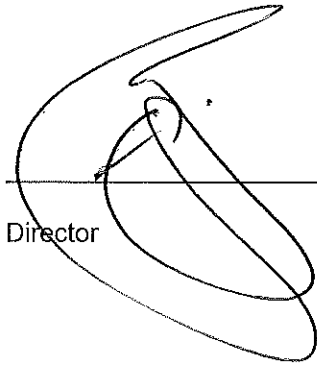


# **Gas Distribution Services Default Price-Quality Path 2016**

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.

## Director's Certificate

I, John James 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.



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Director

24 November 2016

Date

## Contents

1	Summary.....	5
2	Assessment against the Price Path.....	6
3	Assessment against the Quality Path.....	12
4	Amalgamation and Mergers and Acquisitions .....	14
5	Large transactions .....	14
6	Auditor's Report .....	15
7	Appendices .....	17

# 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 this assessment period being 1 October 2015 to 30 September 2016.

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 24 November 2016. 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 this 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: Demonstrating compliance with the price path<sup>1</sup>**

DPP Requirement	Notional Revenue must not exceed Allowable Notional Revenue for the assessment period	Compliance test
DPP Expression	$ANR_t \geq NR_t$	
Powerco’s Result (\$000)	$\$48,508 \geq \$48,472$	Complies

### 2.2 Analysis of Allowable Notional Revenue and Notional Revenue

The DPP is based on a regulatory period of 4.25 years for Powerco. The 2016 assessment period is the third assessment period under the current default price quality path.

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

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<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.

**2.2.1 Calculating Allowable Notional Revenue**

Notional Revenue is the product of each price during any part of the assessment period and the quantity for each price for the assessment period ending two years prior corresponding to that price.

**Table 2: Calculating Powerco’s Allowable Notional Revenue (ANR)<sup>2</sup>**

<b>Powerco’s Allowable Notional Revenue (ANR)</b>	
$ANR_{2016} = (\sum_i P_{i,2015} Q_{i,2014} - (K_{2015} + V_{2015}) + (ANR_{2015} - NR_{2015}))(1 + \Delta CPI_{2016})(1 - X^2)$	
<b>Calculation Components</b>	<b>Amount (\$000)</b>
<p><math>P_{i,2015}, Q_{i,2014}</math> represents the allowable notional revenue, prior to any adjustments, for the assessment period ending September 2016, which is the sum of all products of the 2015 prices for each lines service and corresponding quantities for the year ending September 2014.</p>	\$49,385
<p><math>K_{2015}</math> is the sum of all pass-through costs included in pricing in the prior assessment period</p>	(\$1,454)
<p><math>V_{2015}</math> is the sum of all recoverable costs included in pricing in the prior assessment period</p>	(\$0)
<p><math>(ANR_{2015} - NR_{2015})</math> represents the revenue differential adjustment, which is the difference between the allowable notional revenue and the notional revenue for the previous pricing period.</p> <p>Note this amount varies by \$15k from that included in the 2015 DPP compliance statement as it was discovered post disclosure and audit that quantities had been misstated by a non-material amount that has been subsequently corrected this year. This does not affect the 2015 compliance or 2016 prices.</p>	\$141
<p><math>\Delta CPI_{2016}</math> is the change in the consumer price index (CPI) stipulated in the “all Groups Index SE9A” as published by Statistics New Zealand and calculated in accordance with schedule 4 of the Determination</p>	\$436
<p><math>ANR_{2016}</math> is the total Allowable Notional Revenue for the 2016 assessment period.</p>	<b>\$48,508</b>

<sup>2</sup> X, or the rate of the change relative to CPI, is set at zero for the full Regulatory Period.

### 2.2.2 Calculating Notional Revenue

Notional Revenue is the product of each price during any part of the assessment period and the quantity for each price for the assessment period ending two years prior corresponding to that price.

**Table 3: Calculating Powerco’s Notional Revenue (NR)<sup>2</sup>**

<b>Powerco’s Notional Revenue (ANR)</b>	
$NR_{2016} = (\sum_i P_{i,2016} Q_{i,2014} - (K_{2016} + V_{2016}))$	
<b>Calculation Components</b>	<b>Amount (\$000)</b>
<p><math>P_{i2016}, Q_{i2014}</math> represents the notional revenue for the assessment period ending September 2016, which is the sum of all products of the 2016 prices for each lines service and corresponding quantities for the year ending September 2014.</p> <p>Refer appendix A for detail.</p>	\$50,452
<p><math>K_{2015}</math> is the sum of all pass-through costs included in pricing for the assessment period</p>	(\$1,980)
<p><math>V_{2015}</math> is the sum of all recoverable costs included in pricing for the assessment period</p>	(\$0)
<p><math>NR_{2016}</math> is the total Notional Revenue for the 2016 assessment period.</p>	<b>\$48,472</b>

## 2.3 Determining Pass-through 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.

### 2.3.1 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. Therefore costs forecast to be used in pricing are actual costs incurred.



**2.3.2 Authorisation Pass-through costs**

In addition to the pass-through costs outlined in Table 4 below, Powerco has also included previously unrecovered Authorisation costs in 2016 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>3</sup> and that Powerco pass-through the following costs in the 2014 pricing period—

1. Costs incurred during the Authorisation period<sup>4</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>5</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 \$32,459 (adjusted for the time value of money) of unrecovered authorisation pass-through cost in 2016 pricing.

Tables 4 and 5 below provide a breakdown of the pass-through costs included in 2016 pricing.

**Table 4: Calculation of Pass-through and Recoverable costs included in 2016 pricing**

Pass through and recoverable costs	Pricing Period costs were incurred		
	2014	2015	Total
Rates	\$758,994	\$740,414	\$1,499,408
Commission Levies	\$178,211	\$82,100	\$260,311
EGCC levies	\$41,612	\$0	\$41,612
Costs relating to a CPP application	\$0	\$0	\$0
Claw back applied by the Commission	\$0	\$0	\$0
<b>Pass through (K<sub>i</sub>) and Recoverable costs (V<sub>i</sub>) included in 2016 pricing</b>	<b>\$978,818</b>	<b>\$822,513</b>	<b>\$1,801,331</b>
<b>Time value of money adjustment<sup>6</sup></b>			

<sup>3</sup> Gas Distribution Services Default Price-Quality Path Determination 2013, clause 8.5(a)

<sup>4</sup> The Authorisation period commenced on 1 January 2009 and ended on 1 July 2012.

<sup>5</sup> The Regulatory Period under the DPP commenced on 1 July 2013 and ends on 30 September 2017.

<sup>6</sup> As prescribed in equation 4 of schedule 5 of the Determination. A discount rate of 5.38% is applied to invoices from the pricing period in which they were paid by Powerco through to the pricing period when the pass-through costs and recoverable costs are recovered through prices.

Discount rate	5.38%	5.38%	
Amount of pass-through and recoverable costs paid in the period	\$878,876	\$922,455	
<b>Total Pass-through and Recoverable costs included in 2016 pricing adjusted for the time value of money.</b>	<b>\$975,987</b>	<b>\$972,083</b>	<b>\$1,948,070</b>

**Table 5: Total Pass-through costs (including Authorisation costs) included in 2016 pricing**

Component of Pass-through costs	\$ value
Pass through and recoverable costs adjusted for the time value of money	\$1,948,070
Authorisation Pass through costs adjusted for the time value of money	\$32,459
<b>Total Pass-through costs</b>	<b>\$1,980,529</b>

**2.3.3 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 2015 pricing that have been used to calculate 2016 ANR.

**Table 6: Pass-through and Recoverable costs included in 2016 ANR**

Pass through and recoverable costs	Total
Rates	\$1,051,348
Commission Levies	\$278,118
EGCC levies	\$0
Time value of money	\$93,715
Authorisation costs adjusted for the time value of money	\$30,802
<b>Total Pass-through and Recoverable costs included in 2015 pricing and the calculation of 2016 ANR</b>	<b>\$1,453,983</b>

## 2.4 Price Restructuring

The Determination specifies that any restructure of prices is required to be disclosed. Powerco considers a restructure of prices means either:

- a) combining two or more consumer groups into one consumer group;
- b) separating a consumer group into two or more new consumer groups; or
- c) adding a new consumer group.

Powerco has not restructured its pricing during this assessment period.

### 3 Assessment against the Quality Path

#### 3.1 Summary of Quality Path Compliance Information

To demonstrate compliance with the quality standards Powerco must:

- a) Respond to 80% of emergencies within 60 minutes; and
- b) Respond to all emergencies within 180 minutes.

An emergency is defined under the Determination as being—

- An unplanned escape or ignition of gas that requires the active involvement<sup>7</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 third assessment period.

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

**Table 7: Reliability results for this assessment period**

DPP Requirement	Formulae	Powerco Result	2016 Outcome
The total number of emergencies in the assessment period where Powerco’s RTE was ≤ 60 minutes divided by the total number of emergencies in the assessment period	$\frac{RTE_{60}}{RTE_t} \geq 0.80$	$\frac{51}{52} = 0.98$	Complies with the quality standard
The total number of emergencies in the assessment period where Powerco’s RTE was ≤ 180 minutes, and divided by the total number of emergencies in the assessment period. Any emergencies exempted by the Commission are removed from the calculation.	$\frac{RTE_{180}}{RTE_t - RTE_{excl}} = 1$	$\frac{52}{52 - 0} = 1$	Complies with the quality standard

The assessed results are calculated from a dataset that covers the period 1 October 2015 to 30 September 2016. The incident data and calculations for the response times to emergencies are included in appendix E of this document.

Powerco confirms that for this assessment period it did not have any emergencies that the Commission determined may be excluded from the RTE values, nor does Powerco have any excluding requests pending a decision by the Commission for the assessment period.

<sup>7</sup> Active involvement includes actions such as establishing safety cordons, the use of fire fighting equipment or providing medical or first aid treatment.

## 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 Outage Management System (OMS) 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 a 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. From time to time, the site may be evacuated sometime after the initial call to NOC and in cases Powerco may be 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 the 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 (form 390F140). This acts as a further record of the event details. These datasheets are held by the service provider and provided to Powerco. The forms are checked against entries in the OMS by the Gas operations team. This check typically verifies closure codes, customer counts, and times entered on the paperwork.

If required, the OMS records are updated. Changing OMS records is restricted to designated users.

#### 3.2.1.3 Regular Emergency Response Checks and Reporting

OMS data is extracted daily to a data warehouse. RTE information is extracted from the data warehouse through a Business Objects reporting tool on a weekly and monthly basis for review. All records assessed as being an emergency are individually checked by the gas asset intelligence analyst.

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 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 OMS entry, and 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 as these do not fall within the DPP definition of emergency.

#### **3.2.1.5 Escalation of Exceptions**

The gas asset intelligence analyst confirms Powerco remains compliant with the quality standard each week once the OMS 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 Assurance Manager
- General Manager Regulation and Corporate Affairs.

## **4 Amalgamation and Mergers and Acquisitions**

Powerco has not completed any amalgamations, mergers or acquisitions in this assessment period.

## **5 Large transactions**

Powerco has not 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, or completed a transaction that—

- creates an increase/decrease in regulatory investment value by more than 10%; or
- result in an increase/decrease of Powerco's revenue recovered through prices by more than 10%



## **AUDITOR'S REPORT ON ANNUAL COMPLIANCE STATEMENT**

To the Directors of Powerco Limited (Powerco)

We have audited the information on pages 5 to 14 and 17 to 23, Sections 1, 2, 3, 4 and 5 and the related Appendices A to E of the Annual Compliance Statement in respect of the default price-quality path prepared by Powerco for the period 1 October 2015 to 30 September 2016 (the Assessment Period) and dated 24 November 2016 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.

### **Auditor's 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 5 to 14 and 17 to 23 of the Annual Compliance Statement.

In relation to the Quality Path Compliance Information for the Assessment Period ended on 30 September 2016 our audit included an examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 5 to 14 and 17 to 23 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 2016, has been prepared, in all material respects, in accordance with the Determination.

Our audit was completed on 24 November 2016 and our opinion is expressed as at that date.

Chartered Accountants  
**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 2016 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 24 November 2016 to confirm the information included in the audited Annual Compliance Statement presented on this website.



## 7 Appendices

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

Appendix reference	Information provided
A – Calculating notional revenue	Provide the price and quantity information used in the calculation of notional revenue for the assessment period.
B – Authorisation Costs included in Pass through costs	Pass-through and recoverable costs used to calculate ANR and NR are described in tables 4-6 in section 2. Authorisation costs are only included in summary in section 2, and provided in detail in appendix B.
C – Recording the response time to emergencies statistics	Provides in flowchart format the process described in section 3.2.
D – Response time to emergency incidents	Provides data on RTE events.
E – Compliance references	Notes the compliance requirements from the Determination and where they are evidenced in this Compliance Statement.

7.1 Appendix A – Calculation Notional Revenue.

This table summarises the price and quantity information used in the calculation of Notional Revenue for the assessment period. Prices include pass-through and recoverable costs.

P2016 x Q2014 \$ 50,452,370

Load Group	2016 Pricing Year (Oct 2015 – Sept 2016)						
	Price t (2016)		Quantity t-2 (2014)		Fixed Revenue	Variable Revenue	Total Revenue (\$)
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
2G06	\$0.0000	\$17.8794	1,108	14,632	\$0	\$261,617	\$261,617
2G11	\$0.5752	\$4.8599	3,327	102,245	\$698,470	\$496,900	\$1,195,369
2G12	\$1.1932	\$3.9753	158	44,657	\$68,811	\$177,527	\$246,338
2G14	\$3.4858	\$3.4053	80	58,152	\$101,786	\$198,025	\$299,811
2G16	\$4.3352	\$3.2323	65	113,664	\$102,852	\$367,397	\$470,249
2G18	\$7.9512	\$3.2686	7	31,413	\$20,315	\$102,678	\$122,993
2G30	\$20.3706	\$0.4031	4	15,193	\$29,741	\$6,124	\$35,865
2G40	\$50.7435	\$0.2767	25	1,822,288	\$435,314	\$504,191	\$939,505
<b>Totals</b>			<i>4,774</i>	<i>2,202,246</i>	<i>1,457,288</i>	<i>2,114,458</i>	<i>3,571,746</i>

Load Group	2016 Pricing Year (Oct 2015 – Sept 2016)						
	Price t (2016)		Quantity t-2 (2014)		Fixed Revenue	Variable Revenue	Total Revenue (\$)
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
5G06	\$0.0000	\$19.3363	5,346	79,172	\$0	\$1,530,903	\$1,530,903
5G11	\$0.5823	\$6.0462	23,371	789,102	\$4,967,379	\$4,771,066	\$9,738,446
5G12	\$0.8881	\$5.5403	606	108,638	\$196,448	\$601,886	\$798,334
5G14	\$5.3984	\$5.6385	137	102,160	\$269,949	\$576,028	\$845,977
5G16	\$8.8617	\$4.5686	44	115,796	\$142,320	\$529,031	\$671,351
5G18	\$13.6132	\$4.4067	12	28,073	\$59,626	\$123,709	\$183,335
5G30	\$6.8759	\$1.2295	23	98,951	\$54,700	\$121,656	\$176,356
5G40	\$21.7843	\$1.7366	16	264,411	\$122,053	\$459,170	\$581,224
<b>Totals</b>			<i>29,555</i>	<i>1,586,302</i>	<i>5,812,474</i>	<i>8,713,450</i>	<i>14,525,925</i>

Load Group	2016 Pricing Year (Oct 2015 – Sept 2016)						
	Price t (2016)		Quantity t-2 (2014)		Fixed Revenue	Variable Revenue	Total Revenue (\$)
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
3G06	\$0.0000	\$17.8794	5,210	65,871	\$0	\$1,177,726	\$1,177,726
3G11	\$0.5752	\$4.8599	14,909	431,600	\$3,129,992	\$2,097,534	\$5,227,526
3G12	\$1.3166	\$4.0101	323	83,590	\$155,224	\$335,199	\$490,424
3G14	\$3.9026	\$3.8959	85	70,917	\$121,079	\$276,284	\$397,363
3G16	\$5.0737	\$3.8464	72	118,132	\$133,338	\$454,381	\$587,719
3G18	\$9.1974	\$3.4130	13	35,781	\$43,402	\$122,119	\$165,522
3G30	\$19.3722	\$2.3980	12	110,446	\$79,199	\$264,846	\$344,045
3G40	\$33.6786	\$1.5185	27	721,119	\$312,534	\$1,095,050	\$1,407,584
<b>Totals</b>			<i>20,651</i>	<i>1,637,455</i>	<i>3,974,768</i>	<i>5,823,140</i>	<i>9,797,908</i>

Load Group	2016 Pricing Year (Oct 2015 – Sept 2016)						
	Price t (2016)		Quantity t-2 (2014)		Fixed Revenue	Variable Revenue	Total Revenue (\$)
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
6G06	\$0.0000	\$17.5036	5,518	74,694	\$0	\$1,307,409	\$1,307,409
6G11	\$0.5752	\$4.1699	12,315	366,788	\$2,585,408	\$1,529,456	\$4,114,864
6G12	\$1.8322	\$3.3395	190	56,987	\$127,065	\$190,307	\$317,372
6G14	\$4.2968	\$1.7223	115	99,205	\$180,359	\$170,865	\$351,223
6G16	\$6.0788	\$1.6560	33	63,433	\$72,818	\$105,045	\$177,862
6G18	\$9.8969	\$1.6108	14	56,671	\$50,435	\$91,285	\$141,720
6G30	\$4.0500	\$3.9064	7	13,728	\$10,348	\$53,626	\$63,974
6G40	\$88.1471	\$0.4094	19	806,309	\$553,081	\$330,091	\$883,171
<b>Totals</b>			<i>18,211</i>	<i>1,537,815</i>	<i>3,579,512</i>	<i>3,778,083</i>	<i>7,357,595</i>

Load Group	2016 Pricing Year (Oct 2015 – Sept 2016)						
	Price t (2016)		Quantity t-2 (2014)		Fixed Revenue	Variable Revenue	Total Revenue (\$)
	Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)			
4G06	\$0.0000	\$19.3363	7,766	100,825	\$0	\$1,949,585	\$1,949,585
4G11	\$0.5823	\$6.0462	21,140	658,917	\$4,493,211	\$5,193,192	\$9,686,403
4G12	\$0.9411	\$5.8864	432	120,245	\$148,392	\$707,813	\$856,205
4G14	\$5.9189	\$5.6431	117	84,372	\$252,075	\$476,120	\$728,195
4G16	\$8.6061	\$5.0412	66	113,818	\$207,322	\$573,776	\$781,098
4G18	\$13.2317	\$4.8727	11	26,711	\$53,125	\$130,152	\$183,278
4G30	\$7.6478	\$1.8246	83	250,638	\$225,911	\$457,325	\$683,237
4G40	\$18.8423	\$0.6378	14	368,290	\$96,284	\$234,910	\$331,194
<b>Totals</b>			<i>29,629</i>	<i>1,923,814</i>	<i>5,476,321</i>	<i>9,722,875</i>	<i>15,199,195</i>

7.2 Appendix B – Authorisation costs included in Pass-through and recoverable costs

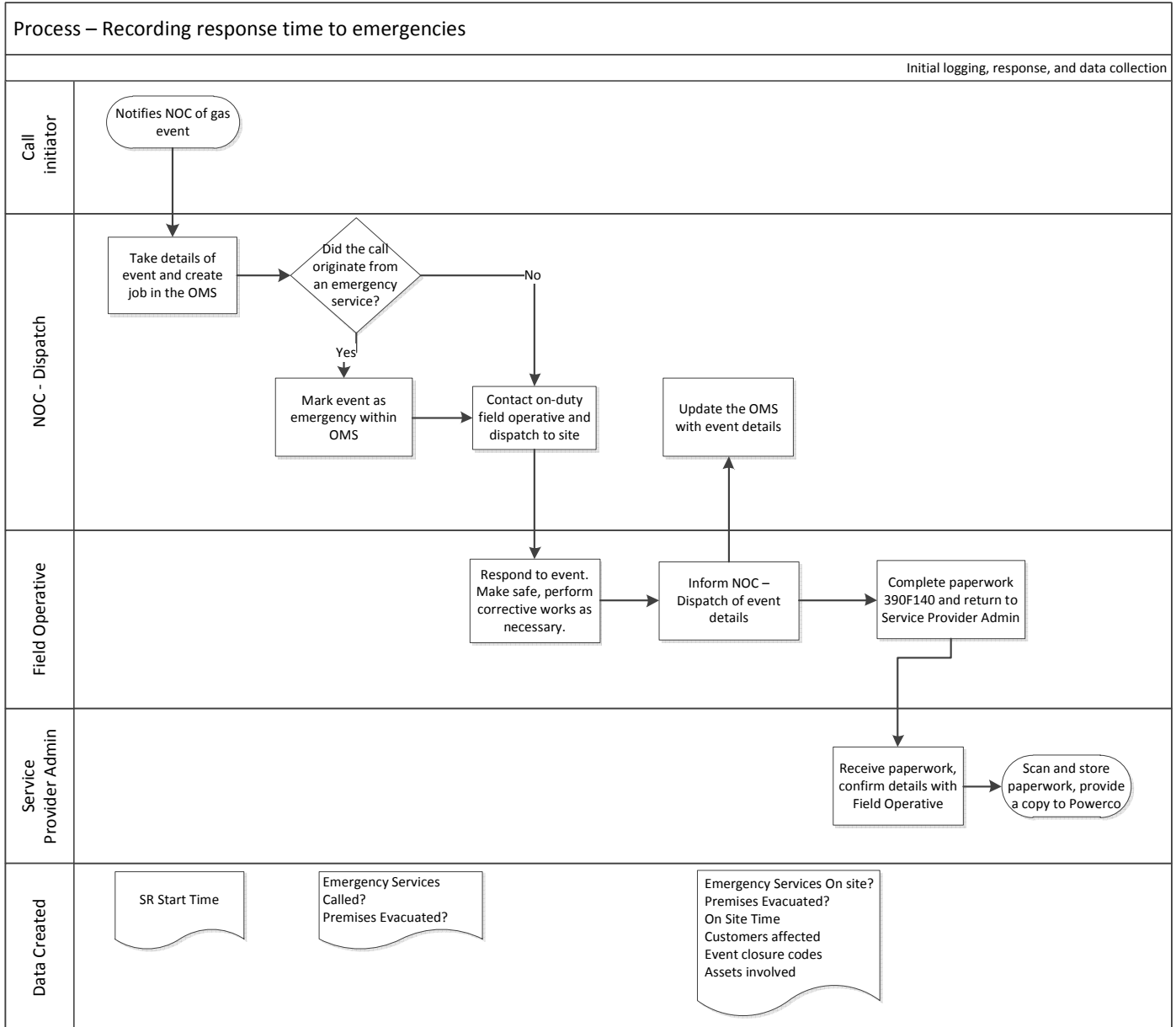
	Pricing Period (Year ending September)		Total Authorisation Costs Incurred July 2011 to June 2012	Pricing Period (Year ending September)		Total Authorisation Costs Incurred July 2012 to June 2013	Total Authorisation Costs included in 2014 Prices	Pricing Period (Year ending September)		Total Authorisation Costs Incurred July 2012 to June 2013	Total Authorisation Costs included in 2015 Prices
	2011	2012		2012	2013			2012	2013		
<b>To 30 June</b>											
<b>Local Authority Rates</b>											
Allowance in Authorisation	311,000	933,000	1,244,000	311,000	933,000	1,244,000	2,488,000				
Actual Amount	294,623	970,035	1,264,657	356,419	969,190	1,325,609	2,590,266				
Increase (decrease) from allowance	-16,377	37,035	20,657	45,419	36,190	81,609	102,266				
Previously claimed? (Y/N)	N	N		N	N						
Difference claimed in this application	-16,377	37,035		45,419	36,190	81,609	102,266				
<b>Levy under the Commerce (Levy for Control of Natural Gas Services) Regulations 2005</b>											
Allowance in Authorisation	75,000	225,000	300,000	To be included in 2015 Prices			300,000	75,000	225,000	300,000	
Actual Amount	161,611	484,662	646,274				646,274	131,118	249,073	380,192	
Increase (decrease) from allowance	86,611	259,662	346,274				346,274	56,118	24,073	80,192	
Previously claimed? (Y/N)	N	N						N	N		
Difference claimed in this application	86,611	259,662	346,274				346,274	56,118	24,073	80,192	
<b>Electricity and Gas Complaints Commissioner Scheme membership levy</b>											
Allowance in Authorisation	3,332	9,995	13,327	3,332	9,995	13,327	26,654				
Actual Amount	0	40,526	40,526	0	43,220	43,220	83,746				
Increase (decrease) from allowance	-3,332	30,531	27,199	-3,332	33,224	29,893	57,092				
Previously claimed? (Y/N)	N	N		N	N						
Difference claimed in this application	-3,332	30,531	27,199	-3,332	33,224	29,893	57,092				
<b>Levies under section 53ZE of the Commerce Act 1986 (as continued in force by section 55G of that Act)</b>											
Allowance in Authorisation											
Actual Amount	0	0	0	0	0	0					
Increase (decrease) from allowance	0	0	0	0	0	0					
Previously claimed? (Y/N)	N	N		N	N						
Difference claimed in this application	0	0	0	0	0	0					
<b>Levies (if any) under the Gas Act 1992</b>											
Allowance in Authorisation	0	0	0	0	0	0	0				
Actual Amount	0	0	0	0	0	0	0				
Increase (decrease) from allowance	0	0	0	0	0	0	0				
Previously claimed? (Y/N)	N	N		N	N						
Difference claimed in this application	0	0	0	0	0	0	0				
<b>Audit fees for issuing reports in Forms 2 and 10 of Schedule 7 of the Authorisation</b>											
Allowance in Authorisation	0	0	0	0	0	0	0				
Actual Amount	0	20,000	20,000	0	0	0	20,000				
Increase (decrease) from allowance	0	20,000	20,000	0	0	0	20,000				
Previously claimed? (Y/N)	N	N		N	N						
Difference claimed in this application	0	20,000	20,000	0	0	0	20,000				
<b>Total to be recovered amount per year (2015 to 2017)</b>	66,902	347,228	414,130	42,088	69,414	111,502	525,632	56,118	24,073	80,192	
								18,706	8,024	26,731	
Time Value of Money calculation under the DPP (schedule 5 clause 9)											
Discount Rate	5.38%	5.38%		5.38%	5.38%			5.38%	5.38%		
Invoices above paid in pricing period											
Rates	204,937	1,059,721	1,264,657	277,849	1,047,760	1,325,609					
Commerce Act levies	161,611	484,662	646,274			0		18,706	8,024	26,731	
EGCC Levies	0	40,526	40,526	0	0	0					
Audit fees	0	20,000	20,000	0	43,220	43,220					
Less Allowance	-389,332	-1,167,995	-1,557,327	-314,332	-942,995	-1,257,327					
Total subject to TVM	-22,784	436,914	414,130	36,483	147,984	111,502		18,706	8,024	26,731	
Period recovered in prices	2014	2014		2014	2014			2015	2015		
<b>Total Authorisation Costs to Pass Through</b>	26,662	485,190	458,528	40,514	155,946	115,432	573,960	21,891	8,911	30,802	30,802

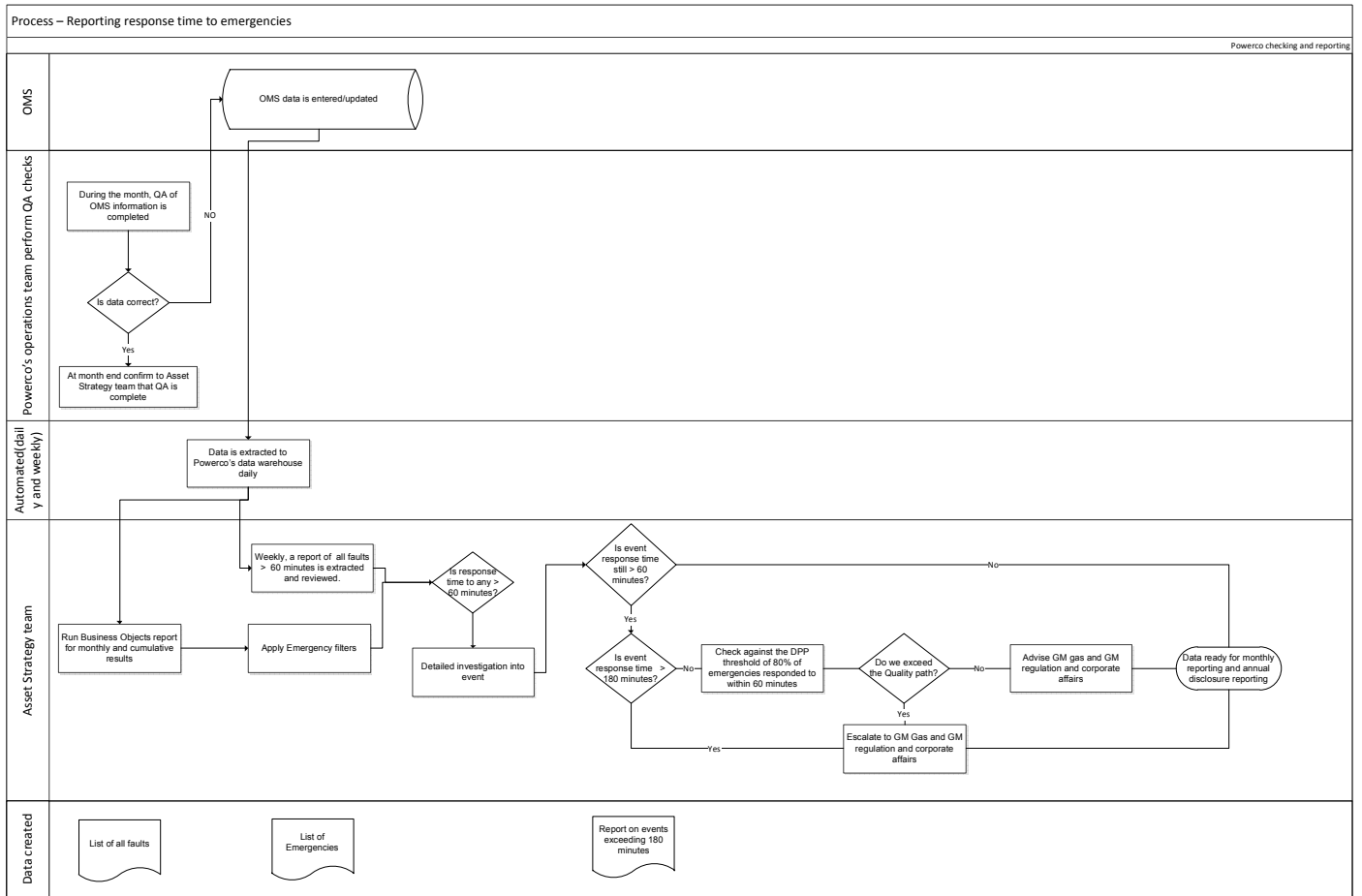
Total Adjusted amount of Authorisation pass through costs to recover over remaining regulatory period (1 October 2014 to 30 September 2017 being 3 pricing years)  
And adjustd for the time value of money

2015	\$	30,802
2016	\$	32,459

### 7.3 Appendix C – 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.





7.4 Appendix D – RTE incident data

Total Events:	52
Active Involvement of emergency services:	43
Evacuation Events:	10
Emergency & Evacuation:	8
Customers Affected>5:	7
# Responded to within 1Hr:	51
# Responded to within 3Hr:	52
%Responded to within 1Hr:	98%
%Responded to within 3Hr:	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
7506167	Y	N	0	03/10/2015 13:09	03/10/2015 13:58	0:00:48:45	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
7702797	Y	N	0	15/10/2015 11:29	15/10/2015 11:30	0:00:00:41	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
7838363	Y	N	1	24/10/2015 11:56	24/10/2015 11:50	0:00:00:00	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
8214336	Y	N	1	16/11/2015 14:27	16/11/2015 14:40	0:00:12:36	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
8237355	Y	N	0	19/11/2015 16:25	19/11/2015 16:40	0:00:14:55	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
8254202	Y	N	1	21/11/2015 10:32	21/11/2015 10:55	0:00:22:45	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
8280708	Y	N	1	23/11/2015 12:14	23/11/2015 12:42	0:00:27:20	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
8483458	Y	Y	0	01/12/2015 14:33	01/12/2015 14:20	0:00:00:00	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
8487946	Y	N	1	02/12/2015 12:39	02/12/2015 12:45	0:00:05:31	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
8522374	Y	N	1	04/12/2015 7:17	04/12/2015 7:28	0:00:11:06	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
8540019	Y	N	1	07/12/2015 11:46	07/12/2015 12:00	0:00:13:10	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
8870811	Y	Y	1	29/12/2015 12:26	29/12/2015 12:40	0:00:13:38	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
9495544	Y	N	0	15/01/2016 17:55	15/01/2016 18:22	0:00:26:33	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
9954400	Y	N	0	16/02/2016 10:06	16/02/2016 10:45	0:00:39:07	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
9961818	Y	N	5	17/02/2016 10:33	17/02/2016 10:55	0:00:22:18	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
10013912	Y	Y	0	20/02/2016 22:45	20/02/2016 22:57	0:00:12:23	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
10027254	Y	Y	1	22/02/2016 16:09	22/02/2016 16:50	0:00:40:34	I - IP (INTERMEDIATE PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
10067929	Y	N	0	26/02/2016 8:50	26/02/2016 9:50	0:00:59:38	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
10115708	Y	N	1	03/03/2016 7:48	03/03/2016 8:15	0:00:26:18	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
10222403	N	Y	0	15/03/2016 8:45	15/03/2016 8:55	0:00:09:18	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
10271962	Y	N	1	15/03/2016 21:43	15/03/2016 22:14	0:00:30:55	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
10521705	Y	Y	0	29/03/2016 12:31	29/03/2016 13:26	0:00:54:13	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	C - CAP SERVICE
10544469	Y	N	1	01/04/2016 15:43	01/04/2016 15:56	0:00:12:36	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
10627631	Y	N	1	10/04/2016 15:21	10/04/2016 15:50	0:00:29:02	S - SERVICE PIPE	A - LEAK CLASS 1	E - EQUIPMENT REPLACE/REPAIR
10772488	Y	N	1	25/04/2016 15:34	25/04/2016 15:50	0:00:15:16	M - MP (MEDIUM PRESSURE)	B - LEAK CLASS 2	E - EQUIPMENT REPLACE/REPAIR
10827891	Y	N	1	02/05/2016 15:01	02/05/2016 15:27	0:00:25:42	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
1096282	Y	N	1	13/05/2016 17:40	13/05/2016 18:04	0:00:24:45	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
11135205	Y	N	0	23/05/2016 11:49	23/05/2016 11:50	0:00:00:53	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
11854435	Y	N	0	14/06/2016 9:40	14/06/2016 10:42	0:01:01:51	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
12028468	N	N	12	28/06/2016 9:53	28/06/2016 9:39	0:00:00:00	D - DRS (DISTRICT REGULATOR STATION)	E - EQUIPMENT FAULT	E - EQUIPMENT REPLACE/REPAIR
12046949	N	N	12	30/06/2016 10:03	30/06/2016 10:03	0:00:00:00	D - DRS (DISTRICT REGULATOR STATION)	E - EQUIPMENT FAULT	E - EQUIPMENT REPLACE/REPAIR
12051364	N	N	12	30/06/2016 13:00	30/06/2016 12:59	0:00:00:00	D - DRS (DISTRICT REGULATOR STATION)	E - EQUIPMENT FAULT	E - EQUIPMENT REPLACE/REPAIR
12052440	N	N	12	30/06/2016 15:32	30/06/2016 9:30	0:00:00:00	M - MP (MEDIUM PRESSURE)	E - EQUIPMENT FAULT	E - EQUIPMENT REPLACE/REPAIR
12087816	Y	Y	5	05/07/2016 15:50	05/07/2016 16:15	0:00:24:46	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
12305008	Y	N	1	09/07/2016 3:43	09/07/2016 4:00	0:00:16:48	S - SERVICE PIPE	B - LEAK CLASS 2	E - EQUIPMENT REPLACE/REPAIR
12576304	Y	Y	0	25/07/2016 7:00	25/07/2016 7:20	0:00:19:58	L - LP (LOW PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
12864595	Y	N	1	04/08/2016 7:55	04/08/2016 8:45	0:00:49:45	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
12901724	Y	N	0	07/08/2016 18:30	07/08/2016 19:15	0:00:44:51	L - LP (LOW PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
13084793	Y	N	1	18/08/2016 16:35	18/08/2016 16:49	0:00:13:10	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
13084861	Y	N	0	18/08/2016 16:54	18/08/2016 17:30	0:00:35:10	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
13091495	N	Y	0	19/08/2016 15:40	19/08/2016 15:55	0:00:14:20	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
13098234	Y	N	1	20/08/2016 10:57	20/08/2016 11:25	0:00:27:23	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
13331354	Y	N	1	30/08/2016 10:46	30/08/2016 11:07	0:00:21:11	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
13332779	N	N	7	30/08/2016 13:20	30/08/2016 9:00	0:00:00:00	M - MP (MEDIUM PRESSURE)	E - EQUIPMENT FAULT	E - EQUIPMENT REPLACE/REPAIR
13357419	Y	N	1	01/09/2016 9:03	01/09/2016 9:25	0:00:21:43	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
13402608	Y	N	0	06/09/2016 14:26	06/09/2016 14:39	0:00:12:56	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
13406049	Y	N	1	07/09/2016 10:11	07/09/2016 10:40	0:00:28:24	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
13797632	N	N	10	28/09/2016 9:12	28/09/2016 9:40	0:00:37:02	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
13801326	N	N	10	28/09/2016 13:16	28/09/2016 13:30	0:00:13:44	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
13814242	Y	N	1	29/09/2016 10:50	29/09/2016 11:05	0:00:14:37	S - SERVICE PIPE	B - LEAK CLASS 2	T - THIRD PARTY DAMAGE
13820667	Y	Y	0	30/09/2016 10:47	30/09/2016 11:22	0:00:34:15	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
13821710	Y	N	1	30/09/2016 12:55	30/09/2016 13:25	0:00:30:00	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE

7.5 Appendix E – 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	5
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	5
<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 one Director of Powerco.	P.3
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.	6
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  2.3 and Appendix B  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 and Appendix D 3.2 and Appendix C  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.	2.4
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.	2.4
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