DEFAULT PRICE QUALITY PATH COMPLIANCE STATEMENT

FOR THE ASSESSMENT DATE 31 MARCH 2016

Pursuant to the Electricity Distribution Services Default Price-Quality Path Determination 2015

31 May 2016

Contents

Supporting Information (Clause 11.4 and 11.5)

1) Compliance with the Price Path (Clause 11.2(a))

Top Energy Limited does comply with the price path in clause 8 at the assessment date 31 March 2016, as specified in the Electricity Distribution Default Price-Quality Path Determination 2015.

Clause 8.3 - The notional revenue (NR) of a Non-exempt EDB at any time during the Assessment Period must not exceed the allowable notional revenue (ANR) for the Assessment Period.

Compliance is demonstrated in the following tables. The first table demonstrates that notional revenue derived using posted prices at the end of the Assessment Period is less than allowable notional revenue. The maximum notional revenue during the Assessment Period does not exceed allowable notional revenue as there was no price change, illustrating that at no time during the Assessment Period is the price path breached.

Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2015

Commerce Act (Electricity Distribution Default Price-Quality Path) for the Assessment Date 31 March 2016

Clause 8.3

Test:	NR_{2016}	≤	ANR_{2016}

NR_{2016}:	$	34,473,866
ANR_{2016}:	$	34,479,251
Result:		0.9998 <= 1
Result:	Price Path has not been breached	

Supporting evidence is presented in Appendices A, B and C.

2) Compliance with the Quality Standards (Clause 11.2(a))

Top Energy Ltd complied with the requirements of the quality standards in clause 9 at the assessment date, 31 March 2016, as specified in the Electricity Distribution Default Price-Quality Path Determination 2015.

Clause 9.1: A Non-exempt EDB must, in respect of each Assessment Period, either:

(a) Comply with the annual reliability assessment specified in clause 9.2 for that Assessment Period; or

(b) Have complied with the annual reliability assessment in each of the two preceding Assessment Periods.

Clause 9.2: For the purpose of sub-clause 9.1(a), to comply with the annual reliability assessment:

(a) a Non-exempt EDB's SAIDI Assessed Value for the Assessment Period must not exceed the SAIDI Limit specified in Schedule 4A; and

(b) a Non-exempt EDB's SAIFI Assessed Value for the Assessment Period must not exceed the SAIFI Limit specified in Schedule 4A.

Compliance is demonstrated in the following tables:

Test: $\frac{SAIDI_{Assess\ 2016}}{SAIDI_{Limit}} \leq 1$

$SAIDI_{Assess\ 2016}$	461.799
$SAIDI_{Limit}$	516.675
Test:	0.8938 < 1
Result:	SAIDI Limit has not been breached

Test: $\frac{SAIFI_{Assess\ 2016}}{SAIFI_{Limit}} \leq 1$

$SAIFI_{Assess\ 2016}$	5.639
$SAIFI_{Limit}$	6.248
Test:	0.9025 < 1
Result:	SAIFI Limit has not been breached

Supporting evidence is presented in Appendices E and F.

3) Compliance with the Price and Quality Path (Clause 11.2(d))

(i) Top Energy have not undertaken a restructure of prices during the assessment period.

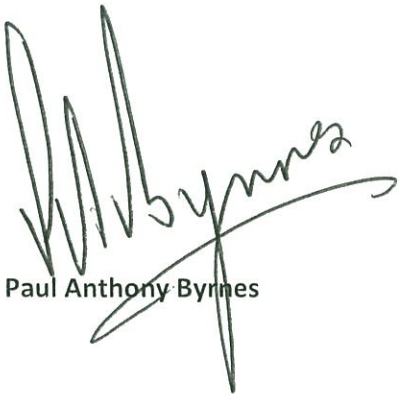
(ii) Top Energy have not received a transfer of Transmission Assets from Transpower that become System Fixed Assets or transferred system fixed assets to Transpower in the current or preceding assessment period.

(iii) Top Energy have not engaged in any Amalgamations or Mergers in the assessment period.

(iv) Top Energy have not conducted any major transactions in the assessment period.

4) Director Certification (Clause 11.3)

We, Paul Anthony Byrnes and Gregory Mark Steed, being directors of Top Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Annual Compliance Statement of Top Energy Limited, and related information, prepared for the purposes of the Electricity Distribution Default Price-Quality Path Determination 2015 are true and accurate.



Paul Anthony Byrnes

Gregory Mark Steed

Date: 31 May 2016

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INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF TOP ENERGY LIMITED AND TO THE COMMERCE COMMISSION

The Auditor-General is the auditor of Top Energy Limited (the company). The Auditor-General has appointed me, Andrew Burgess, using the staff and resources of Deloitte, to provide an opinion, on her behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2016 on pages 2 to 4 and 7 to 17 has been prepared, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2015 (the Determination).

Directors' responsibilities for the Annual Compliance Statement

The directors of the company 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.

Our responsibility for the Annual Compliance Statement

Our responsibility is to express an opinion on whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination.

Basis of opinion

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

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

We have performed procedures to obtain evidence about the amounts and disclosures in the Annual Compliance Statement. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Annual Compliance Statement, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, we considered internal control relevant to the company's preparation of the Annual Compliance Statement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

In assessing the disclosures about compliance with the price path in clause 8 of the Determination for the assessment period ended on 31 March 2016, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 2, 4 and 7 to 11 of the Annual Compliance Statement.

In assessing the disclosures about compliance with the quality standards in clause 9 of the Determination for the assessment period ended on 31 March 2016, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 3, 4 and 12 to 17 of the Annual Compliance Statement.

Our assurance engagement also included assessment of the significant estimates and judgements, if any, made by the company in the preparation of the Annual Compliance Statement.

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

Use of this report

This independent assurance report solely for the directors of the company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether

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the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

Because of the inherent limitations of a reasonable assurance engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

We did not examine every transaction, adjustment or event underlying the Annual Compliance Statement nor do we guarantee complete accuracy of the Annual Compliance Statement. Also we did not evaluate the security and controls over the electronic publication of the Annual Compliance Statement.

The opinion expressed in this independent assurance report has been formed on the above basis.

Independence and quality control

When carrying out the engagement, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

We also complied with the independent auditor requirements specified in the Determination.

The Auditor-General, and her employees, and Deloitte and its partners and employees may deal with the company and its subsidiaries on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of business, this engagement and the annual audit of the company's financial statements, we have no relationship with or interests in the company and its subsidiaries.

Opinion

In our opinion:

- As far as appears from an examination, the information used in the preparation of the Annual Compliance statement has been properly extracted from the company's accounting and other records, and has been sourced, where appropriate, from its financial and non-financial systems; and
- The Annual Compliance Statement of company for the year ended on 31 March 2016, has been prepared, in all material respects, in accordance with the Determination.

In forming our opinion, we have obtained sufficient recorded evidence and all the information and explanations we have required.

Andrew Burgess
Deloitte
On behalf of the Auditor-General
Auckland, New Zealand
31 May 2016

Appendix A – Price Path Compliance Calculations (Clause 11.4)

Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2015

Price Path Inputs and Calculations for the Assessment Date 31 March 2016

Clause 8.5

Notional Revenue for the year ending March 2016		
Term	Description	Value $
$DP_{2016}*Q_{2014}$	Prices at 31 March 2016 multiplied by 31 March 2014 Base Quantities	34,473,866
NR_{2016}	Notional Revenue for the year ending 31 March 2016	34,473,866

Clause 8.4

Allowable Notional Revenue 2016		
Term	Description	Value $
MAR_{2016}	Allowable notional revenue for the first Assessment Period	34,231,000
D	Change in constant price revenue from Schedule 1	0.9928
$(1 + CPI_{2016})$	Average change in Consumer Price Index	-
$1-X$	*Annual rate of Change*	1.00
ANR_{2016}	Allowable Notional Revenue under for the year ending 31 March 2016	34,479,251

Appendix B – Price and Quantity Schedules (Clause 11.3(a))

NB: The maximum NR (2016) prices and quantities are the same as NR (2016)

$SP_{i,2016} \cdot Q_{i,t-2}$ Prices at 31 March 2016 multiplied by 31 March 2014

Tariff or Fee		Description	Distribution Number of ICPs at 31/03/14	Distribution kWh or kw or kvarh for 31/03/14	Other Qty for 31/03/14	Line Tariff 1.4.2015 to 31.3.2016 year				Notional Distribution Revenue ($)		Notional Other Revenue ($)	Notional Other Revenue ($)	Total Revenue ($)
						$/Day Distribution	Total	Variable (c/kwh) Distribution	Variable (c/kwh) Total	Fixed	Variable	Fixed	Variable	$\Sigma P_{i,2016} Q_{i,2014}$
Non Time of Use														
UC		Uncontrolled	7,228	62,322,696		0.137	0.137	17.570	**17.570**	361,436	10,950,096	-		11,311,534
														-
UCFC			359			0.137	0.137			17,952				17,952
	UC	Uncontrolled												-
	FC	Fully Controlled												-
														-
UCPC			371			0.137	0.137			18,552				18,552
	UC	Uncontrolled												-
	PC	Partly Controlled												-
														-
UCPCFC			45			0.137	0.137			2,250				2,250
	UC	Uncontrolled												-
	PC	Partly Controlled												-
	FC	Fully Controlled												-
														-
PC		Partly Controlled	20532	128,857,576		0.137	0.137	12.077	**12.077**	1,026,703	15,562,129	-		16,588,832
														-
PCFC			709			0.137	0.137			35,454				35,454
	PC	Partly Controlled												-
	FC	Fully Controlled												-
														-
FC				5,319,503				4.830	**4.830**	-	256,932	-		256,932
DAYNIGHT			909			0.137	0.137			45,455				45,455
	Day	Partly Controlled Day		11,022,746				13.498	**13.498**	-	1,487,850	-		1,487,850
	NGT	Night		4,976,722				1.969	**1.969**	-	98,967	-		98,967
														-
CAP150		Capacity	126	14,544,697		6.716	6.716	6.348	**6.348**	308,869	1,214,191	-		1,523,060
														-
CAP150FC			8			6.716	6.716			19,611		-		19,611
	CAP150	Capacity						6.348	**6.348**		-			-
	FC	Fully Controlled												-
SPECIAL			73			0.137	0.137			3,650				3,650
	UC	Uncontrolled												-
	PC	Partly Controlled												-
Time of Use			60			19.127	19.127			418,881	-	-		418,881
23:00 - 07:00				8,240,075				0.167	**0.167**	-	13,793	-		13,793
07:00 - 07:30				787,400				5.691	**5.691**	-	44,814	-		44,814
07:30 - 09:30				3,655,409				8.370	**8.370**	-	305,946	-		305,946
09:30 - 17:30				14,143,080				5.691	**5.691**	-	804,936	-		804,936
17:30 - 20:00				3,634,263				8.370	**8.370**	-	304,176	-		304,176
20:00 - 23:00				3,749,550				5.691	**5.691**	-	213,401	-		213,401
Industrial														
0000984310TEBBE			1			921.4900	921.4900			336,344	-	-		336,344
0000964000OTE210			1			407.9900	407.9900			148,916	-	-		148,916
Non standard	LDG		1			175.6164		-	-	64,100	-	-		64,100
Street Lights														
UMCON500					19	0.3720	0.3720			-	-	2,580		2,580
UMDECL					36	0.3850	0.3850			-	-	5,059		5,059
UMGL					75	0.1290	0.1290			-	-	3,531		3,531
UMINT					5	0.2060	0.2060			-	-	376		376
UMLDH					61	0.7710	0.7710			-	-	17,166		17,166
UMLSH					2,003	0.3850	0.3850			-	-	281,472		281,472
UMLSHLPMC					557	0.4750	0.4750			-	-	96,570		96,570
UMLTH					4	1.1550	1.1550			-	-	1,686		1,686
$\Sigma P_{i,2016} Q_{i,t-2}$			30,423	261,253,719	2,760					2,808,173	31,257,253	408,440	-	34,473,866

$SP_{L2016} Q_{2016\ Actual}$ Prices at 31 March 2016 multiplied by 31 March 2016 Base Actual Quantities

Tariff or Fee		Description	Actual Number of ICPs at 31/03/16	Actual kWh or kw or kvarh for 31/03/16	Line Tariff 1.4.2015 to 31.3.2016 year					Notional Transmission Revenue ($)	Notional Transmission Revenue ($)	Total Revenue ($)
					Fixed			Variable (c/kwh)	Variable (c/kwh)	Fixed	Variable	
					$/Day Transmission	Total	c/kVA/day	Transmission	Total			$\Sigma P_{L2016} Q_{i\,2016}$
Non Time of Use												
UC		Uncontrolled	7,549	63,586,368	0.013	0.013		5.386	5.386	35,820	3,424,762	3,460,582
UCFC			343		0.013	0.013				1,628		1,628
	UC	Uncontrolled										-
	FC	Fully Controlled										-
UCPC			377		0.013	0.013				1,789		1,789
	UC	Uncontrolled										-
	PC	Partly Controlled										-
UCPCFC			42		0.013	0.013				199		199
	UC	Uncontrolled										-
	PC	Partly Controlled										-
	FC	Fully Controlled										-
PC		Partly Controlled	20755	127,404,744	0.013	0.013		3.821	3.821	98,482	4,868,135	4,966,617
PCFC			689		0.013	0.013				3,269		3,269
	PC	Partly Controlled										-
	FC	Fully Controlled										-
FC				5,407,632				1.737	1.737	-	93,931	93,931
DAYNIGHT			916		0.013	0.013				4,346		4,346
	DAY	Partly Controlled Day		11,013,617				3.995	3.995	-	439,994	439,994
	NGT	Night		5,006,125				0.869	0.869	-	43,503	43,503
CAP150		Capacity	123	14,622,553	1.610	1.610		3.576	3.576	72,261	522,902	595,163
CAP150FC			8		1.610	1.610				4,701		4,701
	CAP150	Capacity		-				3.576	3.576		-	-
	FC	Fully Controlled										-
CAPTOU	CAPTOUF		3		1.610	1.610				1,763	-	1,763
23:00 - 07:00	CAP1			53,611				0.109	0.109	-	58	58
07:00 - 07:30	CAP2			5,337				3.703	3.703	-	198	198
07:30 - 09:30	CAP3			18,534				5.446	5.446	-	1,009	1,009
09:30 - 17:30	CAP4			57,900				3.703	3.703	-	2,144	2,144
17:30 - 20:00	CAP5			18,148				5.446	5.446	-	988	988
20:00 - 23:00	CAP6			23,243				3.703	3.703	-	861	861
												-
SPECIAL			71		0.013	0.013				337		337
	UC	Uncontrolled										-
	PC	Partly Controlled										-
	DG	Micro Generation Inflow	0	539,725	-	-		-	-	-	-	-
Time of Use			66		4.876	4.876				117,463	-	117,463
23:00 - 07:00				6,667,242				0.122	0.122	-	10,885	10,885
07:00 - 07:30				2,178,644				4.164	4.164	-	90,725	90,725
07:30 - 09:30				3,846,972				6.124	6.124	-	235,587	235,587
09:30 - 17:30				13,703,663				4.164	4.164	-	570,662	570,662
17:30 - 20:00				3,531,447				6.124	6.124	-	216,265	216,265
20:00 - 23:00				3,942,731				4.164	4.164	-	164,187	164,187
Industrial												
0000984310TEBBE			2		2,664.4800	2,664.4800				1,045,535	-	1,045,535
othef icp												-
0000964000OTE210			1		586.4700	586.4700				214,062	-	214,062
$\Sigma P_{L2016} Q_{L2016}$			30,945	263,848,236						1,601,675	10,686,797	12,288,472

Clause 11.4(e): The pricing methodology used to calculate distribution prices and pass-through prices is in accordance with the Pricing Methodology Disclosure 2015-2016 which is publically available on the Top Energy Website ; Network/Disclosures

Appendix C – Pass Through and Recoverable Costs (Clause 11.3(b) (c))

Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2015
Pass Through and Recoverable Costs
for the Assessment Date 31 March 2016

Pass Through and Recoverable Costs for year ending March 2016				
V 2016	2016	Forecast 2016	Variance ($)	Variance (%)
Transpower	5,077,526	5,077,526	-	-
Avoided Transmission Ngawha	2,728,032	2,728,037	(5)	(.)%
Avoided Transmission Transpower	2,018,208	2,018,208	-	-
Energy Efficiency Incentive	-	-	-	-
Quality Incentive Adjustment	-	-	-	-
Clawback	1,554,000	1,554,000	-	-
NPV Washup Allowance	578,000	578,000	-	-
Opex Incentive	-	-	-	-
Capex Incentive	-	-	-	-
IRIS (Balance from previous years difference)	-	-	-	-
PTBt Balance Transmission from Previous year	-	-	-	-
Total V	11,955,766	11,955,771	(5)	(.)%
K 2016	Actual ($)	Actual ($)	Variance ($)	Variance (%)
Rates	31,268	29,597	1,671	5.34%
Electricity Authority Levies	72,312	73,738	(1,426)	(1.97)%
Electricity and Gas Complaints	17,867	-	17,867	100.%
Commerce Act Levies	74,284	93,553	(19,269)	(25.94)%
Total K	195,731	196,888	(1,157)	(.59)%
Total Pass Through and Recoverable Costs	**12,151,497**	**12,152,659**	**(1,162)**	(.01)%

Note: Top Energy Limited had system fixed assets transferred from Transpower on 1 April 2012. The Avoided Transmission Transpower charge in the above table is consistent with clause 3.3.3(1)(b) of the IM Determination as required by clause 11.3(d).

Variances	Description
Rates	$1.6K : New substation
Electricity Authority Levies	$1.4K : Actuals lower than anticipated.
Electricity and Gas Complaints	$ 17.9K : A recoverable cost now included
Commerce Act Levies	$19.3K : Actuals lower than anticipated.

Commerce Act (Electricity Distribution
Default Price-Quality Path)
Pass Through Balance
for the Assessment Date 31 March 2016

Pass Through and Recoverable Costs for year ending March 2016	
V 2016	2016
$PTBi_{2016}\ Qi_{2016}$	12,288,473
Actual K_{2016}	195,731
Actual V_{2016}	11,955,766
$PTBt_{2015}$	-
Total K+V (passthrough)	12,151,497
PTB_{2017}	(136,976)

Appendix E – Quality Standard Compliance Calculations

Quality Standards for Top Energy Limited (Schedule 4A):

Assessment Period Limits

SAIDI	SAIFI
516.675	6.248

Class C Unplanned Outage Boundary Values

SAIDI	SAIFI
29.364	0.347

Quality Incentive Measures for Top Energy Limited (Schedule 5B):

Indices	Target	Collar	Cap
SAIDI	435.4607	354.2460	516.6753
SAIFI	5.4359	4.6240	6.2478

Event Days exceeding Boundary Values

Any Daily Value for Class C Interruptions greater than the Unplanned Boundary Value equals the Unplanned Boundary Value:

Date	SAIDI_C	SAIFI_C	SAIDI_C_NORM	SAIFI_C_NORM	CAUSE
18/04/2015	35.140	0.300	29.364	0.300	KOE 33kV CB3612 trip - broken 33kV disc
22/11/2015	65.592	0.656	29.364	0.347	KOE 33kV bus trip - protection failure
23/03/2016	41.564	0.342	29.364	0.342	Storm - wind, rain, lightning

Assessed SAIDI Value

$SAIDI_{2016}$	461.799

The sum of daily SAIDI Values in the Normalised Assessment Dataset

$$SAIDI_{assess} = (0.5 \times SAIDI_B) + SAIDI_C$$

$SAIDI_B$ is the sum of the daily SAIDI Values for Class B Interruptions
$SAIDI_C$ is the sum of the daily SAIDI Values for Class C Interruptions

Assessed SAIFI Value

$SAIFI_{2016}$	5.639

The sum of daily SAIFI Values in the Normalised Assessment Dataset

$$SAIFI_{assess} = (0.5 \times SAIFI_B) + SAIFI_C$$

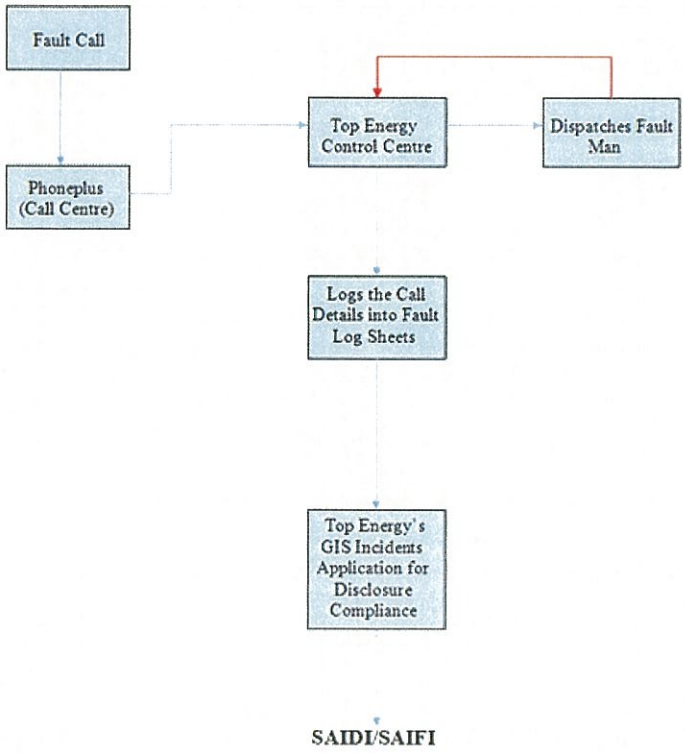
$SAIFI_B$ is the sum of the daily SAIFI Values for Class B Interruptions
$SAIFI_C$ is the sum of the daily SAIFI Values for Class C Interruptions

Annual Reliability Assessments

FYE	SAIDI	SAIFI
2014	464.909	5.486
2015	599.923	6.349
2016	461.799	5.639

Appendix F – Policies and Procedures for Recording SAIDI and SAIFI

Top Energy Limited records data for network performance from its network Control Centre. The following flow diagram outlines the process that manages the recording and production of quality performance statistics.



Top Energy Faults Management Process

1. PLANNED OUTAGES

Planned outages are maintained by the Control Centre. They;

1. schedule the work with the Field Staff,
2. conduct and coordinate the switching on the network. These details are recorded by action, date and time on 'Switching Procedure Sheet' following a predetermined switching plan.

2. UNPLANNED OUTAGES

Unplanned outages are initiated either by a fault call received by our Call Centre (Phone Plus) or by receiving a direct protection equipment alarm generated directly out of the SCADA system. A call detail record is entered into the Call Centre's call management system (CMS), this is completed by the Call Centre operators who identify key information about the interruption, such as: time, fault description, name and contact details of the caller.

Subsequently the Control Centre Operator will dispatch a Fault Man directly or via the contractor's Faults Coordinator, log the fault, and enter the relevant details in the log. As part of managing the restoration of supply, the Control Centre Operator records the devices that are operated and the times they are operated on the 'Switching Procedure Sheet'. All HV and EHV faults are additionally recorded electronically via the SCADA system which provides an accurate record of the operation, time and date factors of the outage.

The data generated by the SCADA alarm only records faults on a feeder and the time that the circuit tripped. The event logs are not a complete switching record, as they do not provide evidence of the time that consumers down the feeder were restored.

The reason that no automatic record is created in SCADA for minor faults is that the alarms are placed on the first circuit breaker or reclosers on the feeder. The circuit breakers are designed so they do not trip needlessly with every small fault further down the feeder, meaning that there will only be alarms created for events exceeding momentary supply interruptions.

Therefore, the sources of recorded information from individual events are from three sources;

(a) Call detail sheet from the call management system (CMS) which is logged by the Call Centre
(b) Switching procedure sheets
(c) Computer generated records from the SCADA System.

Once the outage is completed and all power is restored, the information gathered from the call detail sheet, switching procedure sheet, SCADA records and any other relevant information to form a network performance pack.

3. NETWORK PERFORMANCE PACK

The network performance pack is assembled to provide verified event data, to ensure accurate data entry into the GIS Incident Application. The time the customers are without power, number of customers affected is calculated by the GIS Incidents application. The control centre operators also allocate each fault a cause code so that they can be categorised for disclosure purposes.

4. GIS INCIDENT APPLICATION

Top Energy Limited has been using its fully upgraded GIS Incident Application since 1 April 2009. Top Energy Limited is recording network interruptions and generating the Network Performance Indexes, such as SAIDI and SAIFI, using this GIS Incident program. On a monthly basis, the database is reviewed for reasonableness by the Control Centre Manager. After the data is reviewed, network quality graphs and a summary monthly report of reliability statistics form part of the General Manager Network's report to the Board of Directors. On a six monthly basis, the statistics are summarised and reported as part of the Company's Financial Report, with comparison against targets set out in the Company's Statement of Corporate Intent.

The GIS incidents system calculates customer outage minutes from the network outage data entered into the system.

The system calculates the customer outage minutes for each individual operation, by recording the time stamped operation of each switchable device, and counting the number of ICP's connected beyond the device. A report is then generated from the data where the SAIDI and SAIFI are stated. For disclosure the averaged ICP count is used.

The equation used by GIS Incidents to calculate customer minutes
Σ (Outage Duration$_1$ x ICP Count$_1$) + (Outage Duration$_2$ x ICP Count$_2$) +.... (and so on for each outage duration)

Each GIS Incident that is inputted is reviewed and checked by the Control Centre Manager. Each month's results are checked for reasonableness, thus equates to 12 checks each year end.

A report is generated from the Report Manager, which shows the SAIDI and SAIFI calculations for the period.

For all outages the GIS Incident Application calculates the number of affected customers. The ICPs affected are automatically populated from the GIS system. With a fully integrated GIS & ICP database of our network, Top Energy uses its GIS system to report the number of customers beyond every isolation device on the network. The customer count is extracted from the GIS system, which is linked to the ICP database.
For the assessment period ending 31 March 2016, Top Energy had been using the accurate customer count as at 31 March 2015. To determine the total number of consumers on our network, Top Energy maintains an ICP database (Club ICP) which is based on the industry maintained Registry equivalent. The ICP database has been maintained consistently in compliance with relevant Rules and Regulations. The result is used for internal reporting and performance management throughout the year. For disclosure purposes the average of the Total ICP counts at 31 March year start and 31 March year end.

The Customer count data is taken from the Electricity Registry.

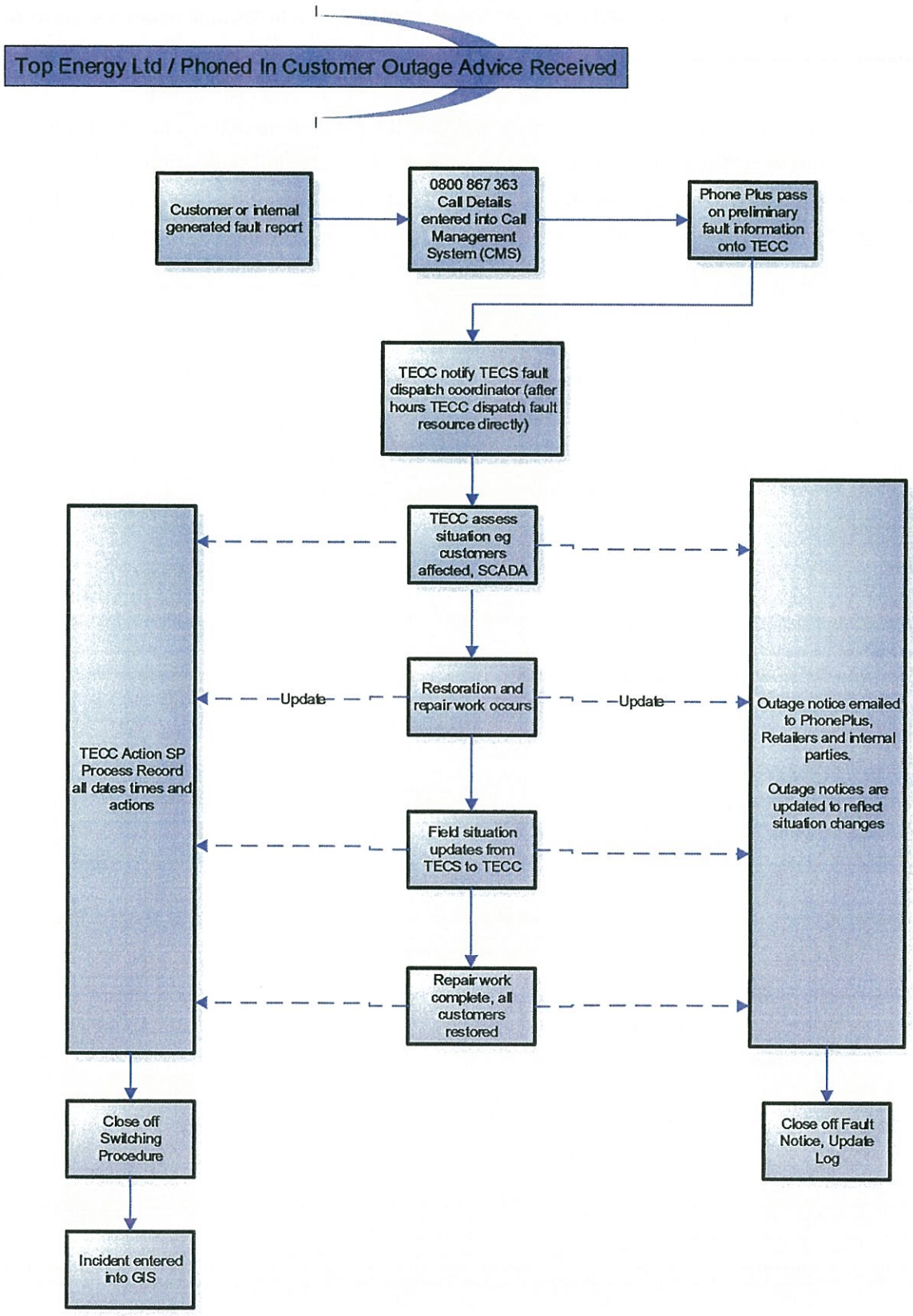
The average ICP count for 2016 was calculated as the sum of the 31 March 2015 + 31 March 2016 ICP counts divided by 2.

To ensure the accuracy of ICPs in Geographical Information System (GIS) an automatic trace is set to run on a daily basis. The trace runs through the connected model and gathers total ICPs per feeder. The trace results are

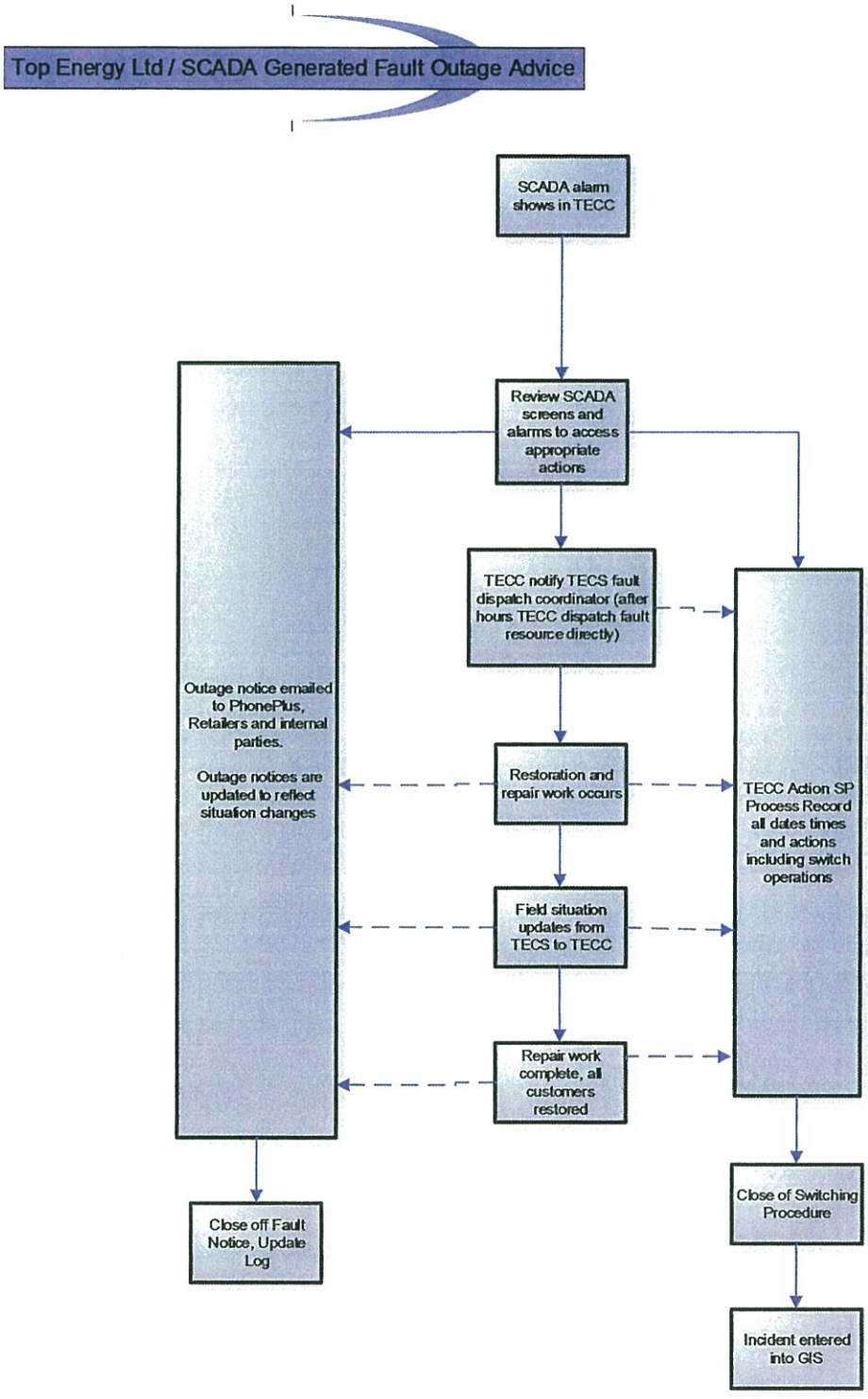
compared against the previous days trace and outputted into a report showing the difference between the two traces, categorised by feeder. The report is e-mailed to the GIS Manager each morning and reviewed. If there is a significant ICP difference the connectivity of the feeder is further investigated in GIS, and when remedied the trace is rerun manually.

In addition, a weekly trace is run to ensure number of ICP's in Club ICP database matches number of ICPs connected in GIS by the GIS Administrator. The report outputs total number of ICPs in Club ICP application and the total number of ICPs in GIS, the difference between the two databases categorised by feeders. The report also lists ICP numbers which are not placed in GIS. This report is reviewed and rectified by GIS Technician as appropriate.

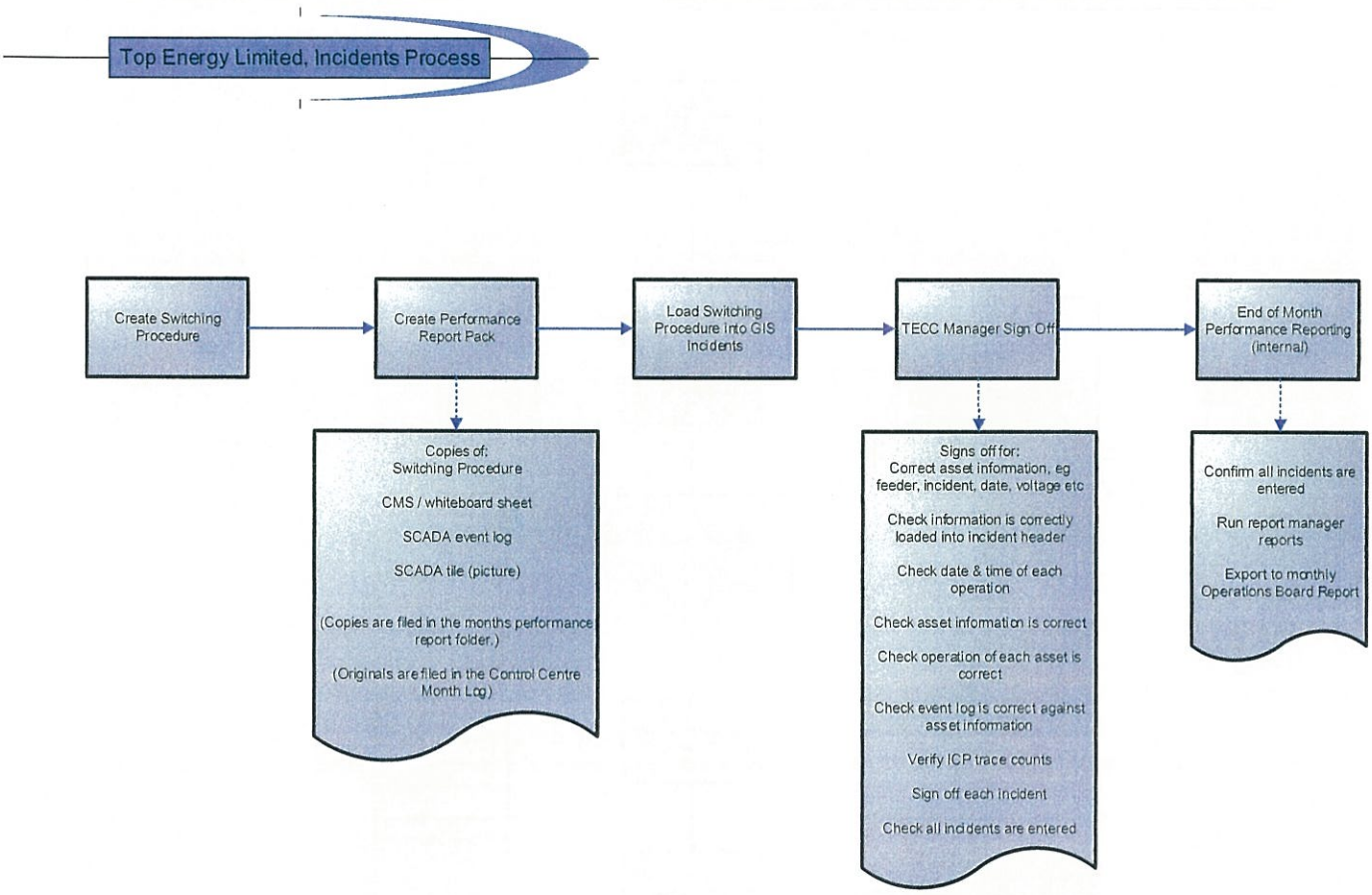
5. PHONED IN CUSTOMER OUTAGE ADVICE



6. SCADA GENERATED OUTAGE ADVICE



7. INCIDENTS PROCESS



8. PROCESS FOR SUPPLYING OUTAGE DATA FOR AUDITOR

Top Energy Network Operations will receive a request in the following March of each year to provide a spreadsheet of Top Energy outage events. The Auditor will specify a selection of outage events for compliance audit. Once the audit selection process has been confirmed, Top Energy will package the relevant outage information and hold on site ready for the audit.