prepared with all care and diligence, in good faith. Any reliance on the information contained in this document, actual or purported, is at the user's own risk.

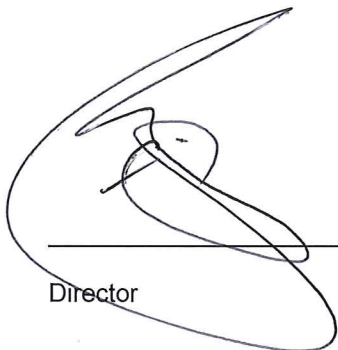


### Directors' Certificate

Directors' Certification for the Default Price-Quality Path Compliance Statement

For the Period 1 October 2014 to 30 September 2015

I, JOHN LOUGHLIN, being a director of Powerco Limited, certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached Compliance Statement of Powerco Limited, and related information, prepared for the purposes of the Gas Distribution Services Default Price-Quality Path Determination 2013 has been prepared in accordance with all the relevant requirements.

  
\_\_\_\_\_  
Director

19 November 2015

Date

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## 1 SUMMARY

Powerco Limited's gas distribution business ("Powerco") is subject to regulation under the Commerce Act 1986. Pursuant to the requirements of this Act, the Commerce Commission ("Commission") has set a default price-quality path ("DPP") which applies to all non-exempt gas distribution businesses ("GDBs") including Powerco.

The default price-quality path requirements are set out in the Gas Distribution Services Default Price-Quality Path Determination 2013 ("the Determination"). During the regulatory Period, Powerco must comply with the requirements of the Determination, in particular:

- a) the price path specified in clause 8; and
- b) the quality path specified in clause 9.

Clause 11 of the Determination requires Powerco to provide an Annual Compliance Statement ("Statement") to the Commission and disclose information relevant to the Assessment of its performance against allowable notional revenue ("the price path") and against prescribed reliability standards for the time taken to respond to emergency calls.

As required by clause 11.2(a) of the Determination, this Statement confirms that Powerco has complied with the price path in clause 8 of the Determination and the quality standards in clause 9 of the Determination for the second Assessment Period being 1 October 2014 to 30 September 2015.

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

Powerco completed this Statement on 19 November 2015. A copy is available at Powerco's principal office (Powerco, Level 2, 84 Liardet 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.

## 2 ASSESSMENT AGAINST THE PRICE PATH

The price path allows Powerco to increase its prices by the change in the consumer price index (CPI) stipulated in the “all Groups Index SE9A” as published by Statistics New Zealand, less the rate of change for gas distribution businesses (“X factor”) specified in Schedule 2 of the Determination. The X factor is set at zero. Authorisation costs, regulators’ levies and rates on system fixed assets are included as pass through costs.

Powerco has complied with the price path for the second Assessment Period as demonstrated in Table 1.

For presentation purposes, the tables set out in section 2.1 are aggregates of the price and quantity information for each price group. More detailed information is contained in Appendix A of this Statement.

### 2.1 SUMMARY OF PRICING COMPLIANCE INFORMATION

Clause 8.4 of the Determination states that to demonstrate compliance with the price path,

“The notional revenue ( $NR_t$ ) of the GDB must not exceed the allowable notional revenue ( $ANR_t$ ) for the Assessment Period.”

As demonstrated by the calculation in table 1, Powerco complies with the price path for the Assessment Period.

**Table 1 – Compliance with the price path<sup>1</sup>.**

DPP Requirement	Notional Revenue must not exceed Allowable Notional Revenue for the Assessment Period	
DPP Expression	$ANR_t \geq NR_t$	Complies
Powerco Result (\$000)	$\$49,041 \geq \$48,885$	Complies

<sup>1</sup> The figures in the pricing tables are in thousands of dollars. The underlying calculations are based on more detailed numbers (i.e. to more decimal places than shown in this document). This may cause rounding inconsistencies or discrepancies. These discrepancies do not affect the overall compliance calculations which are based on the more detailed information.

## 2.2 ANALYSIS OF NOTIONAL REVENUE AND ALLOWABLE NOTIONAL REVENUE

The DPP is based on a five year regulatory period. The 2015 Assessment Period is the second Assessment Period under the current default price quality path.

The test for compliance with the price path is shown in tables 2 and 3.

**Table 2 – Calculating Powerco’s Allowable Notional Revenue**

Powerco’s Allowable Notional Revenue for the second assessment period —	
$ANR_{2014/15} = \left( \sum_i P_{i,2013/14} Q_{i,2012/13} - (K_{2013/14} - V_{2013/14}) + (R_{2013/14} - NR_{2013/14}) \right) (1 + \Delta CPI_{2014/15}) (1 - X)$	
Calculation Components	Amount (\$000)
$P_{i,2013/14} Q_{i,2012/13}$ represents the allowable notional revenue for the regulatory year ending 2015 (excluding the adjustment for pass-through cost, recoverable cost, revenue differential and CPI adjustments)	\$49,427
$K_{2013/2014}$ is the sum of all Pass-Through costs included in pricing in the 1 <sup>st</sup> Assessment period.	\$574
$V_{2013/2014}$ is the sum of all Recoverable costs included in pricing in the 1 <sup>st</sup> Assessment period.	\$0
$R_{2013/14}$ is the allowable notional revenue for the 1 <sup>st</sup> assessment period.	\$49,000
$NR_{2013/14}$ is the notional revenue from the 1 <sup>st</sup> assessment period	\$49,443 <sup>2</sup>
$(R_{2013/14} - NR_{2013/14})$ represents the revenue differential adjustment, which is the difference between the allowable notional revenue and the notional revenue for the previous pricing period.	(\$443) <sup>3</sup>

<sup>2</sup> The 2014 NR value of \$49,443 above is lower than the 2014 NR value of \$49,474 disclosed in the Powerco 2014 Gas Default Price Quality Path Compliance Statement. An external review undertaken in 2014, instigated by Powerco management identified that the 2014 NR had been overstated by a non-material amount (circa 30k). This has been corrected for the 2015 compliance statement.

<sup>3</sup> The negative revenue differential adjustment represents the difference between ANR and NR when these metrics are compared for the 12 month period between 1 October 2013 and 30 September 2014. The first Assessment period of the DPP was assessed against the 15 month period between 1 July 2013 and 30 September 2014. Powerco complied with the allowable notional revenue rule  $ANR \geq NR$  over this 15 month period.

$\Delta\text{CPI}_{2014/15}$ is the change in the consumer price index (CPI) stipulated in the "all Groups Index SE9A" as published by Statistics New Zealand, Calculated in accordance with the definition of $\Delta\text{CPI}_i$ in schedule 4 of the Determination.	$\Delta\text{CPI} = (4,743/4,682) - 1 = 1.303\%$ $1 + \Delta\text{CPI} = 1.0130$
(1-X) Is the rate of change for non-exempt gas distribution businesses ("X factor") specified in Schedule 2 of the Determination. The X factor is set at zero.	1
Total Allowable Notional Revenue for the 2015 Assessment Period	\$49,041

**Table 3<sup>4</sup> – Calculating Powerco's Notional Revenue**

Powerco's Notional Revenue for the second assessment period—	
$\text{NR}_{2014/15} = \left( \sum P_{i,2014/15} Q_{i,2012/13} - (K_{2014/15} - V_{2014/15}) \right)$	
Calculation Components	Amount (\$000)
$\left( \sum P_{i,2014/15} Q_{i,2012/13} \right)$ Is the notional revenue for the Assessment Period ended 30 September 2015, which is the sum of all the products of 2015 prices for each lines service and the corresponding quantities for the year ending March 2013.	\$50,339
$K_{2014/15}$ is the sum of all pass through costs for the Assessment Period.	\$1,454
$V_{2014/15}$ is the sum of all recoverable costs for the Assessment Period.	\$0
Total Notional Revenue for the 2015 Assessment Period	\$48,885

<sup>4</sup> The figures in the pricing tables are in thousands of dollars. The underlying calculations are based on more detailed numbers (i.e. to more decimal places than shown in this document). This may cause rounding inconsistencies or discrepancies. These discrepancies do not affect the overall compliance calculations which are based on the more detailed information.



## 2.2.1 PASS-THROUGH COSTS AND RECOVERABLE COSTS

The Determination allows for the inclusion of pass-through and recoverable costs in pricing if they are ascertainable at the time prices are set and have not been previously recovered or will not be able to be recovered other than through prices.

Pass-through costs included in pricing under the DPP include—

- Any pass-through costs incurred under the gas authorisation (the “Authorisation”) and not included previously in pricing. The Authorisation provided an allowance for pass-through costs and any amounts incurred above or below this allowance are included in prices;
- rates on system fixed assets;
- Gas Act levies;
- Commerce Act levies;
- Electricity and Gas Complaints Commissioner Scheme levies; and
- Levies under the Commerce (Levy for Control of Natural Gas Services) Regulations 2005.

### 2.2.1.1 PASS-THROUGH COSTS INCLUDED IN PRICING

Powerco sets draft pricing in April each year and pricing is finalised in July to take effect on 1 October of that year. Costs known or ascertainable to the point pricing is finalised may be included in pricing.

Tables 4 and 5 below provide a breakdown of the pass-through costs included in 2015 pricing.

**Table 4 – Pass-through and recoverable costs included in 2015 pricing**

Calculation of Pass-through costs included in 2015 pricing			
Pricing period costs incurred	2013	2014	Total
<b>Pass through and Recoverable costs</b>			
Rates	\$ 388,881	\$ 662,467	\$ 1,051,348
Commission Levies	\$ 96,112	\$ 182,006	\$ 278,118
EGCC levies	\$ -	\$ -	\$ -
Costs relating to a CPP application	\$ -	\$ -	\$ -
Clawback applied by the Commission	\$ -	\$ -	\$ -
<b>Total Pass through (K<sub>t</sub>) + Recoverable Costs (V<sub>t</sub>) to include in 2015 pricing</b>	<b>\$ 484,992</b>	<b>\$ 844,473</b>	<b>\$ 1,329,465</b>
Time value of money adjustment (TVM) - Following Equation 4 of Schedule 5 $K_t + V_t = \sum (K_n + V_n)(1+r)^{t-n}$			
Discount Rate	5.38%	5.38%	5.38%
Invoices ascertainable as above shown in pricing period paid	\$ 391,406	\$ 938,059	\$ 1,329,465
<b>Pass through and recoverable costs adjusted for the time value of money</b>	<b>\$ 434,655</b>	<b>\$ 988,527</b>	<b>\$ 1,423,181</b>

**Table 5 - Total pass-through costs (including Authorisation costs) included in 2015 pricing**

Pass through and recoverable costs adjusted for the time value of money	\$ 1,423,181
Authorisation Pass-through costs (Including TVM adjustment)	\$ 30,802
<b>Total Pass-through and Recoverable costs</b>	<b>\$ 1,453,983</b>

### Authorisation Pass-through costs

In addition to the pass-through costs outlined in table 4 above, Powerco also included previously unrecovered Authorisation costs in 2015 pricing. The amount of previously unrecovered Authorisation costs included in 2015 pricing is shown in table 5. The first assessment period under the DPP included the requirement that pass-through costs must be nil for the 2013 pricing period<sup>5</sup> and that Powerco pass-through the following costs in the 2014 pricing period—

1. Costs incurred during the Authorisation period<sup>6</sup> not previously recovered; and
2. Pass-through costs incurred between July 2012 and June 2013 calculated as if the Authorisation continued until June 2013.

The only exception to this requirement is if the inclusion of these costs would result in price shocks to consumers. In this case, the amounts may be smoothed over the remainder of the DPP regulatory period.<sup>7</sup> Powerco considered it could not pass through all costs incurred through to June 2013 in the 2014 pricing period and did not include \$80,192 of pass-through costs incurred. These costs will be included in pricing in the 2015 to 2017 pricing periods. Powerco has included \$30,802 (adjusted for the time value of money) of unrecovered authorisation cost in 2015 pricing.

#### 2.2.1.2 RECOVERABLE COSTS INCLUDED IN PRICING

The Determination allows for the inclusion of the certain recoverable costs. Powerco did not include any recoverable costs in pricing for the second assessment period.

#### 2.2.1.3 PASS-THROUGH COSTS USED TO CALCULATE ANR

The calculation of ANR incorporates the value of pass-through and recoverable costs included in pricing from the prior Assessment period.

Table 6 provides a breakdown of the pass-through costs included in 2014 pricing that have been used to calculate 2015 ANR. Powerco did not include any recoverable costs in pricing for the first assessment period.

<sup>5</sup> Gas Distribution Services Default Price-Quality Path Determination 2013, clause 8.5(a)

<sup>6</sup> The Authorisation period commenced on 1 January 2009 and ended on 1 July 2012.

<sup>7</sup> The Regulatory Period under the DPP commenced on 1 July 2013 and ends on 30 September 2017.

**Table 6 – 2014 Pass-through costs summary**

Authorisation Cost type	Total costs Incurred	Total Included in 2014 Prices	Remaining Authorisation costs to be included in 2015-2017 pricing
Rates	\$2,590,266	<b>\$2,590,266</b>	\$0
Commerce Act levies	\$1,026,466	<b>\$646,274</b>	\$380,192
EGCC Levies	\$83,746	<b>\$83,746</b>	\$0
Audit fees	\$20,000	<b>\$20,000</b>	\$0
Less Allowance	(\$3,114,654)	<b>(\$2,814,654)</b>	(\$300,000)
<b>Total Costs</b>	<b>\$605,824</b>	<b>\$525,632</b>	<b>\$80,192</b>
Time Value of Money Adjustment	\$55,824	<b>\$48,328</b>	\$7,496
<b>Total costs included in pricing</b>	<b>\$661,648</b>	<b>\$573,960</b>	<b>\$87,688</b>

A more detailed breakdown of the costs included in 2014 pricing is provided in Appendix C to this document.

## 2.3 PRICE RESTRUCTURING

Powerco has not restructured its pricing during the first assessment period.

## 3 ASSESSMENT AGAINST THE QUALITY PATH

### 3.1 SUMMARY OF QUALITY PATH COMPLIANCE INFORMATION

The quality standard under the determination requires Powerco to respond to 80% of emergencies within 60 minutes and all emergencies within 3 hours. An emergency is defined under the DPP as being—

- An unplanned escape or ignition of gas that requires the active involvement<sup>8</sup> of any emergency service (e.g. fire service or ambulance); or
- An unplanned disruption in the supply of gas that affects more than five ICPs; or
- An evacuation of a premises as the result of escape or ignition of gas.

Emergencies may be excluded from the dataset if the Commission has granted an exclusion in writing. Powerco has not requested any emergencies be excluded from the dataset for the second assessment period.

Powerco has complied with the reliability assessment response times to emergencies (RTE) as demonstrated in Table 7.

<sup>8</sup> Active involvement includes actions such as establishing safety cordons, the use of fire fighting equipment or providing medical or first aid treatment.

**Table 7 – Reliability results for the second assessment period**

DPP Requirement	Formulae	Powerco Result	Outcome
The total number of emergencies in the assessment period where Powerco's RTE was $\leq 60$ minutes divided by the total number of emergencies in the assessment period.	$\frac{RTE_{60}}{RTE_t} \geq 0.80$	$\frac{17}{17} = 1$	Complies with the quality standard
The total number of emergencies in the assessment period where Powerco's RTE was $\leq 180$ minutes, less any emergencies exempted from the dataset, and divided by the total number of emergencies in the assessment period.	$\frac{RTE_{180}}{RTE_t, RTE_{excl}} = 1$	$\frac{17}{17 - 0} = 1$	Complies with the quality standard

The assessed results are calculated from a dataset that covers the period 1 October 2014 to 30 September 2015. The incident data and calculations for the response times to emergencies are included in appendix E of this document.

## 3.2 RELIABILITY POLICIES AND PROCEDURES

### 3.2.1 RECORDING EMERGENCY EVENTS

Each event affecting the gas distribution system reported to Powerco is recorded in Powerco's TVD system by personnel in Powerco's Network Operations Centre ("NOC"). Data recorded includes:

- If the event is planned or unplanned
- Time of call
- Time of arrival of personnel onsite
- If emergency services are involved
- If premises are evacuated
- If Powerco's assets are involved
- Number of connections affected
- Event closure codes

The process of collecting and reviewing data for the calculation of the response time to emergencies metric is illustrated in flow diagrams held in appendix C of this document.

#### 3.2.1.1 INITIAL RECORDING AND RESPONSE

At the time of the call there are some factors that may not be apparent. Included in these are an accurate count of customers affected, the type of equipment that has failed, and confirmation that a gas leak has occurred. Similarly, the site may be evacuated after the initial call to NOC and Powerco is not advised of the evacuation.

Accordingly, Powerco initially classifies any call received from an emergency service as an emergency event. This is independent of any further action that the emergency service may or may not take.

Following the event, the responding field operative will call in any relevant event data to NOC. It may not be until this point that a job meets one of the three criteria to be classified as an emergency. Conversely, it may be the case that an initial factor such as a reported smell of gas is not confirmed on site.

### 3.2.1.2 POST EVENT PAPERWORK

The field operative records event data on a datasheet. This acts as a further record of the event details and can tell a more complete story than the initial data recorded in TVD. These forms are scanned into the Powerco file system by a service provider administrator. The paperwork and TVD details are checked on an on-going basis by the administrator. This check typically verifies closure codes, customer counts, and times entered on the paperwork. If the TVD record is incorrect a request is made for NOC to update TVD with the correct data and a record is kept of these requests.

### 3.2.1.3 REGULAR EMERGENCY RESPONSE CHECKS AND REPORTING

Powerco's asset strategy team checks TVD times and fields that are not visible to the service provider. These checks are completed on a weekly basis by reporting data from the TVD system using Business Objects software. Any required changes are approved by the asset strategy manager and notified to NOC. The dispatch team in NOC ensure the TVD system is updated. A record of any requested change to the original data is held in Powerco's file manager system as well as within the TVD audit log.

This information is further extracted from the database through the Business Objects reporting tool on a monthly basis and the percentage of emergencies responded to within 60 minutes and within 180 minutes is calculated for the current month and on a cumulative financial year basis. These figures are compared to Powerco's internal targets and reported to the gas management team monthly. The cumulative results are reported in the management report to the Board as required.

The TVD reports and calculations were established as part of project GRRR in response to the 2008 Gas Authorisation. These are covered in more detail in 394S096 Gas Quality Indicator Reporting Standard. The time taken to respond to an emergency is calculated as being the difference between the time stamped entry of the initial call to NOC and TVD entry to the time recorded by the field operative as the on-site time.

### 3.2.1.4 PREPARATION FOR DISCLOSURE

The DPP definition of emergency is narrower than that used by Powerco for internal reporting. Therefore the results from internal reporting are filtered to only select emergency events as defined in the DPP. As an example, any events that are not associated with Powerco distribution assets or minor faults where no emergency response was required are removed.

### 3.2.1.5 ESCALATION OF EXCEPTIONS

The network reliability engineer confirms Powerco remains compliant with the quality standard each week once the TVD checks have been completed. Any confirmed instance where the response time is greater than 180 minutes, or it is possible that less than 80% of emergencies have been responded to within 60 minutes, must be reported immediately to the –

- Gas Asset Strategy Manager
- Operations Manager (Gas)
- General Manager Gas
- Regulatory Compliance Analyst

- General Manager Regulation and Government relations

#### **4 AMALGAMATIONS, MERGERS, ACQUISITIONS AND ASSET TRANSFERS**

Powerco has not completed any amalgamations, mergers or acquisitions in the period 1 October 2014 to 30 September 2015, or transferred assets from or to another GDB that has resulted in a change of consumers or other parties supplied with gas distribution services during this assessment period.



## AUDITOR'S REPORT ON ANNUAL COMPLIANCE STATEMENT

To the Directors of Powerco Limited (Powerco)

We have audited the information on pages 4 to 13 and 16 to 24, Sections 1, 2, 3 and 4 and the related Appendices A to F of the Annual Compliance Statement in respect of the default price-quality path prepared by Powerco for the period 1 October 2014 to 30 September 2015 (the Assessment Period) and dated 19 November 2015 for the purposes of clause 11 of the Gas Distribution Services Default Price-Quality Path Determination 2013 (the Determination).

### **Directors' Responsibilities**

The Directors of Powerco are responsible for the preparation of the Annual Compliance Statement in accordance with the Determination and for such internal control as the Directors determine is necessary to enable the preparation of an Annual Compliance Statement that is free from material misstatement, whether due to fraud or error.

### **Auditors' qualifications**

We are qualified as an auditor as defined in the Determination.

### **Auditor's Responsibilities**

Our responsibility is to express an opinion on the Annual Compliance Statement based on our audit. We conducted our audit in accordance with Standard on Assurance Engagements 3100: *Compliance Engagements*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Annual Compliance Statement is free from material misstatement.

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

In relation to the price path set out in clause 8 of the Determination, our audit included an examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 4 to 13 and 16 to 24 of the Annual Compliance Statement.

In relation to the Quality Path Compliance Information for the Assessment Period ended on 30 September 2015 our audit included an examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 4 to 13 and 16 to 24 of the Annual Compliance Statement.

Our audit also included an assessment of the significant estimates and judgments, if any, made by Powerco in the preparation of the Annual Compliance Statement and assessment of whether the basis of preparation has been adequately disclosed.

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

## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* 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.

We have no relationship with or interests in Powerco, other than in our capacity as auditor.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Limitations and Use of this Independent Assurance Report**

This report is provided solely for your use and solely for the purpose of clause 11.2(d) of the Determination. However we understand that a copy of this report has been requested by the Commerce Commission solely for the purpose stated 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, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in this report.

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

## **Opinion**

In our opinion, the Annual Compliance Statement of Powerco for the Assessment Period ended on 30 September 2015, has been prepared, in all material respects, in accordance with the Determination.

Our audit was completed on 19 November 2015 and our opinion is expressed as at that date.

A stylized, handwritten signature of the Deloitte firm, written in dark ink.

Chartered Accountants  
19 November 2015  
**Wellington, New Zealand**

This audit report relates to the Annual Compliance Statement in respect of the default price-quality path prepared by Powerco Limited for the year ended 30 September 2015 included on Powerco Limited's website. The Board of Directors are responsible for the maintenance and integrity of Powerco Limited's website. We have not been engaged to report on the integrity of the Powerco Limited website. We accept no responsibility for any changes that may have occurred to the Annual Compliance Statement since it was initially presented on the website.

The audit report refers only to the Annual Compliance Statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the Annual Compliance Statement. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Annual Compliance Statement and related audit report dated 19 November 2015 to confirm the information included in the audited Annual Compliance Statement presented on this website.



## 6 APPENDIX A –ALLOWABLE NOTIONAL REVENUE SCHEDULE

The calculation of allowable notional revenue is specified in section 2.2 of this document.

The schedules below provide the price and quantity information used in the calculation of allowable notional revenue for the second assessment period.

	Load Group	ANR Px Q (Prices 2014 x Quantities 2013)						Total Revenue (\$)
		Price 2014 (t-1)		Quantity 2013 (t-2)		Fixed Revenue	Variable Revenue	
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
<b>G06</b>	2G06	\$0.0000	\$16.5371	1,175	15,213	\$0	\$251,579	\$251,579
<b>G11</b>	2G11	\$0.5445	\$4.6615	3,385	106,857	\$672,766	\$498,115	\$1,170,881
<b>G12</b>	2G12	\$1.0566	\$3.9630	153	45,551	\$59,005	\$180,517	\$239,522
<b>G14</b>	2G14	\$3.0977	\$3.3948	79	58,197	\$89,079	\$197,566	\$286,645
<b>G16</b>	2G16	\$3.8540	\$3.2119	66	118,961	\$92,842	\$382,086	\$474,928
<b>G18</b>	2G18	\$7.0734	\$3.2371	7	32,062	\$18,072	\$103,788	\$121,861
<b>G30</b>	2G30	\$19.9368	\$0.2764	4	18,718	\$29,108	\$5,173	\$34,281
<b>G40</b>	2G40	\$58.0857	\$0.2710	24	1,805,312	\$434,999	\$489,218	\$924,217
<b>Totals</b>				4,893	2,200,870	\$1,395,870	\$2,108,043	\$3,503,913

	Load Group	ANR Px Q (Prices 2014 x Quantities 2013)						Total Revenue (\$)
		Price 2014 (t-1)		Quantity 2013 (t-2)		Fixed Revenue	Variable Revenue	
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
<b>G06</b>	3G06	\$0.0000	\$16.5757	5,498	70,631	\$0	\$1,170,754	\$1,170,754
<b>G11</b>	3G11	\$0.5445	\$4.7001	15,164	465,660	\$3,013,831	\$2,188,648	\$5,202,479
<b>G12</b>	3G12	\$1.1665	\$3.9976	322	85,317	\$137,097	\$341,065	\$478,163
<b>G14</b>	3G14	\$3.4688	\$3.8838	85	68,041	\$107,621	\$264,262	\$371,882
<b>G16</b>	3G16	\$4.5115	\$3.8252	72	118,311	\$118,562	\$452,557	\$571,119
<b>G18</b>	3G18	\$8.1828	\$3.3945	12	38,782	\$35,841	\$131,646	\$167,486
<b>G30</b>	3G30	\$22.1430	\$2.4463	13	95,538	\$76,725	\$233,709	\$310,435
<b>G40</b>	3G40	\$33.0147	\$1.5128	30	693,983	\$301,829	\$1,049,850	\$1,351,679
<b>Totals</b>				21,196	1,636,263	\$3,791,506	\$5,832,492	\$9,623,998

	Load Group	ANR Px Q (Prices 2014 x Quantities 2013)						Total Revenue (\$)
		Price 2014 (t-1)		Quantity 2013 (t-2)		Fixed Revenue	Variable Revenue	
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
<b>G06</b>	4G06	\$0.0000	\$18.2766	7,705	102,448	\$0	\$1,872,399	\$1,872,399
<b>G11</b>	4G11	\$0.5495	\$6.0789	21,140	898,545	\$4,240,159	\$5,462,144	\$9,702,304
<b>G12</b>	4G12	\$0.8321	\$5.9468	410	119,855	\$124,530	\$712,759	\$837,289
<b>G14</b>	4G14	\$5.6291	\$5.7230	113	83,664	\$232,174	\$478,805	\$710,980
<b>G16</b>	4G16	\$8.1874	\$5.1125	68	114,627	\$203,212	\$586,032	\$789,245
<b>G18</b>	4G18	\$12.5911	\$4.9416	11	31,646	\$50,553	\$156,382	\$206,935
<b>G30</b>	4G30	\$12.0057	\$1.6594	80	260,552	\$235,992	\$432,353	\$668,346
<b>G40</b>	4G40	\$20.6617	\$0.6356	15	360,115	\$75,415	\$228,876	\$304,291
<b>Totals</b>				29,542	1,971,453	\$5,162,036	\$9,929,751	\$15,091,787

Load Group	ANR Px Q (Prices 2014 x Quantities 2013)							
	Price 2014 (t-1)		Quantity 2013 (t-2)		Fixed Revenue	Variable Revenue	Total Revenue (\$)	
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)				
G06	5G06	\$0.0000	\$17.8325	5,096	79,480	\$0	\$1,417,327	\$1,417,327
G11	5G11	\$0.5495	\$5.8496	23,436	818,454	\$4,700,663	\$4,787,603	\$9,488,266
G12	5G12	\$0.7850	\$5.5231	605	112,919	\$173,347	\$623,667	\$797,013
G14	5G14	\$4.9854	\$5.6210	140	104,303	\$254,754	\$586,292	\$841,046
G16	5G16	\$8.1874	\$4.5370	42	117,835	\$125,513	\$534,617	\$660,130
G18	5G18	\$12.5804	\$4.3930	12	28,657	\$55,102	\$125,889	\$180,991
G30	5G30	\$9.3006	\$1.2861	24	99,545	\$57,710	\$128,027	\$185,737
G40	5G40	\$40.7331	\$1.7027	16	263,830	\$118,941	\$449,234	\$568,174
<b>Totals</b>				29,371	1,625,022	\$5,486,030	\$8,652,655	\$14,138,686

Load Group	ANR Px Q (Prices 2014 x Quantities 2013)							
	Price 2014 (t-1)		Quantity 2013 (t-2)		Fixed Revenue	Variable Revenue	Total Revenue (\$)	
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)				
G06	6G06	\$0.0000	\$15.7672	5,266	74,183	\$0	\$1,169,649	\$1,169,649
G11	6G11	\$0.5445	\$3.8893	12,417	397,314	\$2,467,867	\$1,545,282	\$4,013,149
G12	6G12	\$1.6882	\$3.3291	185	63,193	\$113,998	\$210,377	\$324,375
G14	6G14	\$3.9669	\$1.7170	115	106,078	\$166,510	\$182,138	\$348,648
G16	6G16	\$5.6144	\$1.6509	31	60,813	\$63,527	\$100,394	\$163,921
G18	6G18	\$9.1445	\$1.6058	15	55,044	\$48,146	\$88,390	\$136,536
G30	6G30	\$9.2487	\$3.7339	7	13,729	\$10,127	\$51,262	\$61,389
G40	6G40	\$78.0539	\$0.4180	19	740,989	\$541,304	\$309,720	\$851,024
<b>Totals</b>				18,055	1,511,343	\$3,411,480	\$3,657,211	\$7,068,692

**7 APPENDIX B – NOTIONAL REVENUE SCHEDULE**

The calculation of notional revenue is specified in section 2.2 of this document.

The schedules below provide the price and quantity information used in the calculation of notional revenue for the second assessment period.

Load Group	2015 Pricing Year (Oct 2014 - Sept 2015)							
	Price t		Quantity t-2 (2013)		Fixed Revenue	Variable Revenue	Total Revenue (\$)	
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)				
G06	2G06	\$0.0000	\$17.3640	1,175	15,213	\$0	\$264,157	\$264,157
G11	2G11	\$0.5715	\$4.5965	3,385	106,857	\$706,156	\$491,171	\$1,197,328
G12	2G12	\$1.1041	\$3.9078	153	45,551	\$61,658	\$178,001	\$239,659
G14	2G14	\$3.2269	\$3.3474	79	58,197	\$92,792	\$194,812	\$287,604
G16	2G16	\$4.0133	\$3.1774	66	118,961	\$96,682	\$377,982	\$474,664
G18	2G18	\$7.3615	\$3.2130	7	32,062	\$18,809	\$103,016	\$121,825
G30	2G30	\$20.1966	\$0.2800	4	18,718	\$29,487	\$5,240	\$34,727
G40	2G40	\$58.8425	\$0.2745	24	1,805,312	\$440,667	\$495,592	\$936,258
<b>Totals</b>				<i>4,893</i>	<i>2,200,870</i>	<i>\$1,446,250</i>	<i>\$2,109,972</i>	<i>\$3,556,223</i>

Load Group	2015 Pricing Year (Oct 2014 - Sept 2015)							
	Price t		Quantity t-2 (2013)		Fixed Revenue	Variable Revenue	Total Revenue (\$)	
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)				
G06	3G06	\$0.0000	\$17.4045	5,498	70,631	\$0	\$1,229,292	\$1,229,292
G11	3G11	\$0.5715	\$4.6346	15,164	465,660	\$3,163,413	\$2,158,137	\$5,321,550
G12	3G12	\$1.2184	\$3.9419	322	85,317	\$143,198	\$336,311	\$479,508
G14	3G14	\$3.6128	\$3.8297	85	68,041	\$112,088	\$260,578	\$372,666
G16	3G16	\$4.6972	\$3.7810	72	118,311	\$123,442	\$447,334	\$570,776
G18	3G18	\$8.5154	\$3.3550	12	38,782	\$37,297	\$130,113	\$167,410
G30	3G30	\$22.4315	\$2.4781	13	95,538	\$77,725	\$236,754	\$314,479
G40	3G40	\$32.9770	\$1.5324	30	693,983	\$301,484	\$1,063,470	\$1,364,954
<b>Totals</b>				<i>21,196</i>	<i>1,636,263</i>	<i>\$3,958,647</i>	<i>\$5,861,989</i>	<i>\$9,820,636</i>

Load Group	2015 Pricing Year (Oct 2014 - Sept 2015)							
	Price t		Quantity t-2 (2013)		Fixed Revenue	Variable Revenue	Total Revenue (\$)	
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)				
G06	4G06	\$0.0000	\$19.0076	7,705	102,448	\$0	\$1,947,295	\$1,947,295
G11	4G11	\$0.5767	\$5.9941	21,140	898,545	\$4,450,234	\$5,385,999	\$9,836,233
G12	4G12	\$0.8707	\$5.8865	410	119,855	\$130,296	\$705,531	\$835,827
G14	4G14	\$5.8595	\$5.6432	113	83,664	\$241,677	\$472,130	\$713,808
G16	4G16	\$8.5202	\$5.0412	68	114,627	\$211,470	\$577,863	\$789,333
G18	4G18	\$13.1000	\$4.8727	11	31,646	\$52,596	\$154,202	\$206,798
G30	4G30	\$12.1621	\$1.6810	80	260,552	\$239,067	\$437,986	\$677,053
G40	4G40	\$20.9309	\$0.6438	15	360,115	\$76,398	\$231,858	\$308,255
<b>Totals</b>				<i>29,542</i>	<i>1,971,453</i>	<i>\$5,401,739</i>	<i>\$9,912,864</i>	<i>\$15,314,602</i>

Load Group		2015 Pricing Year (Oct 2014 - Sept 2015)						
		Price t		Quantity t-2 (2013)		Fixed Revenue	Variable Revenue	Total Revenue (\$)
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
<b>G06</b>	5G06	\$0.0000	\$18.7242	5,096	79,480	\$0	\$1,488,194	\$1,488,194
<b>G11</b>	5G11	\$0.5767	\$5.7680	23,436	818,454	\$4,933,553	\$4,720,861	\$9,654,414
<b>G12</b>	5G12	\$0.8216	\$5.4461	605	112,919	\$181,439	\$614,972	\$796,411
<b>G14</b>	5G14	\$5.1901	\$5.5427	140	104,303	\$265,212	\$578,119	\$843,330
<b>G16</b>	5G16	\$8.5202	\$4.4910	42	117,835	\$130,614	\$529,196	\$659,810
<b>G18</b>	5G18	\$13.0889	\$4.3318	12	28,657	\$57,329	\$124,134	\$181,463
<b>G30</b>	5G30	\$9.4218	\$1.3029	24	99,545	\$58,462	\$129,695	\$188,157
<b>G40</b>	5G40	\$41.2637	\$1.7249	16	263,830	\$120,490	\$455,087	\$575,577
<b>Totals</b>				29,371	1,625,022	\$5,747,099	\$8,640,256	\$14,387,356

Load Group		2015 Pricing Year (Oct 2014 - Sept 2015)						
		Price t		Quantity t-2 (2013)		Fixed Revenue	Variable Revenue	Total Revenue (\$)
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
<b>G06</b>	6G06	\$0.0000	\$16.7132	5,266	74,183	\$0	\$1,239,828	\$1,239,828
<b>G11</b>	6G11	\$0.5715	\$3.8351	12,417	397,314	\$2,590,352	\$1,523,739	\$4,114,091
<b>G12</b>	6G12	\$1.7610	\$3.2827	185	63,193	\$118,912	\$207,444	\$326,357
<b>G14</b>	6G14	\$4.1308	\$1.6931	115	106,078	\$173,391	\$179,599	\$352,989
<b>G16</b>	6G16	\$5.8442	\$1.6278	31	60,813	\$66,127	\$98,995	\$165,122
<b>G18</b>	6G18	\$9.5155	\$1.5834	15	55,044	\$50,099	\$87,158	\$137,257
<b>G30</b>	6G30	\$9.3692	\$3.7825	7	13,729	\$10,259	\$51,929	\$62,189
<b>G40</b>	6G40	\$79.0708	\$0.4234	19	740,989	\$548,356	\$313,755	\$862,111
<b>Totals</b>				18,055	1,511,343	\$3,557,497	\$3,702,447	\$7,259,945

## 8 APPENDIX C – ALLOWABLE NOTIONAL REVENUE PASS-THROUGH COSTS

The calculation of ANR incorporates the value of pass-through and recoverable costs included in pricing in the prior Assessment period. These costs are outlined in section 2.2.

Pass-through costs included in 2014 pricing consisted of Authorisation costs incurred through to June 2013. A breakdown of the costs incurred, the pricing period in which the costs were paid, and the calculation of the time value of money adjustment are included in table 8. The time value of money adjustment is calculated following the guidance provided under clause 9(a) of Schedule 5 of the Determination.

The allowance for the Authorisation was based on a July to June year. This has been converted to the October to September pricing year in Table 8 to facilitate the calculation of the time value of money adjustment which is to be based on payments made in each pricing period.

**Table 8 – Pass-through costs showing the period incurred and paid, and time value of money applied<sup>9</sup>**

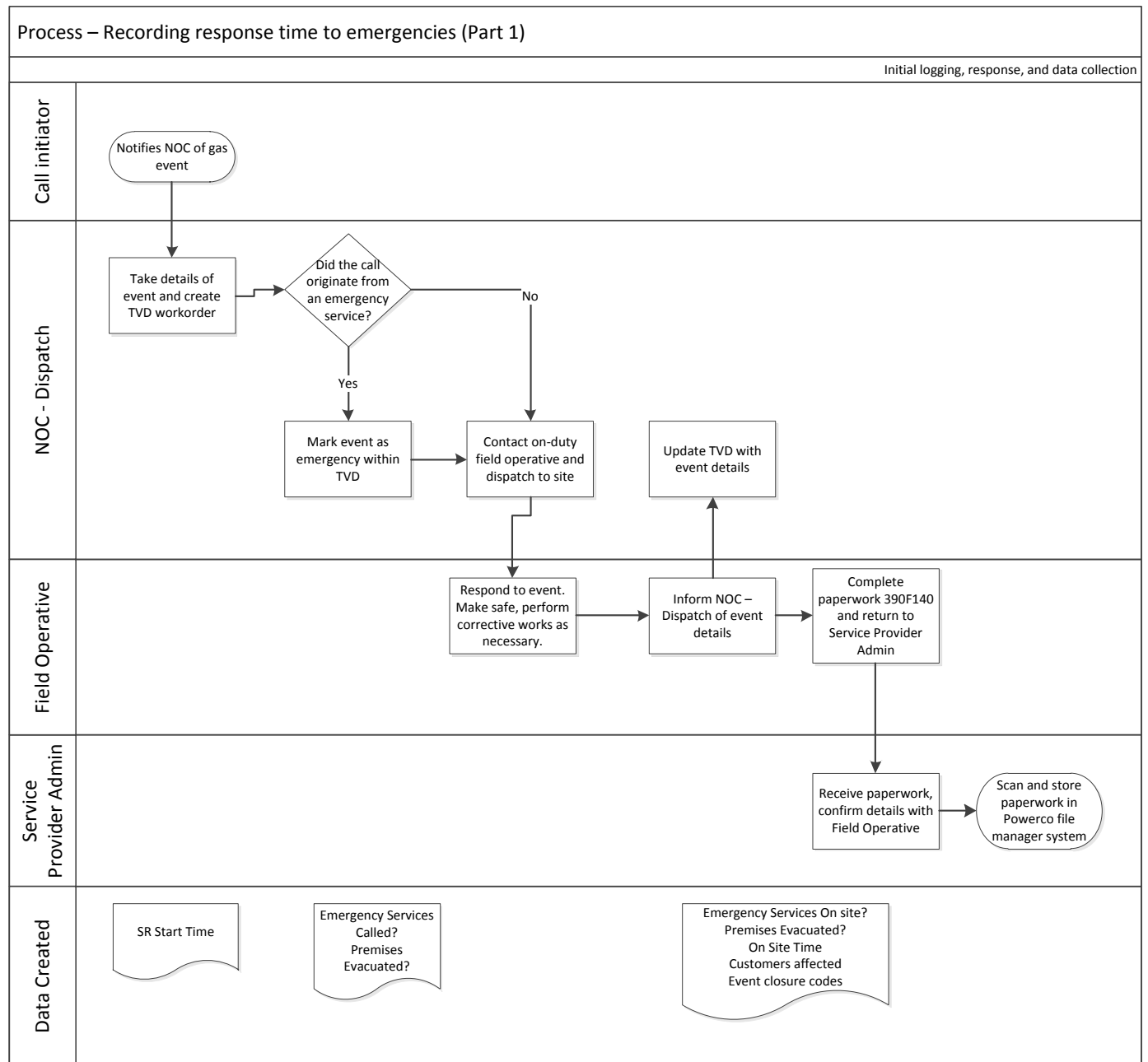
Pass through Costs included in the 2014 pricing period							
Cost type	Costs Incurred			Pricing Period costs were paid (year ending September)			Total Authorisation Costs included in 2014 Prices
	July 2011 to June 2012	2011	2012	July 2012 to June 2013	2012	2013	
<b>Local Authority Rates</b>							
Allowance in Authorisation	1,244,000	311,000	933,000	1,244,000	311,000	933,000	2,488,000
Actual Amount	1,264,657	294,623	970,035	1,325,609	356,419	969,190	2,590,266
Increase (decrease) from allowance	20,657	-16,377	37,035	81,609	45,419	36,190	102,266
Previously claimed? (Y/N)	N	N	N	N	N	N	N
Difference claimed	20,657	-16,377	37,035	81,609	45,419	36,190	102,266
<b>Levy under the Commerce Act</b>							
Allowance in Authorisation	300,000	75,000	225,000				300,000
Actual Amount	646,274	161,611	484,662				646,274
Increase (decrease) from allowance	346,274	86,611	259,662				346,274
Previously claimed? (Y/N)	N	N	N				N
Difference claimed	346,274	86,611	259,662				346,274
					To be included in 2015-2017 prices		
<b>Electricity and Gas Complaints levy</b>							
Allowance in Authorisation	13,327	3,332	9,995	13,327	3,332	9,995	26,654
Actual Amount	40,526	0	40,526	43,220	0	43,220	83,746
Increase (decrease) from allowance	27,199	-3,332	30,531	29,893	-3,332	33,224	57,092
Previously claimed? (Y/N)	N	N	N	N	N	N	N
Difference claimed	27,199	-3,332	30,531	29,893	-3,332	33,224	57,092
<b>Audit fees</b>							
Allowance in Authorisation	0	0	0	0	0	0	0
Actual Amount	20,000	0	20,000	0	0	0	20,000
Increase (decrease) from allowance	20,000	0	20,000	0	0	0	20,000
Previously claimed? (Y/N)	N	N	N	N	N	N	N
Difference claimed	20,000	0	20,000	0	0	0	20,000
<b>Total to be recovered</b>	<b>414,130</b>	<b>66,902</b>	<b>347,228</b>	<b>111,502</b>	<b>42,088</b>	<b>69,414</b>	<b>525,632</b>
Adjustment recognising the Time Value of Money							
Rate of return		5.38%	5.38%		5.38%	5.38%	
Invoices above paid in pricing period							
Rates	1,264,657	204,937	1,059,721	1,325,609	277,849	1,047,760	2,590,266
Commerce Act levies	646,274	161,611	484,662	0	0	0	646,274
EGCC Levies	40,526	0	40,526	43,220	0	43,220	83,746
Audit fees	20,000	0	20,000	0	0	0	20,000
Less Allowance	-1,557,327	-389,332	-1,167,995	-1,257,327	-314,332	-942,995	-2,814,654
Total subject to TVM	414,130	-22,784	436,914	111,502	-36,483	147,984	525,632
Period recovered in prices		2014	2014		2014	2014	
Time value of money adjustment		-3,879	48,277		-4,031	7,962	48,328
<b>Total costs included in pricing</b>	<b>458,528</b>	<b>-26,662</b>	<b>485,190</b>	<b>115,432</b>	<b>-40,514</b>	<b>155,946</b>	<b>573,960</b>

<sup>9</sup> The figures in the pricing tables are in thousands of dollars. The underlying calculations are based on more detailed numbers (i.e. to more decimal places than shown in this document). This may cause rounding inconsistencies or discrepancies. These discrepancies do not affect the overall compliance calculations which are based on the more detailed information.

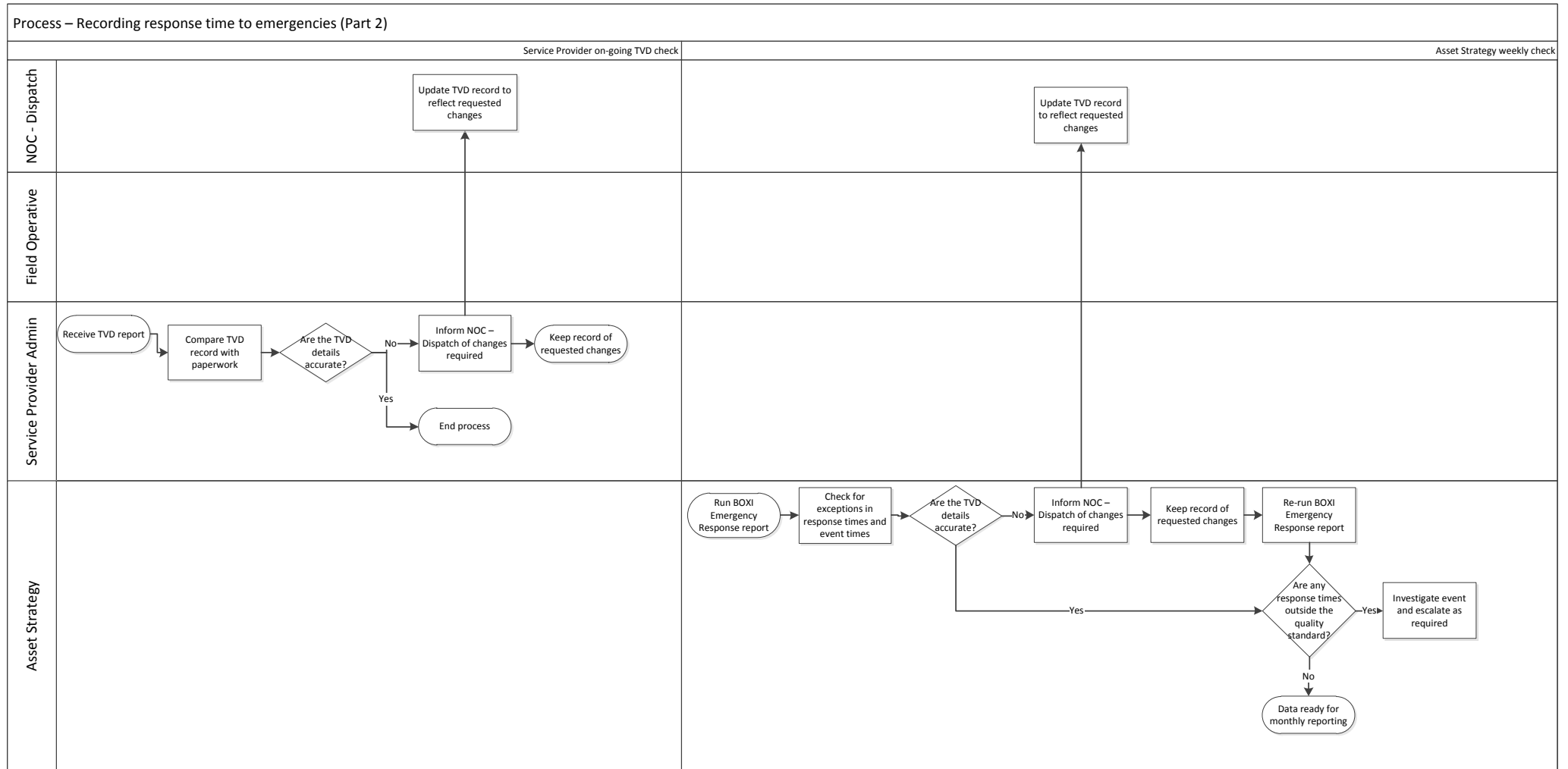
## 9 APPENDIX D –RECORDING THE RESPONSE TIME TO EMERGENCIES STATISTICS

The process of collecting and reviewing data for the calculation of the response time to emergencies metric is in diagram 1 and diagram 2 below. Diagram 1 describes the process steps to collect interruption information and recording response time to emergencies. Diagram 2 describes the review process undertaken to ensure the information recorded is correct.

**Diagram 1: Collecting information and recording the response time to emergencies**



**Diagram 2: reviewing information used to calculate the response time to emergencies**



**10 APPENDIX E – INCIDENT DATA**

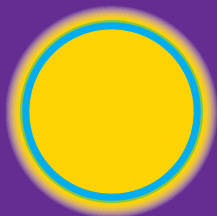
<b>Total Events:</b>	17
<b>Active involvement of emergency services:</b>	6
<b>Evacuation Events:</b>	4
<b>Emergency &amp; Evacuation:</b>	3
<b>Customers Affected&gt;5:</b>	10
<b># Responded to within 1Hr:</b>	17
<b># Responded to within 3Hr:</b>	17
<b>%Responded to within 1Hr:</b>	100%
<b>%Responded to within 3Hr:</b>	100%

Work Order ID	Active involvement of emergency services?	Premises Evacuated?	# Customers Affected	Time emergency is reported	On Site Time	Time from when emergency is reported to OnSite Time	1.Equipment	2. Reason	3. Action
8555756			7	30/10/2014 17:52	30/10/2014 16:10	0:00:00	S - Service Pipe	E - Equipment Fault	E - Equipment Repair/Replace
8565053	Y		1	30/01/2015 9:50	30/01/2015 9:30	0:20:56	S - Service Pipe	A - Leak Class 1	T - Third Party Damage
8565862	Y		0	10/02/2015 12:53	10/02/2015 12:55	0:01:08	M - MP/Medium Pressure	R - Public Reported Escape/Smell	E - Equipment Repair/Replace
8566166			8	13/02/2015 12:19	13/02/2015 12:10	0:00:00	S - Service Pipe	E - Equipment Fault	T - Third Party Damage
8567855	Y	Y	0	10/03/2015 9:06	10/03/2015 9:39	0:32:58	S - Service Pipe	R - Public Reported Escape/Smell	T - Third Party Damage
8573502			10	24/06/2015 13:11	24/06/2015 13:12	0:00:21	M - MP/Medium Pressure	E - Equipment Fault	E - Equipment Repair/Replace
8573659			7	27/06/2015 8:40	27/06/2015 8:30	0:00:00	M - MP/Medium Pressure	R - Public Reported Escape/Smell	E - Equipment Repair/Replace
8574326	Y		1	13/07/2015 10:20	13/07/2015 10:39	0:18:41	M - MP/Medium Pressure	R - Public Reported Escape/Smell	E - Equipment Repair/Replace
8574825	Y	Y	0	22/07/2015 11:40	22/07/2015 12:11	0:30:44	M - MP/Medium Pressure	R - Public Reported Escape/Smell	T - Third Party Damage
8574867			9	23/07/2015 9:35	23/07/2015 9:36	0:00:02	M - MP/Medium Pressure	E - Equipment Fault	E - Equipment Repair/Replace
8575223		Y	0	28/07/2015 8:34	28/07/2015 8:45	0:10:12	M - MP/Medium Pressure	R - Public Reported Escape/Smell	T - Third Party Damage
8575629			6	05/08/2015 8:56	05/08/2015 8:55	0:00:00	M - MP/Medium Pressure	U - Planned Upgrade	Y - No Fault
8576266	Y	Y	1	13/08/2015 18:46	13/08/2015 19:05	0:18:04	S - Service Pipe	R - Public Reported Escape/Smell	T - Third Party Damage
8576536			6	18/08/2015 8:13	18/08/2015 8:12	0:00:00	M - MP/Medium Pressure	U - Planned Upgrade	Y - No Fault
8577760			7	29/08/2015 8:13	29/08/2015 8:15	0:01:30	M - MP/Medium Pressure	R - Public Reported Escape/Smell	E - Equipment Repair/Replace
8580215			7	25/09/2015 10:20	25/09/2015 10:35	0:14:17	M - MP/Medium Pressure	R - Public Reported Escape/Smell	T - Third Party Damage
8580594			7	30/09/2015 8:34	30/09/2015 8:33	0:00:00	M - MP/Medium Pressure	U - Planned Upgrade	Y - No Fault



## 11 APPENDIX F– COMPLIANCE REFERENCES

Clause	Requirement	Section
<b>Aggregate Pricing</b>		
8.4	Notional revenue for the assessment period must not exceed the allowable notional revenue for the assessment period	2.1
<b>Quality</b>		
9	Powerco must respond to emergency calls within an hour at least 80% of the time, and respond to all emergency calls within 3 hours except in instances where the Commission has confirmed the emergency call may be excluded from the quality calculation	3.1
<b>Amalgamations, Mergers and Acquisitions</b>		
10.1	If Powerco completes an amalgamation, merger or acquisition with another GDB subject to a DPP then the ANR and NR, and the total number of emergencies of the GDBs are summed.	4
10.2	If Powerco completes a transaction that involves a transfer of assets to or from another GDB subject to a DPP or customised price path that results in any consumer being supplied by a different GDB the GDB must increase or decrease the ANR and NR for the assessment period following the requirements specified in Schedule 6 of the Determination	4
10.4	If Powerco completes a transaction that increases/decreases the value of its regulatory investment value by more than 10% or increases/decreases its revenue recovered through prices by more than 10% in the assessment period, Powerco must notify the Commission within 30 days of the completion of the transaction	4
<b>Annual Compliance Statement</b>		
11.1	An Annual Compliance Statement must be provided to the Commerce Commission within 50 working days of each assessment period and be publicly available on Powerco's website. The compliance statement must include:	
11.2(a)	A Statement regarding compliance with the price path and quality standards.	1
11.2(b)	state the date on which the statement was prepared	1
11.2(c)	include a certificate in the form set out in Schedule 7 of the determination, signed by at least on Director of Powerco.	P.2
11.2(d)	be accompanied by a report on the Compliance Statement that is signed by an Auditor and is in the form set out in Schedule 8 of the Determination.	5
11.3(a)	Demonstrate whether Powerco has complied with the price path including: The amount of ANR and the amount of NR (including prices, quantities and units of measurement associated with the numeric data). Any other relevant data, information and calculations should also be included; The amounts of pass-through and recoverable costs that were used to calculate ANR and NR and supporting data, information and calculations used to determine those amounts including when each pass-through cost and recoverable cost amount was paid and the period to which those costs relate; and if Powerco has not complied with the price path, the reasons for the non-compliance	2.1, 2.2, Appendix A and Appendix B  2.2.1 and Appendix C  N/A
11.3(b)	Demonstrate whether Powerco has complied with the quality path including: relevant incident data and calculations; a description of policies and procedures which Powerco has used for recording the RTE statistics for the assessment period; a list of all emergencies that the Commission has determined may be excluded from Powerco's RTE values, and any exclusion requests that are pending a decision by the Commission for the Assessment Period; If Powerco has not complied with a quality standard, the reasons for not meeting the quality standard; and Where a quality standard has not been met, for each Emergency which exceeded the RTE for the quality standard, a description of the emergency including the nature, cause and location and the number of consumers affected by the Emergency.	3.1 3.2 3.1 N/A N/A
11.4 (a)	If Powerco has restructured its prices during a pricing period, the compliance statement must state the applicable pricing period in which the restructure of prices has occurred.	2.3
11.4(b)	If Powerco has restructured its prices during a pricing period, and there is no quantity for t-2 that relates to a restructured price, Powerco must provide information demonstrating how it has complied with the price path in clause 8.	2.3
11.5	State whether or not Powerco has been involved in an amalgamation, merger, acquisition or transfer of assets during the assessment period and whether Powerco has subsequently complied with clause 10 of the Determination including any information or calculations that are reasonably required to demonstrate compliance with that clause.	4



**POWERCO**