2014 - 2015 Pricing Methodology



For Line Charges, effective 1 April 2014 to 2015 (Pursuant to Electricity Distribution Information Disclosure Requirements) 2012

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1. Terms and Definitions

AMD	Anytime Maximum Demand, which is defined as the average of the 12 highest off-take
	quantities for the customer at the connection location during the Capacity Measurement
	Period.
Capacity	12-month period starting 1 September and ending 31 August inclusive, immediately prior to
Measurement	the commencement of the pricing year.
Period	
Consumption Data	Data provided by the Retailer to the Distributor as required under the Use of System
	Agreement, showing details of the measured electricity consumption on the distribution
	network.
Demand	The rate of expending electrical energy expressed in kilowatts (kW) or kilovolt amperes (kVA).
Distributor	Top Energy as the operator and owner of the distribution network.
Code	The Electricity Industry Participation Code 2010
Embedded	Electricity generation that is connected and distributed within the distribution network, the
Generation	electricity generation being such that it can be used to avoid or reduce transmission demand
	costs.
Consumer	A purchaser of electricity from the Retailer where the electricity is delivered via the distribution
	network and is interchangeable with customer.
GXP	Grid Exit Point, a point of connection between Transpower's transmission system and Top
	Energy's distribution network.
GST	Goods and Services Tax as defined in the Goods and Services Tax Act 1985.
HV	High Voltage, voltage above 1,000 volts.
ICP	Installation Control Point. Point of Connection on the Distributor's network, which the
	Distributor nominates as the point at which a Retailer is deemed to supply electricity to a
	Consumer.
IND	Industrial Customer defined by Top Energy.
Line Charges	The charges levied by Top Energy on Consumers for the use of the Network as described in this
	Pricing Methodology.
Load Control	The equipment (which may include, but is not limited to, ripple receivers and relays) which is
Equipment	from time to time installed in a consumer's premises for the purpose of receiving load
	management service signals.
LV	Low voltage. Voltage up to 1,000 volts, generally 230 or 400 volts for supply to most
	Consumers.
NToU	Non Time of Use Customer, whose usage is metered using a standard whole current type
	meter.
Pricing Year	12-month period from 1 April to 31 March the following year.
RPDP	Regional Peak Demand Period, relates to an Upper North Island defined by Transpower where
	Top Energy is located. The half hour in which any of the 12 highest regional demands occurs
	during the capacity measurement period for the relevant pricing year.
RCPD	Regional Coincident Peak Demand, relates to the customer's off-take at the connection
	location during a regional peak demand period.
Retailer	The supplier of electricity to Consumers with installations connected to the distribution
	network.
100	Time of Use customer, who is metered according to their electricity consumption for a
L	particular period (usually half-hourly).
Transpower	Iranspower (NZ) Limited.

2. Introduction and Purpose

This Pricing Methodology Disclosure sets out the methodology Top Energy Limited (TEL) has used in setting its electrify network tariffs for the 2014-15 pricing year and is prepared pursuant to section 2.4 of the Electricity Distribution Information Disclosure Requirements 2012 (the ID Determination).¹ The pricing methodology

- Section 1 provides a glossary of common terms used throughout this document
- Section 2 provides introductory comments and background information relevant to the development of network prices including the regulatory framework under which these prices were prepared. It also discusses the pricing review which is currently under way.
- Section 3 lists the pricing principles and objectives.
- Section 4 and 5 details how the required revenue is calculated namely:
 - The methodology used to calculate the prices charged;
 - The key components of revenue required to cover costs and profits of the lines business activities;
 - The consumer groups used to calculate the prices being charged, including:
 - The rationale for consumer grouping;
 - The method of determining which groups consumers are in;
 - The statistics relating to each consumer group.
 - The method and rationale by which components of the revenue are allocated to consumer groups, and the numerical values of the different components;
 - The rationale and method used to determine the proportions of charges which are fixed and the proportions which are variable.
- Section 6 tables the allocation outcome
- Appendix 1 maps compliance against section 2.4 of the ID Determination.
- Appendix 2 details the extent to which our pricing methodology is consistent with the Electricity Authorities pricing principles published February 2010.
- Appendix 3 displays the Network Line Charges for the period 1 April 2014 to 31 March 2015

This Pricing Methodology for 2014-15 has been reformatted from 2013-14 to improve compliance with the ID Determination, providing greater information on TEL's future intentions and rationale to support this methodology.

Top Energy Limited is currently working through a thorough and extensive review of its pricing methodology and tariff recovery strategies and this is discussed in some detail in sections 2.4 and 2.5.

¹Specific clause references within this document are made in reference to section 2.4.

2.1.About Top Energy:

Top Energy Limited is the local electricity distribution lines business that distributes electricity to more than 31,000 electricity consumers in the Mid and Far North of the Northland region, New Zealand. It employs around 200 people and is one of the largest employers in the Far North.

Top Energy's electricity network begins in Hukerenui, approximately 25km north of Whangarei and ends at Te Paki, 20 km south of Cape Reinga. It spans from the East coast to the West coast. The supply area is sparsely populated with no dominant urban centre.



The existing network infrastructure was developed at a time when Kaikohe and Kaitaia were the dominant urban centres. This is no longer the case; most economic growth is now occurring in the Bay of Islands and Kerikeri areas, as well as the east cost peninsulas, areas where the existing infrastructure is weak. Other weaknesses include the reliance on a single transmission circuit to supply Kaitaia and the northern part of the supply area, and the long distribution feeders supplied from a limited number of zone substations. These are legacies of a network design focused on providing electricity to a sparsely populated, economically deprived area at a time when cost rather than reliability was the main driver for network development. Parts of the network that were originally installed to supply fringe coastal communities are now operating at over 90% capacity during peak periods. This demographic change limits the ability of the existing network to accommodate the connection of new customers in many areas and makes it more difficult to restore supply when a fault occurs. During 2009, TEL conducted an extensive public consultation exercise regarding its proposed network development and their expectations regarding price and quality (clause 2.4.1 (4)). This was done by means of public notification and a telephone survey that posed a number of questions to customers relating to power quality and price.

The survey results established that 80% of consumers wished to see the reliability to the Northern area improve and that there was overwhelming support from community organisations for the construction of a second 110 kV circuit to secure the electricity supply to the Kaitaia region. This set the scene for TEL's subsequent Asset Management Plans and contributed to the development of the pricing strategy for the 5 year regulatory period from 1 April 2010 to 31 March 2015. To address these issues and improve security of supply, Top Energy will invest around \$185 million by FYE2024 to complete what will be the single largest expansion in the history of the Top Energy electricity network.

2.2. Regulatory Framework

The regulatory references directly applicable to this policy include:

- Section 2.4 of the Electricity Distribution Information Disclosures Requirements (ID Determination)
- The Electricity Authorities Pricing Principle and Information Disclosure Guidelines, February 2010
- The Electricity (Low Fixed Charges Tariff Options for Domestic Consumers) Regulations 2004.
- Price-quality regulation as detailed under Sub Part 9 of Part 4 of the Commerce Act 1986.
- The Electricity Industry participation Code, in particular section 12A.
- Part 6 of the code also governs pricing is respect of connection of distributed generation.

TEL materially complies with the ID Determination (section 2.4) requirements but acknowledges there are gaps in complying with some of the pricing principles described in the Electricity Authority Guidelines. However part of the purpose of the methodology review detailed in sections 2.4 and 2.5 is to address (over time) as many of these issues as practicable and appendices 1 and 2 provide a compliance check list for the first two bullet points.

The fourth bullet point has the effect of classifying lines companies into one of two regulatory controlled categories; either consumer owned or non-consumer owned. Top Energy, although 100% owned by the Top Energy Consumer Trust, does not meet the criteria of being consumer owned, owing to the current appointed trustee arrangement, rather than the fully elected status required for exemption to price-quality regulation.

Price-quality regulation is detailed under Sub Part 9 of Part 4 of the Commerce Act 1986 (the Act). Default/Customised Price-Quality regulation replaces the previous Part 4 thresholds regime and enables the Commerce Commission to set Default Price Paths for a 5 year regulatory period which must be followed by the regulated companies. If the lines companies are not satisfied with the details of the Default Price Path, they can apply to the Commerce Commission for an individual Customised Price Path for the same regulatory period.

The resetting of the Default Price Path allowed for the lines company to seek a return on investment (ROI) equivalent to its Weighted Average Cost of Capital (WACC). The allowable WACC for the current regulatory period (2010-2015) was set at the 8.77% (75th percentile vanilla WACC). Based on the finalised WACC, Top Energy has been allowed a price increase of 10% + CPI for each of the 2014 and 2015 pricing years. Notwithstanding these allowable increases,

the Top Energy board has decided to limit the price increase to within a CPI range effective from 1 April 2014. (See section 2.3 below)

2.3. 2014 - 15 Pricing Framework:

TEL's present pricing strategy/methodology (clause 2.4.4) was confirmed by the company's board of directors on 17 December 2013. This decision was based on a paper from the Chief Executive *Network Pricing and Discount Application from April 2014.* This paper recommended no changes to the overall structure of existing tariffs and continues with the inter-group re-balancing that began with the 2009 pricing review, in order to progressively reduce the on-going cross subsidy from the commercial groups to the mass-market group (clause 2.4.4 (2)).

This means (despite being entitled to the increases detailed in section 2.2) for customers other than those classed as Industrial (IND), price increases will be limited to 3.0% over the applicable pricing period, being the year to 31 March 2015(clauses 2.4.3 (6) and 2.4.4(1)). This additional revenue will be derived from increases to the variable parts of the mass-market and time of use tariffs. There have been no changes to the methodology of tariff recovery from those disclosed in 2013.

This status quo methodology decision was made because TEL will be completing a thorough and extensive review of its pricing methodology and tariff recovery strategies during calendar 2014. The company acknowledges that its focus over the last three to four financial years has been on ensuring a sustainable level of revenue for the business and planning for the extensive capital program referred to in section 1. Whilst this initially took priority over pricing methodology refinement, it is now appropriate for the company to carry out this review with an objective of implementing any board approved changes from 1 April 2015 or potentially at an agreed earlier date. The company acknowledges it has work to do to refine its pricing methodology to better reflect economic, regulatory and industry best practice developments and favours a stepped approach if changes are significant. It is important to note that any material changes will require full stakeholder consultation and impacts assessments in a region struggling economically.

2.4. Objectives of the Review

In November 2013 the company established that a detailed and comprehensive review of the company's network pricing methodologies and recovery structures would be carried out in 2014. Several factors have influenced the decision to initiate this review including:

- New regulations and regulatory guidelines and pricing innovations by other distributors.
- Relatively flat if not negative mass market consumption.
- A material and significant capital expenditure program which will impact on cost of supply modeling across customer groups.

- Lack of customer granularity limiting pricing flexibility and recovery options.
- The proliferation of holiday homes and short stay accommodation.
- The desire to review a pricing structure which has not been reviewed for several years and makes achievement of pricing principles and objectives difficult to measure.

The main objective of the review is to identify and investigate pricing structures and revenue recovery approaches which address some or all of these issues as well as the company's commercial objectives. Our review will focus on areas such as:

- At the strategic level discuss the mix of variable verse fixed revenues. Currently 92% of revenues are variable in a business where a majority of costs are fixed.
- Creating increased granularity in customer groupings to facilitate targeted cost reflective charges whilst acknowledging the current rural urban split.
- Refine the cost of supply modeling to upgrade allocated costs (and therefore revenue requirements) to customer groups. Particularly relevant due to significant on-going asset investment.
- TEL's tariff structure is one of the simplest in the industry (which in itself is not necessarily an issue) but to achieve the company's own cost reflective pricing objectives tariffs will inevitably need to be more detailed and sophisticated from both a business and a regulatory perspective.
- Currently almost all residential consumers (and many non-residential) are charged the low fixed charge of 15c/day. As part of our review, we are investigating the merits of creating a distinct residential low fixed tariff option targeted at consumers using less than 8,000kWhs. For the remaining consumers we are investigating fixed charges which proportionally align with the capacity of the consumer's connection.
- The company will look at the practicalities of introducing a cost reflective fixed daily supply charge for certain connection types that are seasonally occupied.
- Review the charging methodology for Time of Use customers, looking at a more capacity based charging methodology.

We have engaged PwC to assist with this review. They will provide advice on pricing frameworks and best practice distribution pricing approaches. They will also provide modelling expertise in regards to developing the cost of supply model.

These potential changes are only being considered as options at this stage and are subject to the completion of our review. Our current aim is to develop draft recommendations for consultation by mid-2014. We plan to consult extensively with consumers, retailers, and other affected parties to gain feedback on any proposed changes. As part of this, we will provide information on how different consumer groups will be affected. Feedback received under this consultation will be considered prior to making a final decision on whether, or how, to amend prices and over what time frame.

3. Principles and Objectives

TEL has the following five guiding principles for pricing:

- 1. Provide pricing which is economically efficient, transparent, simple to understand, and which recognises the different socio-economic needs of its customers where possible.
- 2. Avoid significant price shocks either within of between customer groups so as to maintain price stability and certainty.
- 3. To not differentiate between its urban and rural customers.
- 4. Where practical, to provide customers the opportunity to significantly reduce their electricity costs, if they reduce their usage at times when TEL's associated costs of supply are high.
- 5. Within the restrictions of the government's price control regime, to provide an adequate return to the shareholder.

The current focus to meet the above principles is:

- To allocate costs fairly between consumer groups;
- To establish a range of tariff options that reflect/ meet consumer requirements;
- To provide appropriate demand based pricing signals where possible;
- To meet regulatory requirements;
- To appropriately recover pass through costs;
- To achieve a rate of return acceptable to shareholders.

Sections 4, 5 and 6 described the calculation of target revenues, the grouping of customers and the allocation of target revenues to these customer groups.

4. Target Revenue Requirements (clause 2.4.3)

Pricing should generate sufficient revenue for TEL to meet the following requirements, while also ensuring that TEL does not breach the regulated price path:

- Meet its contractual obligations for connection to the Transpower Grid.
- Meet its contractual obligations for the delivery of energy over its distribution network to the consumers.
- Meet the Company's objective to fund:
 - All operating costs of the lines business, including:
 - $_{\odot}$ Grid Associated Transmission and Avoided Transmission Costs
 - \circ Maintenance Costs
 - \circ Overheads
 - Capital Expenditure as outlined in the Asset Management Plan
- Comply with the statutory requirements on public safety, regulatory disclosure, environmental protection and quality of supply.

The first key step in the pricing process is to establish the annual costs and subsequent total revenue requirements. Forecast revenue requirements provide agreed returns and meet TEL's objectives to, where possible, fund capital expenditure from current earnings (clause 2.4.3 (3) & (4)).

COMPONENT OF TARGET REVENUE			
	2015	2014	Change %
Transpower Transmission Cost recovery	5,824,018	5,583,489	4.3
Top Energy Transmission Cost Recovery	1,833,762	1,711,070	7.2
Avoided Transmission Charges	2,719,025	2,294,765	18.5
Other Pass-through Costs	191,296	168,702	13.4
Transmission subtotal	10,568,100	9,758,026	8.3
Maintenance Costs	5,550,000	5,550,000	0
Overheads	6,799,512	5,832,595	16.6
Depreciation	6,939,648	6,469,241	7.3
Return on Assets	16,482,579	15,123,784	9.0
Distribution subtotal	35,771,738	32,975,620	8.5
Annual Revenue Requirement	46,339,839	42,733,646	8.4
Allowable Revenue Foregone	(6,876,035)	(4,556,224)	50.9
	-		
TOTAL TARGET REVENUE	39,463,804	38,177,422	3.4

As discussed in section 2 the predominant focus in recent years has been on securing a target revenue quantum that supports a sustainable business.

Components of Target Revenue:

4.1.Transmission Cost Recovery

Since 1 April 2012, TEL has been connected to Transpower's system at Top Energy's 110 kV substation at Kaikohe. In accordance with the current regulatory regime and its own pricing principles, TEL passes through all the transmission charges at cost. The transmission charge is equitably distributed across all customers connected to TEL's network.

These charges include:

- Connection Charges (annual capacity charges, based on associated transmission connection assets);
- Interconnection Charges (coincident peak charges, based on TEL's RCPD in the demand measurement period);

 New investment charges (determined via the agreement between Transpower and TEL as to capacity and security upgrades).

Far North transmission assets were transferred from Transpower to Top Energy on 1 April, 2012. This resulted in a decrease in Connection Charges. A notional transmission connection charge has therefore been incorporated in TEL's pricing as part of the transmission pass-through cost, with the amount being based on section 11.4 of the Commerce Commission's Electricity Distribution Services Default Price-Quality Path Determination 2012.

For large industrial customers, Transpower's interconnection charge is allocated based on the customer's contribution to that charge. As all these customers have ToU metering, TEL is able to determine this contribution by using the twelve half-hourly demands that are coincident with RCPD and TEL's AMD.

For the remaining customers on TEL network, transmission charges are allocated based on demand and to maintain historical relativities and avoid price volatility. Transpower's losses and constraint rebates are excluded from the revenue requirement calculations as they are volatile and difficult to predict with any degree of accuracy. In the event that savings in transmission and other charges arise during the year which cause TEL to breach its default price path, any excess revenue will be refunded either as an one-off distribution to consumers or by an adjustment to subsequent pricing; depending upon the magnitude of these savings.

4.2. Avoided Transmission Cost Recovery

Avoided transmission and voltage support charges may be payable to embedded generators of greater than 1MW output, when suitable terms have been negotiated with TEL. This situation applies to generators that are connected to the TEL's network and have actively contributed to reducing TEL's contribution to the Regional Coincident Peak Demand (RCPD), as measured during Transpower's annual measurement period for that pricing year.

Avoided transmission and voltage support charges are calculated based on the notified Transpower charges for the applicable pricing period. This requires appropriate metering facilities at each site, so that the contribution to RCPD or voltage support charge reductions can be verified. In the event that there is more than one eligible embedded generator providing a contribution to lowering the RCPD, avoided transmission charges are calculated based upon the pro-rata value of the metered contribution from each generator at the times of the RCPD peaks.

4.3. Maintenance Costs

Maintenance costs are derived from the network maintenance programme to provide consumers with acceptable levels of safety and reliability, including an allowance for repairs to equipment following faults. The amount is determined in conjunction with the TEL Asset Management Plan.

4.4.Overheads

Overheads include costs that are incurred through managing the day to day activities within the TEL network. Broadly, these include management, finance and administration costs. Regulatory compliance costs such as audit and legislative levies are also included.

4.5. Depreciation

Depreciation represents the return of our original capital investment and is calculated based on the network net book value.

4.6.Return on Assets (WACC)

This is calculated based on the inputs that derive the allowable revenue under the Electricity Distribution Services Default Price Quality Path Determination 2012, and represents a WACC of 8.77%.

4.7. Revenue Forgone

The revenue forgone represents the value that has not been recovered through increased pricing for TEL to achieve its desired return on assets (WACC). This has occurred due to the desire to only charge consumers what is essential to operate the network, having regard to the financial sustainability of the business, and to also recognise power affordability issues within the TEL region.

Finally the company considers the following standards overarch any subsequent allocation of target revenues:

Efficiency

Pricing must be economically efficient in the investment signals it creates. This is achieved by matching the pricing structure to the cost structure as closely as is practicable. (*The pricing review will assist in ensuring this is achieved*)

Fairness

In order to ensure that the prices set are fair and reasonable, TEL divides its customers into different consumer groups based on their load capacities, and sets their prices in a way to reflect their share of assets used during the pricing year. (*The pricing review with identify any areas for potential refinement*)

Simplicity

TEL currently uses a very simple pricing structure that is easy to understand and administer, so that it can reduce the cost and complexity of its billing system, whilst providing effective commercial signals that allow consumers to make efficient investment decisions. (*The pricing review may identify that additional complexity is required to ensure effective signals are provided*)

The achievement and quantification of the above standards is a key outcome of the pricing review.

5. Customer Groups (Clause 2.4.3)

Having calculated the target revenue, TEL then uses the following allocation basis to recover the revenue² (the current methodology is described below and is subject to review):

Line charges are disaggregated into three consumer groups, which reflect the share of assets used and typical maximum demands of the individual customer groups, as set out in the following table (clause 2.4.3 (5)). For industrial customers, it is possible to accurately calculate both Transpower's costs and the costs of TEL's distribution service, so that these can be passed on transparently to the customers concerned. Pricing for ToU customers is structured to reflect typical electricity retailers' pricing structures. That is, the variable part of the distribution tariff changes depending on the time of day that the electricity is consumed.

The rationale for this approach is that it encourages demand reduction at peak periods, thus potentially reducing TEL's need to provide related distribution equipment. The remaining customers are grouped as NToU and these provide the majority of TEL's network revenue. The cost of servicing these customers is mainly related to both their share of the network demands at peak periods and to their geographic distribution. *(This approach will be reviewed, particularly the effectiveness of the signal).*

The transport of electricity is a capital intensive undertaking. A large part of the costs of delivering electricity to customers is fixed, as it is linked to the provision and upkeep of the assets used to supply customers; that is, costs do not vary with the amount of energy conveyed or consumed. A relatively small portion of input costs into the business are variable with demand; for example, transmission and avoided transmission charges and some maintenance costs. The proportion of the input costs that vary with the quantity energy used (kWh) is extremely small. Despite this TEL currently derives approximately only 8% of its overall distribution revenue from f ixed recoveries and 92% from variable components. A breakdown of the fixed and variable percentages of revenue from each consumer group is given in the table below on page 13 (clause 2.4.3(8)). (*This is currently subject to a full and comprehensive review through an updated cost of supply model*).

In order to ensure that the prices set are fair and reasonable, TEL divides its customers into different consumer groups based on their load capacities, and sets their prices in a way to reflect their share of assets used during the pricing year. When new investment is required, those users who obtain the benefit are required to contribute towards the cost. Notwithstanding this general policy, where a sufficiently large proportion of TEL customers across diverse consumer groups receive a benefit from a new investment, these costs may be recovered across the whole consumer base.

² Note: TEL has adopted a policy of maintaining uniform geographic pricing for all its customers, excepting large industrial customers, which are individually priced

Pricing is even-handed in its treatment of different retailers, and provides for equal access as required by the Distribution Pricing Principles and the Code.

Customer Groups.

5.1.Large Industrial Customers (clause 2.4.5)

Top Energy has a fixed annual tariff for its large industrial (IND) customers (currently two), which have entered into non-standard Use of System Agreements (UoSAs) (clause 2.4.5 (1)). The tariffs for large industrial customers comprise:

- Transpower Connection charges
- Transpower Interconnection Charges
- Avoided transmission charges payable to embedded generators
- TEL connection and interconnection charges for its sub-transmission assets
- TEL operations and maintenance charges

The charges have been calculated on the basis of:

- Associated assets used
- Customer's consumption
- Customer's coincident peak demand

The value of targeted revenue expected to be collected from non-standard contracts for the 2014/15 year is \$1.73m. Pricing for industrial customers (IND) aims to recover the actual costs of TEL's service, due to the significant consumption (greater than 3,000,000 kWh) and value of assets used by the specific sites so as to be as consistent as possible with the pricing principles. To meet these customers' requirements, the charges are wholly fixed and divided into twelve equal payments. There are no variable charges assessed. TEL does not have additional obligations or responsibilities regarding interruptions in its non-standard contracts beyond those incorporated in its standard contracts (clause 2.4.5 (2)).

5.2. Time of Use Commercial Customers

Historical consumer groupings have been retained to provide customers with a degree of stability. TEL's pricing structure for the commercial market has a fixed and variable component. These customers are all on standard contracts. Fixed charges for commercial customers have been set to maintain historical linkages and to reflect the proportion of asset used.

The variable component encourages demand side management from commercial customers, since variable rates are higher during periods of high electricity demand and lower during off-peak demand periods. A description of the ToU tariff category; and their associated fixed and variable rates are provided in Appendix 3.

5.3.Non Time of Use Domestic and Small Commercial Customers

TEL's pricing structure for domestic and small commercial customers (except unmetered supply) also has a fixed and variable component. Pricing for unmetered supply has a fixed daily charge only. The fixed charge is set at 15 cents per day (GST exclusive) for all residential customers to comply with the requirements of S172B of Part 4A of the Commerce Act 1986. This fixed charge contributes a small portion of the revenue required, but this is not nearly sufficient to meet all the costs of supply. A separate fixed charge is set for some small business customers in order to reflect a different level consumption and demand requirements compared to residential customers. The variable component of the revenue required is generally based on domestic customers (except unmetered supply) pro-rata contribution towards the total demand. Unmetered supply (including streetlights) pricing is wholly fixed. (We realise that our customer granularity is not sufficiently detailed enough to identify those customers who do not fit the definition of a low user under the Act and will be one of the measures we examine as part of our pricing review)

Supporting Tables

Consumer	Customer Description	Tunical Maximum Domand	Number of
Group	Customer Description	Typical Maximum Demanu	ICPs
IND		Capacity > 1MVA, and annual consumption	
	Industrial Customers	>3GWh	3
ToU	Commercial Customers	Annual consumption > 2GWh but < 3GWh	60
NToU	Small Businesses (i.e. CAP150)	Capacity > 100A per phase	131
	Small Businesses / Residential		
	Customers (i.e. DAYNGT)	Annual consumption > 8000kWh	906
	Residential Customers	Annual consumption < 8000kWh	29,346
	Unmetered Supply	Annual consumption < 3000kWh	219
Total			30,665

Consumer	Customer Description	Fixed Charge	Variable Charge as a
Group		Percentage of	Percentage of the Group
		Revenue	Revenue
IND	Industrial Customers	100%	0%
ToU	Commercial Customers	15%	85%
NToU	Small Businesses (i.e. CAP150)	22%	78%
	Small Businesses / Residential Customers (i.e. DAYNGT)	0%	100%
	Residential Customers	1%	99%
	Unmetered Supply	100%	0%
	Overall	8%	92%
	Last Year	8%	92%

6. Allocation Outcome (clause 2.4.3)

Section 5 above describes the pricing methodology used by TEL to recover the required revenue for each consumer group shown below. In summary and based on TEL's current interpretation of each consumer group's associated assets and energy consumption, this translates into recovery targets of:

				Transmission \$'000		Distributi	on \$'000's			Revenue	
Consumer Group	Regulatory Investment Value Forecast 2015(\$m)	Number of ICPs	Energy Consumption (MWh)	Transmission and Other Pass-through Costs	Maintenance	Overheads	Depreciation	WACC	Total Revenue Requirement	Revenue Foregone	Target Revenue
IND	3	3	58,974	1,294	86	105	108	256	1,849	(120)	1,729
TOU	9	60	36,801	1,138	271	332	338	804	2,883	237	3,119
NTOU	176	30,602	223,354	8,136	5,193	6,362	6,494	15,423	41,608	(6,993)	34,615
Total				-							
rotal	188	30,665	319,129	10,568	5,550	6,800	6,940	16,483	46,340	(6,876)	39,464

The table above reflects the budgeted costs and required revenue recoveries (\$39.464m including target returns) for the financial year to 31 March 2015.

The table on the next page outlines each cost category and the allocator TEL has used to allocate that cost to consumer groups and the rationale behind the allocators. These allocators will be reviewed as part of the pricing model.

Cost Category	Allocator used	Rationale
Transmission and Other pass- through costs	RCPD(kW) for Interconnection charges and AMD for Connection charges	Matching Transpower's use of RCPD and AMD to underpin the charges.
Maintenance	Customer group demand on the system as a percentage of ORC	Spreading the maintenance cost over the asset value in portion to demand.
Overheads	ICP Numbers	Spreading costs that are relatively static with the size of a customer but vary with the total number of customers
Depreciation	IND - Demand (kW) TOU - ICP's MM - kWh volume Above measure allocates portion of	Asset related cost. Allocation based on a measure of asset utilisation
Return on Assets (ROA)	ODV/ORC	To allocate the appropriate return on the ODV in the respective tariff categories

7. Other Considerations:

7.1.Loss Factors

Losses represent the portion of electricity entering the network, which is consumed during the delivery to customers' installations. The quantity of electricity metered at customer installations is after losses and in order to determine each retailer's purchase responsibilities, the electricity measured at the customer's meter has to be multiplied by a loss factor. There are two main components to the distribution losses:

One is called "technical losses", which itself can be further divided into two components:

- A fixed component due to the standing losses of the zone substation and distribution transformers, and
- Variable components arising from the heating effects of the resistive losses in the delivery conductors. The resistive losses are proportional to the square of the load current and occur in the 110kV, 33kV, 22kV, 11kV and LV network conductors, the zone substations and distribution transformers.

The other main component to the loss is the "non-technical losses", which include unaccounted energy due to theft, meter inaccuracy and billing errors. Due to the lack of historical loading and modelling data, it is impossible to calculate the load losses on the LV network. Therefore, TEL treats LV network losses as a part of non-technical Losses.

The Electricity Industry Participation Code 2010 (Code) requires site-specific loss factors to be calculated for any individual customer with actual or forecast load of more than 40GWh per annum or an electrical demand of more than 10MW. Therefore, as shown in the table below, TEL calculates loss factors for each industrial customer. Owing to the number and diversity of the customers connected to the distribution network, it is not feasible either to measure or to calculate the losses caused by each individual customer. Instead, a general loss factor for all other customers has been determined. The following loss factors can be applied to reconcile the difference between ICP and GXP meter readings. These are applicable to all time periods, at the GXP and all network locations.

	Loss Factors - Consumption			Loss Factors - Generation			
		Effe	ctive from 1 April	2014	Effective from 1 April 2014		
Loss Category Code	ICP Number / Description	Reconcilliation	Technical Loss	Non-technical	Reconcilliation	Technical Loss	Non-technical
Used in the Registry		Loss Factor	Factor	Loss Factor	Loss Factor	Factor	Loss Factor
GLV	Flat loss factor applies to all ICP's except	1.1320	1.0925	1.0361	1.0000	1.0000	N/A
	Site-specific generation plant (i.e. GEN)						
	and ICC customers (i.e. INDs)						
IND1	ICP 0000984310TEBBE	1.0273	1.0273	N/A	1.0000	1.0000	N/A
	ICP 0000930130TE465	1.0273	1.0273	N/A	1.0000	1.0000	N/A
IND2	ICP 0000984000TE210	1.0464	1.0464	N/A	1.0000	1.0000	N/A
GEN1	ICP 000003490TE5AE	1.0000	1.0000	1.0000	1.0000	1.0000	N/A

Note that the allocation of losses is not a contracted line function service and TEL does not charge specific recoveries for losses.

7.2. Distributed Generation (Clause 2.4.5 (3))

Top Energy has not developed separate or additional prices or payments for consumers that own distributed generation (other than for negotiated avoided transmission costs for large scale generators who are able to demonstrate on an annual basis that they are assisting TEL avoid additional transmission costs).

It is considered that customers with distributed generation already benefit from reduced network variable distribution charges, to the extent that electricity generated on site reduces the amount of electricity delivered via the network, and thus the related variable charges. Conversely, the cost to Top Energy of servicing these customers is not reduced by the presence of the distributed generation, especially if the connection requires access to the network at times of peak demand.

While there are only a small number of distributed generation connections on the network, consideration of the pricing methodology will be undertaken as part of the pricing model review.

7.3. Capital Contributions (Clause 2.4.6)

TEL's methodology for determining capital contribution is publically disclosed on the website www.topenergy.co.nz

7.4. Posted Discount

TEL applies a posted discount to the Distribution Line charge as displayed in the Network Line Charges schedule in Appendix 3.

The methodology of applying the discount is based on consumption and is consistent with last year:

- The entitlement date which a connection to the network must exist will be 21 October 2014.
- Customers that consumed 1 or more kWh during the 12 month period ending 31 August 2014 will receive a discount on both the fixed and variable parts of their distribution tariffs.
- The discount applied to consumption will be applied up to the kWh discount cap as displayed in Appendix 3 by tariff. Additional consumption above this cap will not receive a discount.
- Vacant properties will be excluded.

8. Appendix 1 – Section 2.4 Compliance

IDD Clause	Disclosure Requirement	Pricing Methodology Reference
2.4.1	Every EDB must publicly disclose, before the start of each disclosure year, a pricing methodology which:	This Pricing Methodology will be published on our website prior to 1 April 2014.
2.4.1(1)	Describes the methodology, in accordance with clause 2.4.3 below, used to calculate the prices payable or to be payable;	See below for document references to compliance against clause 2.4.3.
2.4.1(2)	Describes any changes in prices and target revenues;	Prices have increased for all customers (apart from IND) by an average of 3%.
		Changes in target revenues are described in Section 4, pages 9-10.
2.4.1(3)	Explains, in accordance with clause 2.4.5 below, the approach taken with respect to pricing in non-standard contracts and distributed generation (if any);	See section 5.1.
2.4.1(4)	Explains whether, and if so how, the EDB has sought the views of consumers, including their expectations in terms of price and quality, and reflected those views in calculating the prices payable or to be payable. If the EDB has not sought the views of consumers, the reasons for not doing so must be disclosed.	The last material consultation was in 2009 and included an extensive public consultation exercise (see section 2.1). As part of the review discussed in section 2.4 and 2.5, consultation will be a key part should changes be made to methodologies and resulting tariff tables.

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2.4.2	Any change in the pricing methodology or adoption of a different pricing methodology, must be publicly disclosed at least 20 working days before prices determined in accordance with the change or the different pricing methodology take effect.	Any changes will be disclosed on 1 March 2014.
2.4.3	Every disclosure under clause 2.4.1 above must-	
2.4.3(1)	Include sufficient information and commentary to enable interested persons to understand how prices were set for each consumer group, including the assumptions and statistics used to determine prices for each consumer group;	Top Energy considers this document provides sufficient information on how prices have been set but the review currently under way will improve this disclosure.
2.4.3(2)	Demonstrate the extent to which the pricing methodology is consistent with the pricing principles and explain the reasons for any inconsistency between the pricing methodology and the pricing principles;	See Appendix 2 TEL considers that conceptually our pricing is consistent with the pricing principles but we also discuss how potential changes to our pricing methodology will align more closely with these principles (Section 2.4 and 2.5).
2.4.3(3)	State the target revenue expected to be collected for the disclosure year to which the pricing methodology applies;	See Section 4.
2.4.3(4)	Where applicable, identify the key components of target revenue required to cover the costs and return on investment associated with the EDB's provision of electricity lines services. Disclosure must include the numerical value of each of the components;	See Section 4.

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2.4.3(5)	State the consumer groups for whom prices have been set, and describe-	See Section 5.
	a) the rationale for grouping consumers in this way;	This is currently under review.
	 b) the method and the criteria used by the EDB to allocate consumers to each of the consumer groups; 	
2.4.3(6)	If prices have changed from prices disclosed for the immediately preceding disclosure year, explain the reasons for changes, and quantify the difference in respect of each of those reasons;	CPI type increases described in the document.
2.4.3(7)	Where applicable, describe the method used by the EDB to allocate the target revenue among consumer groups, including the numerical values of the target revenue allocated to each consumer group, and the rationale for allocating it in this way;	See tables in Section 6.
2.4.3(8)	State the proportion of target revenue (if applicable) that is collected through each price component as publicly disclosed under clause 2.4.18.	See table on page 16.
2.4.4	Every disclosure under clause 2.4.1 above must, if the EDB has a pricing strategy-	
2.4.4(1)	Explain the pricing strategy for the next 5 disclosure years (or as close to 5 years as the pricing strategy allows), including the current disclosure year for which prices are set;	Our pricing strategy is discussed in section 2.4 and 2.5 where we signal clearly that a review is in progress. Future strategy is subject to the outcomes of our review. We also discuss matters of pricing quantum in 2.2 and 2.3 relative to the theoretical allowable revenues under the D.P.P.
2.4.4(2)	Explain how and why prices for each consumer group are expected to change as a result	Review still in progress.
2.4.5	Every disclosure under clause 2.4.1 above must-	

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2.4.5(1)	Describe the approach to setting prices for non-standard contracts, including-	See Section 5.1
(a), (b), (c)	 a) the extent of non-standard contract use, including the number of ICPs represented by non-standard contracts and the value of target revenue expected to be collected from consumers subject to non-standard contracts; 	
	 b) how the EDB determines whether to use a non-standard contract, including any criteria used; 	
	c) any specific criteria or methodology used for determining prices for consumers subject to non-standard contracts and the extent to which these criteria or that methodology are consistent with the pricing principles;	
2.4.5(2)	Describe the EDB's obligations and responsibilities (if any) to consumers subject to non- standard contracts in the event that the supply of electricity lines services to the consumer is interrupted. This description must explain-	See Section 5.1
	 a) the extent of the differences in the relevant terms between standard contracts and non-standard contracts; 	
	 any implications of this approach for determining prices for consumers subject to non-standard contracts; 	
2.4.5(3)	Describe the EDB's approach to developing prices for electricity distribution services provided to consumers that own distributed generation, including any payments made by the EDB to the owner of any distributed generation, and including the-	See Section 7.2
	a) prices; and	
	b) value, structure and rationale for any payments to the owner of the distributed generation.	
2.9.1	Where an EDB is required to publicly disclose any information under clause 2.4.1, clause 2.6.1 and subclauses 2.6.3(4) and 2.6.5(3), the EDB must at that time publicly disclose a certificate in the form set out in Schedule 17 in respect of that information, duly signed by 2 directors of the EDB.	Completed and attached as Appendix 4

9. Appendix 2 – EA Pricing Guidelines

Pricing principles	TEL Position							
(a) Prices are to signal the economic costs of service provision by:								
(i) being subsidy free (equal to or greater than incremental costs, and less than or equal to standalone costs), except where subsidies arise from compliance with legislation and/or other regulation	TEL requires capital contributions for new connections and asset upgrades if the expected line charge revenue from the connection is less than the incremental capital cost to enable the connection to occur (i.e. an uneconomic connection).							
	TEL believes that subsidies do exist between customer groups and particularly between low and high use domestic users. This is due to the requirements of the Low Fixed charge regulations. This will be further quantified through the pricing review being undertaken.							
(ii) having regard, to the extent practicable, to the level of available service capacity	TEL's primary requirement is to provide service capacity. Therefore the usage of this capacity should be a key driver in setting prices. TEL recognises this to an extent in the customer groups and the tariff classifications which are provided under each group.							
	Industrial sites (IND) are charged for specific asset usage and therefore indirectly site capacity, and are allocated transmission charges based on their contribution to RCPD. Time of Use (ToU) customers are provided a tariff structure based on time of day, encouraging usage outside of peak periods. Mass market (MM) customers have the option of a day/night tariff.							
	TEL has been in a position where there was limited service capacity in key areas of its network. This was a key contributor to the extensive 10 year investment programme that commenced in 2009. The pricing review will assess the improved available capacity with the increased asset base to determine alternative and potentially more appropriate ways to provide signals to customers.							
(iii) signalling, to the extent practicable, the impact of additional usage on future investment costs	TEL provides some signals, IND customers will incur a higher asset charge if usage exceeds existing asset capacity and the capital contributions methodology recovers an element of future investment costs from any new demand in the ToU and MM groups.							
	TEL's pricing review will consider additional options to provide improved signalling on the implications that additional usage will have on future investment costs.							

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(b) Where prices based on 'efficient' incremental costs would under-recover allowed revenues, the shortfall should be made up by setting prices in a manner that has regard to consumers' demand responsiveness, to the extent practicable

(c) Provided that prices satisfy (a) above, prices should be responsive to the requirements and circumstances of stakeholders in order to:

(i) discourage uneconomic bypass

(ii) allow for negotiation to better reflect the economic value of services and enable stakeholders to make price/quality trade-offs or non-standard arrangements for services

(iii) where network economics warrant, and to the extent practicable, encourage investment in transmission and distribution alternatives and technology innovation

(d) Development of prices should be transparent, promote price stability and certainty for stakeholders, and changes to prices should have regard to the impact to stakeholders

This principle implies that a customer that does not want their supply interrupted may be willing to pay more for than a customer that is willing to have interruptions. TEL applies this in the MM customer group where a PC tariff is offered to those connections that are willing to allow TEL to have access to manage load control at peak times or when required.

Distributed Generation (small solar connections on houses) are a form of uneconomic bypass that is detrimental to TEL. In many cases these connections demand power at peak times, however, contribute very little at non-peak times.

One of the key questions that TEL asked consumers in 2009 is whether they would pay for improved service levels (TEL had a very low level of service quality at that time). The response supported the decision to embark on the 10 year investment programme and has resulted in a higher price with significant quality improvements.

The non standard contracts also provide a mechanism where a consumer requires a higher level of reliability. The cost of the specific assets is then recovered within the pricing.

Avoided transmission and avoided support charges may be payable to embedded generators of greater than 1MW output. TEL will consider alternative pricing scenarios for small scale distributed generation as part of the pricing review.

TEL's pricing structure has not changed for many years which have provided a stable pricing framework. The rebalancing of revenue from customer groups has been completed in a progressive manner over a period of 5 years. TEL carefully considers price changes to consumers and has limited the CPI + 10% allowance from the Commerce Commission for 2013/14 and 2014/15 to within a long run CPI range over this period.

If our current pricing review identifies changes to pricing structures, we will consider the need to carefully transition consumers over time to avoid any material price shocks. These changes will also be part of a consultation process to promote transparency. (e) Development of prices should have regard to the impact of transaction costs on retailers, consumers and other stakeholders and should be economically equivalent across retailers

TEL applies the same tariff structure to all retailers supplying consumers on the TEL network. The ToU structure is typical of electricity retailers pricing structures. Transmission and distribution charges are bundled for all consumers except large industrials.

10. Appendix 3 - Network Line Charges 2014 – 2015

DISCLOSURE OF ELECTRIC LINE CHARGES

DISCLOSURE OF ELECTRIC LINE CHARGES Effective from 1st April 2014 All prices exclude GST Top Energy is required by law to disclose details of line charges. 1. Standard tariff charges comprise a fixed network charge and a variable charge based on units distributed. 2. Each ICP is liable for 1 daily fixed network charge 3. The standard 15c per day fixed charge provides for 20kVA maximum demand 4. Budgeted pass-through and recoverable charges, including transmission, comprise approximately 23.5% of the line charges. 5. Unmetered supply tariffs are wholly fixed. 6. Industrial tariffs for large consumers are customer specific and are wholly fixed.

						Rate Eff	fective from 1 Ap	pril 2014		Rate Effective from		Effective from 1 A	April 2013	
Tariff / Price Category Code	Price Category Description	Number of ICPs	Tariff Code	Charge Type	Transmission Charge	Distribution Charge pre- Discount	Total Line Charge pre- Discount	Distribution Discount - See Discount	kWh Discount Cap - See Discount	Transmission Charge	Distribution Charge pre- Discount	Total Line Charge pre- Discount	Distribution Discount - See Discount Notes	kWh Discount Cap - See Discount Notes
UC	Total charges for this plan include a fixed rate for each day connected (UCF) and a variable rate (UCV) for KWh consumption	7162	UCF	\$/Day	0.013	0.137	0.150	- 0.135	Notes	0.013	0.137	0.150	- 0.135	
			UCV	cents/kWh	4.450	17.491	21,941	- 11.000	1,130	3.966	16,752	20.718	- 11.000	1,130
UCFC	This plan is for 2 or more meters. Total charges for this plan include the UC tariff and a variable rate (FCV) for kWh consumption through at least 1 meter on EC load. Any remaining meters must be on UC or EC load.	375	UCFCF	\$/Day	0.013	0.137	0.150	- 0.135	.,	0.013	0.137	0.150	- 0.135	.,
	on o load. Any remaining meters must be on oo on o load.		UCV	cents/kWh	4.450	17.491	21.941	- 11.000	1,130	3.966	16.752	20.718	- 11.000	1,130
			FCV	cents/kWh	1.435	4.646	6.081	-	0	1.279	4.450	5.729	-	0
UCPC	This plan is for 2 or more meters. Total charges for this plan include the UC tariff and a variable rate (PCV) for KWh consumption through at least 1 meter on PC load. Any remaining meters must be on UC or PC load.	367	UCPCF	\$/Day	0.013	0.137	0.150	- 0.135		0.013	0.137	0.150	- 0.135	
			UCV	cents/kWh	4.450	17.491	21.941	- 11.000	1,130	3.966	16.752	20.718	- 11.000	1,130
	This plan is for 3 or more maters. Total charges for this plan include the		PCV	cents/kWh	3.157	11.616	14.773	- 11.000		2.814	11.125	13.939	- 11.000	
UCPCFC	UCPC tariff and a variable rate (FCV) for kWh consumption through at least 1 meter on FC load. Any remaining meters must be on UC, PC or FC load.	49	UCPCFCF	\$/Day	0.013	0.137	0.150	- 0.135		0.013	0.137	0.150	- 0.135	
			UCV	cents/kWh	4.450	17.491	21.941	- 11.000	1,130	3.966	16.752	20.718	- 11.000	1,130
			FCV	cents/kWh	1.435	4,646	6.081	- 11.000	0	1.279	4.450	5,729	- 11000	0
	Total charges for this plan include a fixed rate for each day connected (PCF)													-
PC	and a variable rate (PCV) for kWh consumption.	20466	PCF	\$/Day	0.013	0.137	0.150	- 0.135		0.013	0.137	0.150	- 0.135	
			PCV	cents/kWh	3.157	11.616	14.773	- 11.000	1,130	2.814	11.125	13.939	- 11.000	1,130
PCFC	This plan is for 2 or more meters. Total charges for this plan include the PC tariff and a variable rate (FCV) for kWh consumption through at least 1 meter	728	PCFCF	\$/Day	0.013	0.137	0.150	- 0.135		0.013	0.137	0.150	- 0.135	
	on FC load. Any remaining meters must be on FC or FC load.		PCV	cents/kWh	3.157	11.616	14.773	- 11.000	1,130	2.814	11.125	13.939	- 11.000	1,130
			FCV	cents/kWh	1.435	4.646	6.081		0	1.279	4.450	5,729		0
	The day rate (DAYV) applies from 7 am to 11 pm and the night rate (NGTV)								-					
DAYNGT	from 11 pm to 7 am. Total charges for this plan include a fixed rate for each dav connected (DAYF), a variable rate for kWh consumption durino the dav	902	DAYF	\$/Day	0.013	0.137	0.150	- 0.135		0.013	0.137	0.150	- 0.135	
			DAYV	cents/kWh	3.301	12.982	16.283	- 11.000	1,130	2.942	12.434	15.376	- 11.000	1,130
			NGTV	cents/kWh	0.718	1.913	2.631		0	0.640	1.832	2.472	-	0
CAP150	This plan is for customers on CT Metering, with a capacity of greater than 100 Amps per phase. Total charges for this plan include a fixed rate for each day connected (CAP150F) and a variable rate (CAP150V) for kWh consumption on	114	CAP150F	\$/Day	1.330	6.458	7.788	- 0.550		1.267	6.185	7.452	- 0.550	
	all loads.		CAP150V	cents/kWh	2.955	8.029	10.984	- 0.300	1,092,500	2.814	7.690	10.504	- 0.300	1,092,500
CAP150FC	This plan is for 2 or more meters. The total charges for this plan include the CAP150 tariff and a variable rate (FCV) for kWh consumption through at least 1 meter on FC load. Any remaining meters must be on CAP150 or FC load.	7	CAP150FCF	\$/Day	1.330	6.315	7.645	- 0.550		1.267	6.110	7.377	- 0.550	
			CAP150V	cents/kWh	2.955	8.029	10.984	- 0.300	1,092,500	2.814	7.690	10.504	- 0.300	1,092,500
			FCV	cents/kWh	1.435	4.646	6.081	-	0	1.279	4.450	5.729	-	0
SPECIAL	This plan is for existing ICPs Only - no new ICPs allowed.	77	SPECIALF	\$/Day	0.013	0.137	0.150	- 0.135		0.013	0.137	0.150	- 0.135	
			VARIABLE	cents/kWh	As per ICP's metering	-	-	As per ICP config	's metering uration	As per ICP's metering	-		As per ICP' configu	s metering Iration
ToU Time of Use	The default tariff for all customers with an annual consumption exceeding	62			configuration			-		configuration			-	
	200,000 kWh but less than 3,000,000 kWh. Total charges for this plan includes a fixed tariff for each day connected (TOUF), and a variable tariff for kWh consumption (TOUV).		TOUF	\$/Day	4.029	18.391	22.420	- 0.550		3.837	17.794	21.631	- 0.550	
ToU1V ToU2V	00:00 - 04:00 04:00 - 08:00		TOUV1	cents/kWh	0.107	0.155	0.262	-	0	0.102	0.150	0.252	-	0
ToU2V	00:00 - 10:00		TOUV2	cents/kWh	0.161	0.254	0.415	-	0	0.153	0.246	0.399	-	0
ToU4V	12:00 - 16:00		TOUV3	cents/kWh	3.492	5.5/4 6.591	9.066	- 0.300		3.326	5.393 6.377	8./19	- 0.300	-
ToU5V	16:00 - 20:00		TOUV5	cents/kWh	5.950	9.499	15.449	- 0.300	1,092,500	5.667	9.191	14.858	- 0.300	1,092,500
ToU6V	20:00 - 00:00		TOUV6	cents/kWh	1.974	3.085	5.059	- 0.300		1.880	2.985	4.865	- 0.300	
IND1	Individual fixed annual contracts for Industrial Customer 1.	2	IND1	\$/Day	3,092.10	917.73	4,009.84	- 19.06	0	2,917.63	976.35	3,893.98	- 19.06	0
IND2	Individual fixed annual contracts for Industrial Customer 2.	1	IND2	\$/Day	441.26	344.07	785.33	- 19.06	0	404.73	291.06	695.79	- 19.06	0
UMLSH	Unmetered suppy consisting of Pedestrian Crossing, Streetlights, Bollards, Unmetered Lights with 1 lamp.	7	UMLSH	\$/Day	-	0.380	0.380	-	0	-	0.380	0.380	-	0
UMLDH	Unmetered supply consisting of 1 pole with 2 lamps.	5	UMLDH	\$/Day		0.760	0.760	-	0	-	0.760	0.760	-	0
UMLTH	Unmetered supply consisting of 1 pole with 3 lamps.	1	UMLTH	\$/Day	-	1.139	1.139	-	0	-	1.139	1.139	-	0
UMLSHLPMC	Unmetered supply consisting of 1 lamp mounted on a Top Energy Pole eg Pedestrian Crossing, Streetlights, Bollards.	5	UMLSHLPMC	\$/Day	-	0.468	0.468	-	0	-	0.468	0.468	-	0
UMLDHPMC	Unmetered supply consisting of 2 lamps mounted on a Top Energy Pole.		UMLDHPMC	\$/Day		0.848	0.848		0	-	0.848	0.848	-	0
UMLTHLPMC	Unmetered supply consisting of 3 lamps mounted on a Top Energy Pole.		UMLTHLPMC	\$/Day	-	1.228	1.228	-	0	-	1.228	1.228	-	0
UMDECL	Unmetered supply consisting of String lighting of Incandescent light bulbs.	2	UMDECL	\$/Day		0.380	0.380		0	-	0.380	0.380	-	0
UMGL	Unmetered supply consisting of Community Lighting, Convenience Lighting, Jetty Lights, Under Verandah Lighting.	4	UMGL	\$/Day		0.127	0.127	-	0	-	0.127	0.127	-	0
UMGLLPMC	Unmetered supply consisting of Community Lighting, Convenience Lighting,		UMGLLPMC	\$/Day		0.215	0.215		0	-	0.215	0.215	-	0
	Unmetered entry Lights mounted on a rop energy pole. Unmetered entry supply less than 500 watts eg Battery Chargers, Elactric Fences Irrigation PCM Cabinate Phone Booths Bartin Benesters TV	183		\$/Day		0.367	0 367		0		0.367	0.367		0
	Boosters. The Double, read repeated, re- Boosters. Unmetered intermittent supply consisting of Fire Sirens, Railway Crossing		UNINT	¢/Day		0.307	0.307			-	0.007	0.307	-	
	Lights, Traffic Counters.	0	UMINT	\$/Day	-	0.203	0.203	-	0	-	0.203	0.203	-	U
Excluding Planne	a and unpranneu ourages, energy supply for the load connected to at least one i day without restriction excluding any partially controllable (PC) or fully controllabl	e load (FC) offered	i is expected to o i to Top Energy.	ucur 24 nrs each										
1. FC: Top Energy of	i an control the Fully Controllable Load for up to 4 hrs per day and the load offered	i must be at least 1	10 KW											
2. PC: Top Energy	can control the Partially Controllable Load for up to 6 hrs per day and the load off	ered must be at lea	ast 3 kW (e.g. a h	ot water cylinder).										
3. DAYNGT: To qua	lify for this plan customers must offer at least 3 kW of load controllable by Top Er	nergy for up to 6 hrs	s per day.											
4. From 1 April 201 out in this table	2 electricity retailers will include in their invoices Top Energy line charges based	I on the "Total Line	Charge pre-Dis	count" rates as set										
Discount Notes														
1 Discounts will a														
1. Discounts with	only be provided to consumers that are connected on 21 October 2014 and that h	ave used more that	an 1 kWh during	the 12 month perio	d ending 31 Aug	ust 2014.								
2. The Tariff Cate	only be provided to consumers that are connected on 21 October 2014 and that h gory Code used at 31 August 2014 by an ICP will be used to determine the disco	ave used more tha unt.	an 1 kWh during	the 12 month perio	od ending 31 Aug	ust 2014.								
2. The Tariff Cate 3. Variable distrib	nly be provided to consumers that are connected on 21 October 2014 and that h gory Code used at 31 August 2014 by an ICP will be used to determine the disco ution discounts will be applied to consumption up to the kWh Discount Cap, as c	ave used more tha unt. putlined in the sche	an 1 kWh during dule above. Add	the 12 month perio	od ending 31 Aug n above this cap	ust 2014. will not receive a	discount.							

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11. Appendix 4 – Certification for Year Beginning Disclosures



Certification for Year-beginning Disclosures

Pursuant to Schedule 17

Clause 2.9.1 of section 2.9

Electricity Distribution Information Disclosure Determination 2012

We, Paul Anthony Byrnes and Andrew Martin Kelleher, being directors of Top Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge –

- a) The following attached information of Top Energy Limited prepared for the purposes of clause 2.4.1 of the Electricity Distribution Information Disclosure Determination 2012 in all material respects complies with that determination.
- b) The prospective financial or non-financial information included in the attached information has been measured on a basis consistent with regulatory requirements or recognised industry standards.

P A Byrne

A M Kelleher

25 March 2014