



**DEFAULT PRICE QUALITY PATH COMPLIANCE STATEMENT
FOR THE ASSESSMENT DATE 31 MARCH 2019**

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

28 May 2019

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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 2019, 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 for the Assessment Date 31 March 2019 (\$'000))

Clause 8.3

Test:	<u>NR2019</u>	≤	<u>ANR2019</u>
<u>NR2019:</u>	\$	38,319	
<u>ANR2019:</u>	\$	43,570	
Result:		0.8795	≤ 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 2019, 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.

Test:	$\frac{SAIDI_{Assess\ 2019}}{SAIDI_{Limit}} \leq 1$
SAIDI <i>Assess 2019</i>	351.586
SAIDI <i>Limit</i>	516.675
Test:	0.6805 < 1
Result:	SAIDI Limit has not been breached

Test:	$\frac{SAIFI_{Assess\ 2019}}{SAIFI_{Limit}} \leq 1$
SAIFI <i>Assess 2019</i>	3.579
SAIFI <i>Limit</i>	6.248
Test:	0.5729 < 1
Result:	SAIFI Limit has not been breached

Compliance is demonstrated in the following tables: Supporting evidence is presented in Appendices E and F.

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

- (i) There were no price structure changes in the year ending 31 March 2017 to year ending 31 March 2019 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, Euan Richard Krogh 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.



Euan Richard Krogh



Gregory Mark Steed

Date: 28 May 2019



INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF TOP ENERGY AND 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 Limited, to provide an opinion, on his behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2019 on pages 2 to 4 and 7 to 23 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* 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 2019, 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 12 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 2019, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 3, 4 and 13 to 23 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 has been prepared solely for the directors of the company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether 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 his employees, and Deloitte Limited 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, the regulatory assurance engagement performed under the Electricity Distribution Information Disclosure Determination 2012 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 the company for the year ended on 31 March 2019, 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
For Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
28 May 2019

Appendix A – Price Path Compliance Calculations (Clause 11.4)

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

for the Assessment Date 31 March 2019
\$'000

Clause 8.5

Notional Revenue for the year ending March 2019		
Term	Description	Value \$'000
<i>DP2019*Q2017</i>	Prices at 31 March 2019 multiplied by 31 March 2017 Base Quantities	43,511
	Notional Posted Discount YE2019	5,191
<i>NR2019</i>	Notional Revenue for the year ending 31 March 2019	38,319

Supported by P*Q schedules presented in Appendix B

Clause 8.4

Allowable Notional Revenue 2019		
Term	Description	Value \$'000
<i>Dpt-1Qt-2</i>	2018 Price* 2017 Qty	39,687
<i>(ANRt-1-NRt-1)</i>	Difference in Notional revenue	319
<i>(1 + CPI2018)</i>	Average change in Consumer Price Index	1.01783
<i>1-X</i>	<i>Annual rate of Change</i>	1.07
<i>ANR2019</i>	Allowable Notional Revenue under for the year ending 31 March 2019	43,570

Appendix B – Price and Quantity Schedules (Clause 1.3(a))

Tariff category	Content and Register Code	Description	Distribution Number of ICPS at 31/03/17	Distribution kWh or kw or kvah for 31/03/17	Other Qty for 31/03/17	Line Tariff 1.4.2018 to 31.3.2019 year		National Distribution Revenue (\$)	National Other Revenue (\$)	National Other Revenue (\$)	Total Distribution Revenue (\$)	Less Discount \$ 2017	Total Revenue (\$) National after Discount ΣTA, 2019 \$
						Variables (kWh)							
						Fixed	Distribution						
Low User (LR)													
LRF	0	LRF Daily Price	12,957			13.73	20.00	649,334			649,334	624,117	25,216
LUC		LRF Uncontrolled					15.35				2,057,278	276,643	1,780,635
LA		LRF All inclusive					6.36				7,137,754	1,250,576	5,887,178
LPC		LRF Controlled 20					17.75				13,530	-	13,530
LD		LRF Day					3.86				138,264	20,949	117,315
LN		LRF Night									7,233	-	7,233
Standard User (SR)													
SUF	0	SUF Daily Price	13,281			96.76	16.59	4,690,504			4,690,504	631,262	4,059,242
SUC		SUF Uncontrolled					11.95				2,864,580	307,646	2,556,934
SA		SUF All inclusive					5.12				7,809,071	1,164,307	6,644,764
SFC		SUF Controlled 20					13.37				32,303	-	32,303
SD		SUF Day					3.23				409,414	54,559	354,855
SN		SUF Night									40,505	-	40,505
General User (G)													
GF	0	GRF Daily Price	4,874			96.76	16.59	1,721,370			1,721,370	224,201	1,497,169
GUC		GRF Uncontrolled					11.95				8,505,560	413,074	8,092,486
GA		GRF All inclusive					5.12				462,178	31,161	431,017
GFC		GRF Controlled 20					13.37				193,004	-	193,004
GD		GRF Day					3.23				1,034,649	82,350	952,299
GN		GRF Night									114,472	-	114,472
General Advanced User (GA)													
GAF		GF Daily price on HHR	27			756.270	16.15	74,530			74,530	4,617	69,913
G1		GF Peak					10.96				111,566	978	110,588
G2		GF Shoulder					3.23				150,994	1,947	149,047
G3		GF Off peak									21,082	-	21,082
CAP150		Closed	76			811.270	10.70	225,046			1,097,105	38,950	1,058,155
DG													
Larger User (TOU)													
TOU1			55			2,151.870	9.99	431,988			431,988	11,242	420,746
TOU2							6.79				838,389	16,175	822,214
TOU3							0.59				1,263,079	35,853	1,227,226
Industrial											52,593	-	52,593
IND1			2			1,746.60		637,509			637,509	13,914	623,595
IND2			1			1,000.00		365,000			365,000	6,957	358,043
Non standard													
LDG													
Street Lights													
UNCONSD													
UNSECL													
UNSL													
UNST													
UNLDR													
UNESH													
UNESHPRC													
UNLTH													
NL													
Σ P, 2019 Q, 2017			31,274	263,298,445	3,030			8,859,382	519,640		43,510,580	(5,191,480)	38,319,101

Note: The maximum NR (2019) prices and quantities are the same as NR (2019)

Σ P_{1,2018} * Q_{1,2} multiplied by 31 March 2017 Base Quantities

Tariff or Fee	Register and Content code	Description	Number of ICPs at 31/03/17	kWh or kW or kva for 31/03/17	Other Qty for 31/03/17	\$/Day Distribution		Notional Distribution Revenue (\$)		Notional Other Revenue (\$)		Total Distribution Revenue (\$)
						Fixed	Variable (kWh)	Fixed	Variable	Fixed	Variable	
Low User (LR)	0	LR Daily Price	12,957			0.14		647,915				647,915
LRU	UN24	LRU Uncontrolled		10,286,392			19.08		1,952,644			1,952,644
LUC	IN18	LRU All inclusive		48,500,028			13.12		6,100,804			6,100,804
LFC	CN20	LRU Controlled 20		212,732			5.25		11,168			11,168
LD	D16	LRU Day		778,952			14.66		114,194			114,194
LN	N8	LRU Night		187,378			3.19		5,977			5,977
Standard User (SR)												
SUR		SRU Daily Price	13,281			0.97	15.45	4,690,504	2,667,737			4,690,504
SUC		SRU Uncontrolled		17,266,905			10.39		6,789,644			6,789,644
SA		SRU All inclusive		65,347,874			4.45		28,076			28,076
SFC		SRU Controlled 20		630,915			11.63		356,132			356,132
SD	D16	SRU Day		3,062,187			2.71		33,984			33,984
SN	N8	SRU Night		1,254,025								
General User (G)												
GF		GRF Daily Price	4,874			0.97	15.45	1,721,370				1,721,370
GUC		GRF Uncontrolled		51,269,198			10.39		7,921,091			7,921,091
GA		GRF All inclusive		3,867,597			4.45		401,843			401,843
GFC		GRF Controlled 20		3,606,564			11.63		169,486			169,486
GD	D16	GRF Day		7,738,588			2.71		899,998			899,998
GN	N8	GRF Night		3,544,010					96,043			96,043
General Advanced User (GA)												
CAF	CAP150	Closed	27	690,822		6.88	14.68	67,755				67,755
G1				1,375,172			9.98		137,242			137,242
G2				652,701			3.19		20,821			20,821
G3												
CAP150			76	8,150,082		6.88	9.07	190,718	739,212			929,930
DS				1,065,793								
Time of Use												
TOU1			55	8,392,285		19.58	9.09	393,075	762,859			1,155,934
TOU2				18,602,048			6.18		1,149,607			1,149,607
TOU3				8,914,097			0.54		48,136			48,136
Industrial												
IND1			2			1,666.02		608,097				608,097
IND2			1			849.44		310,046				310,046
Non Standard												
LDS			1			175.62		64,101				64,101
Street Lights												
UMCON500					187	0.40				27,575		27,575
UMDECL					39	0.42				5,953		5,953
UMGL					79	0.14				4,040		4,040
UMINT					10	0.22				817		817
UMLDH					63	0.84				19,256		19,256
UMLSH					2,037	0.42				310,934		310,934
UMLSH/PMC					553	0.52				104,132		104,132
UMLTH					5	1.25				2,289		2,289
NL					57							
Σ P _{1,2018} Q _{1,2} 2017			31,274	263,598,445	3,030			8,693,581	30,518,111	474,995		39,686,687

Clause 11.4(e): The pricing methodology used to calculate distribution prices and pass-through prices is in accordance with the Pricing Methodology Disclosure 2018-2019 and is shown below. The full Pricing Methodology is available on the Top Energy Website; <http://topenergy.co.nz/network/network-disclosures/>

The figure below summarises the allocators used to allocate target revenue and the rationale for these decisions.

Cost Category	Allocator used	Rationale
Transmission costs	<i>Interconnection charges and ACOT - DG:</i> Coincident share of RCPD (kW) for industrial consumers and Anytime Maximum Demand (AMD) for other connections	Allocation of interconnection charges aligns with Transpower's use of RCPD to apportion charges at a national level.
	<i>Connection charges and ACOT - Transmission:</i> Share of AMD	Connection charges represent investment in GXP capacity. AMD broadly represents usage of this capacity.
Network Costs	Customer group demand on the system as a percentage of ORC	Spreads maintenance cost in portion to demand, weighted by the replacement cost of assets (recognising higher maintenance is usually attributed to higher cost assets).
Non-Network Costs	Regulatory Asset Base (RAB)	Spreads costs that are relatively static with the size of a customer.
Depreciation	IND: Demand (kW) General Advanced: RAB Residential/General/UM: kWh volume	Allocation based on utilisation of asset utilisation, which broadly corresponds with depreciation representing use of capital.
Pre-tax ROI	RAB	Allocates return in proportion to value of assets ODV/RAB, consistent with regulatory framework.

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 2019**

Pass Through and Recoverable Costs for year ending March 2019				
V 2019	2019 (\$)	2019 Forecast (\$)	Variance (\$)	Variance (%)
Transpower	5,339,058	5,339,058	-	-
Avoided Transmission Ngawha	2,821,722	2,821,722	-	-
Avoided Transmission Transpower	-	-	-	-
Energy Efficiency Incentive	-	-	-	-
Quality Incentive Adjustment	201,929	201,929	-	-
Clawback	1,855,000	1,855,000	-	-
NPV Washup Allowance	691,000	691,000	-	-
Opex Incentive	-	-	-	-
Capex Incentive	24,224	24,224	-	-
IRIS (Balance from previous years difference)				
Total V	10,932,932	10,932,932	-	-
K 2019	Actual (\$)	2019 Forecast	Variance (\$)	Variance (%)
Rates	42,107	42,653	(546)	(1.3)%
Electricity Authority Levies	71,764	75,214	(3,450)	(4.81)%
Complaints Levy	22,355	22,795	(441)	(1.97)%
Commerce Act Levies	118,688	68,143	50,545	42.59%
Total K	254,913	208,806	46,108	18.09%
Total Pass Through and Recoverable Costs	11,187,846	11,141,738	46,108	.41%

Appendix D –PTB 2019 Compliance Calculations

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

Pass Through and Recoverable Costs for year ending March 2019		
V 2019	\$	
3.1.3 (1) b PTPi2019 Qi2019	11,212,566	
3.1.3 (1)e Actual K 2019	254,913	
3.1.3 (1) f Actual V 2019	10,932,932	
3.1.3 (1)g	PTBt2018	(156,310)
	Interest 2018 PBT	(9,519)
Total K+V (passthrough)	11,022,017	
PTB 2019	(190,550)	

Pass Through and Recoverable Costs for year ending March 2019 with Variances to Pricing forecast				
V 2019	\$	\$	Variance to forecast	Explanation
PTPi2019 Qi2019	11,212,566	10,907,158	305,408	Consumption was 277GWh vs a forecast of 268GWh (3.3%). In addition there was a change in residential consumption between low and standard users
Actual K 2019	254,913	208,806	46,108	Mainly due to an increase in Commerce Levies \$50k
Actual V 2019	10,932,932	10,932,932	-	No variance
PTBt2018	(156,310)	(228,092)	71,783	The 2018 over recovery was less than expected.
Interest 2018 PBT	(9,519)		(9,519)	PBT interest for 2018 wasn't included.
Total K+V (passthrough)	11,022,017	10,913,646	108,371	Net Increase in PTB costs to be recovered is \$108k
PTB 2019	(190,550)	6,488	(197,038)	Net Increase in Over Recovery to forecast is \$197k

Appendix E – Quality Standard Compliance Calculations

Event Days exceeding Boundary Values

Quality Standards for Top Energy Limited
Regulatory Period 1 April 2015 – 31 March 2020
Schedule 4A

Assessment Period Limits

SAIDI	SAIFI
516.675	6.248

Class C Unplanned Outage Boundary Values

SAIDI	SAIFI
29.364	0.347

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

Event Days exceeding SAIDI and SAIFI Boundary Values

Date	SAIDI_C	SAIFI_C	SAIDI_C_NOF	SAIFI_C_NOF	CAUSE

Assessed SAIDI Value

SAIDI ₂₀₁₉	351.586	The sum of daily SAIDI Values in the Normalised Assessment Dataset
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$SAIDI_{\text{assess}} = (0.5 \times SAIDI_B) + SAIDI_C$

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 ₂₀₁₉	3.579	The sum of daily SAIFI Values in the Normalised Assessment Dataset
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$SAIFI_{\text{assess}} = (0.5 \times SAIFI_B) + SAIFI_C$

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
2017	400.912	4.823
2018	483.341	4.949
2019	351.586	3.579

Appendix F –Quality Incentive Calculations

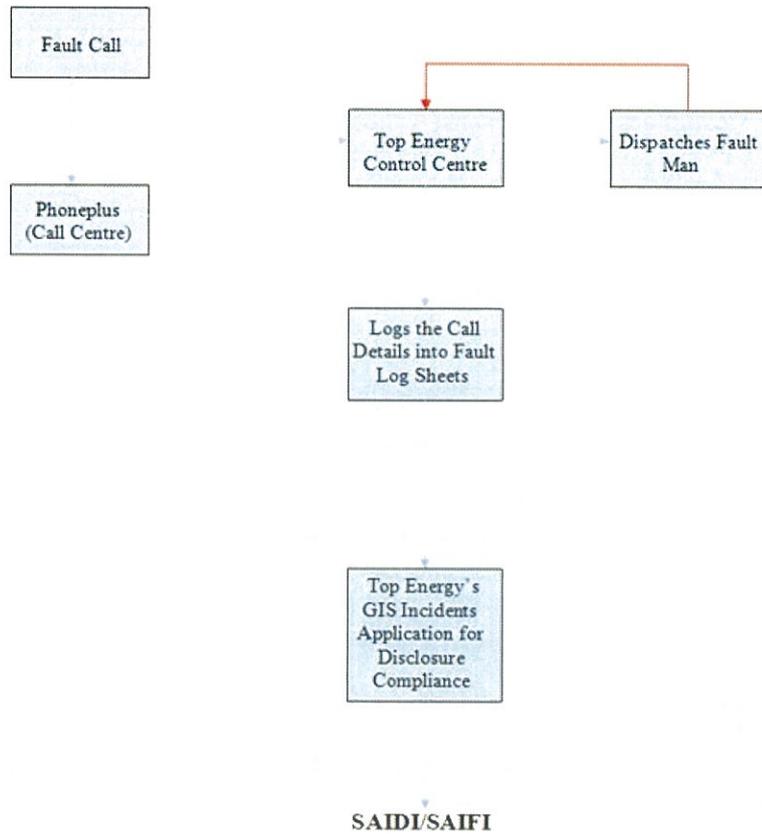
Quality Incentive Adjustment		2016	2017	2018	2019
Term	Description	Value \$000	Value \$000	Value \$000	Value \$000
<i>S_{SAIDI}</i>	SAIDI incentive	-55.506	72.809	-100.905	171.155
<i>S_{SAIFI}</i>	SAIFI incentive	-42.815	129.120	102.558	171.155
<i>S_{TOTAL}</i>	SAIDI incentive plus SAIFI incentive	-98.322	201.929	1.653	342.310

SAIDI Incentive		2016	2017	2018	2019
Term	Description	Value	Value	Value	Value
<i>SAIDI Target</i>	SAIDI target specified in DPP Determination	435.4607	435.4607	435.4607	435.4607
<i>SAIDI Collar</i>	SAIDI incentive range collar specified in DPP Determination	354.2460	354.2460	354.2460	354.2460
<i>SAIDI Cap</i>	SAIDI incentive range cap specified in DPP Determination	516.6753	516.6753	516.6753	516.6753
<i>MAR</i>	Maximum allowable revenue for the 2015/16 year (in \$000)	34,231	34,231	34,231	34,231
<i>REV_{RISK}</i>	Revenue at risk; 1% of MAR (\$000)	342.310	342.310	342.310	342.310
<i>SAIDI_{IR}</i>	SAIDI incentive rate per unit; equal to 50% of revenue at risk divided by Cap minus Target (\$000)	2.107	2.107	2.107	2.107
<i>SAIDI_{ASSESS}</i>	Assessed SAIDI value for the Assessment Period	461.799	400.9123	483.3410	351.5860
<i>SAIDI_{ASSESS - FOR INCENTIVE}</i>	Assessed SAIDI value for purpose of incentive	461.799	400.9123	483.3410	354.2460
<i>S_{SAIDI}</i>	SAIDI incentive adjustment; equal to incentive rate multiplied by SAIDI target minus Assessed SAIDI value (\$000)	-55.506	72.809	-100.905	171.155

SAIFI Incentive		2016	2017	2018	2019
Term	Description	Value	Value	Value	Value
<i>SAIFI Target</i>	SAIFI target specified in DPP Determination	5.4359	5.4359	5.4359	5.4359
<i>SAIFI Collar</i>	SAIFI incentive range collar specified in DPP Determination	4.6240	4.6240	4.6240	4.6240
<i>SAIFI Cap</i>	SAIFI incentive range cap specified in DPP Determination	6.2478	6.2478	6.2478	6.2478
<i>MAR</i>	Maximum allowable revenue for the 2015/16 year (in \$000)	34,231.000	34,231.000	34,231.000	34,231.000
<i>REV_{RISK}</i>	Revenue at risk; 1% of MAR (\$000)	342.310	342.310	342.310	342.310
<i>SAIFI_{IR}</i>	SAIFI incentive rate per unit; equal to 50% of revenue at risk divided by Cap minus Target (\$000)	210.808	210.808	210.808	210.808
<i>SAIFI_{ASSESS}</i>	Assessed SAIFI value for the Assessment Period	5.6390	4.8234	4.9494	3.5790
<i>SAIFI_{ASSESS - FOR INCENTIVE}</i>	Assessed SAIFI value for purpose of incentive	5.6390	4.8234	4.9494	4.6240
<i>S_{SAIFI}</i>	SAIFI incentive adjustment; equal to incentive rate multiplied by SAIFI target minus Assessed SAIFI value (\$000)	-42.815	129.120	102.558	171.155

Appendix G – 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 contracted Call Centre (PHONEplus) 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/Faults Dispatch team will dispatch a Fault Man directly or via the contractor's Faults Supervisor, 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

$$\Sigma (\text{Outage Duration}_1 \times \text{ICP Count}_1) + (\text{Outage Duration}_2 \times \text{ICP Count}_2) + \dots \text{ (and so on for each outage duration)}$$

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 2019, Top Energy had been using the accurate customer count as at 31 March 2018. 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.

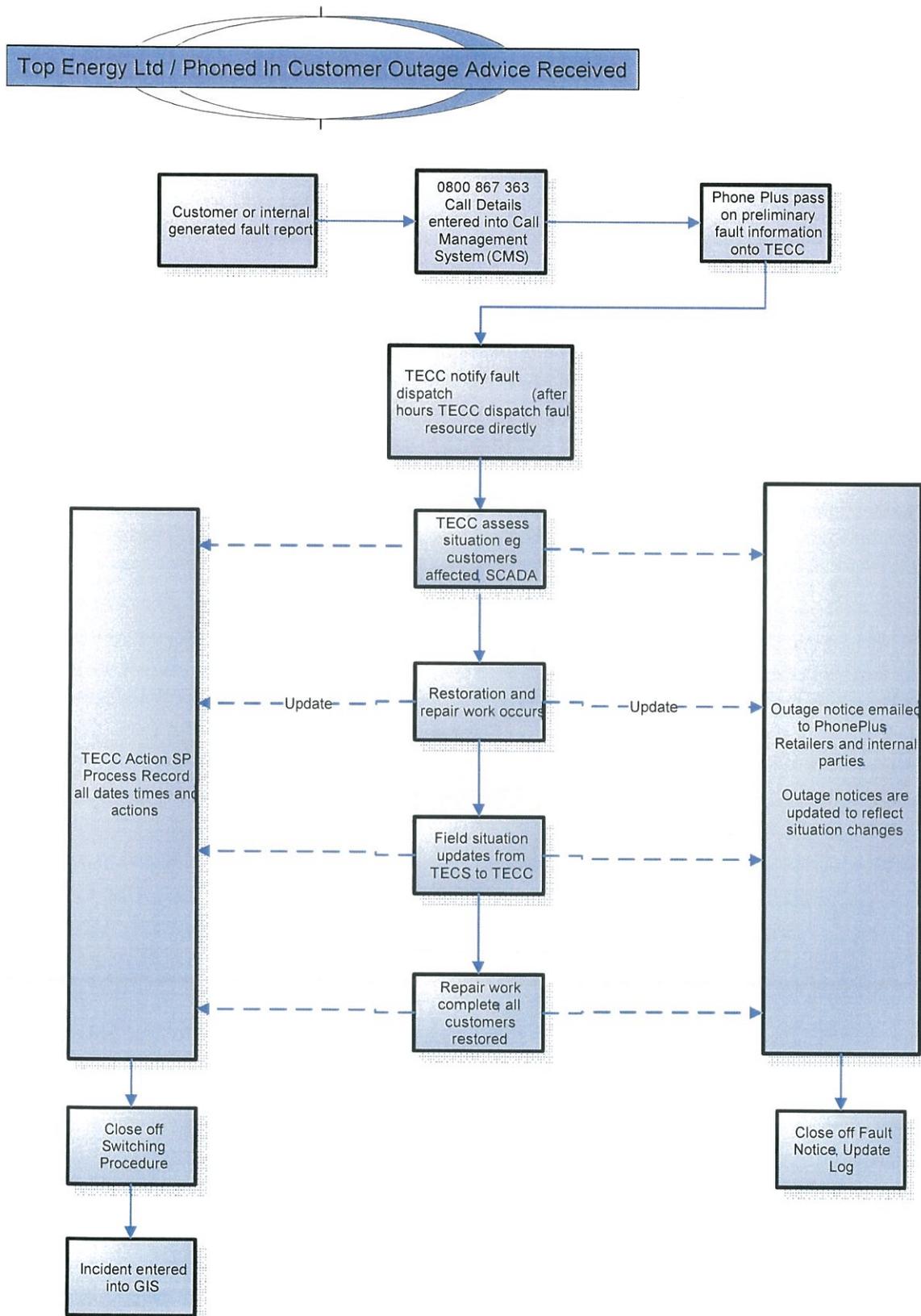
The Customer count data is taken from the Electricity Registry.

The average ICP count for 2019 was calculated as the sum of the 31 March 2018 + 31 March 2019 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, categorized 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.

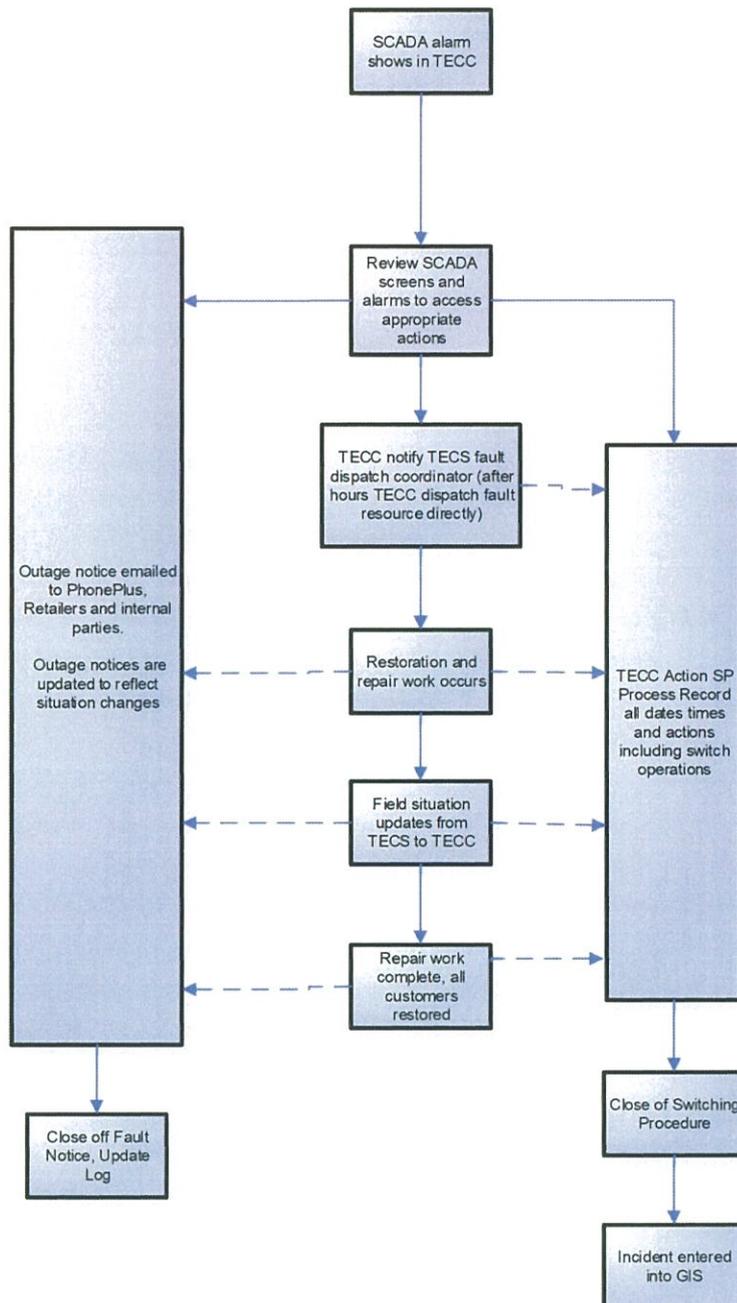
In addition, a weekly trace is run to ensure number of ICP's in Club ICP database matches number of ICPs connected in GIS by the GIS Administrator. The report outputs total number of ICPs in Club ICP application and the total number of ICPs in GIS, the difference between the two databases categorised 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

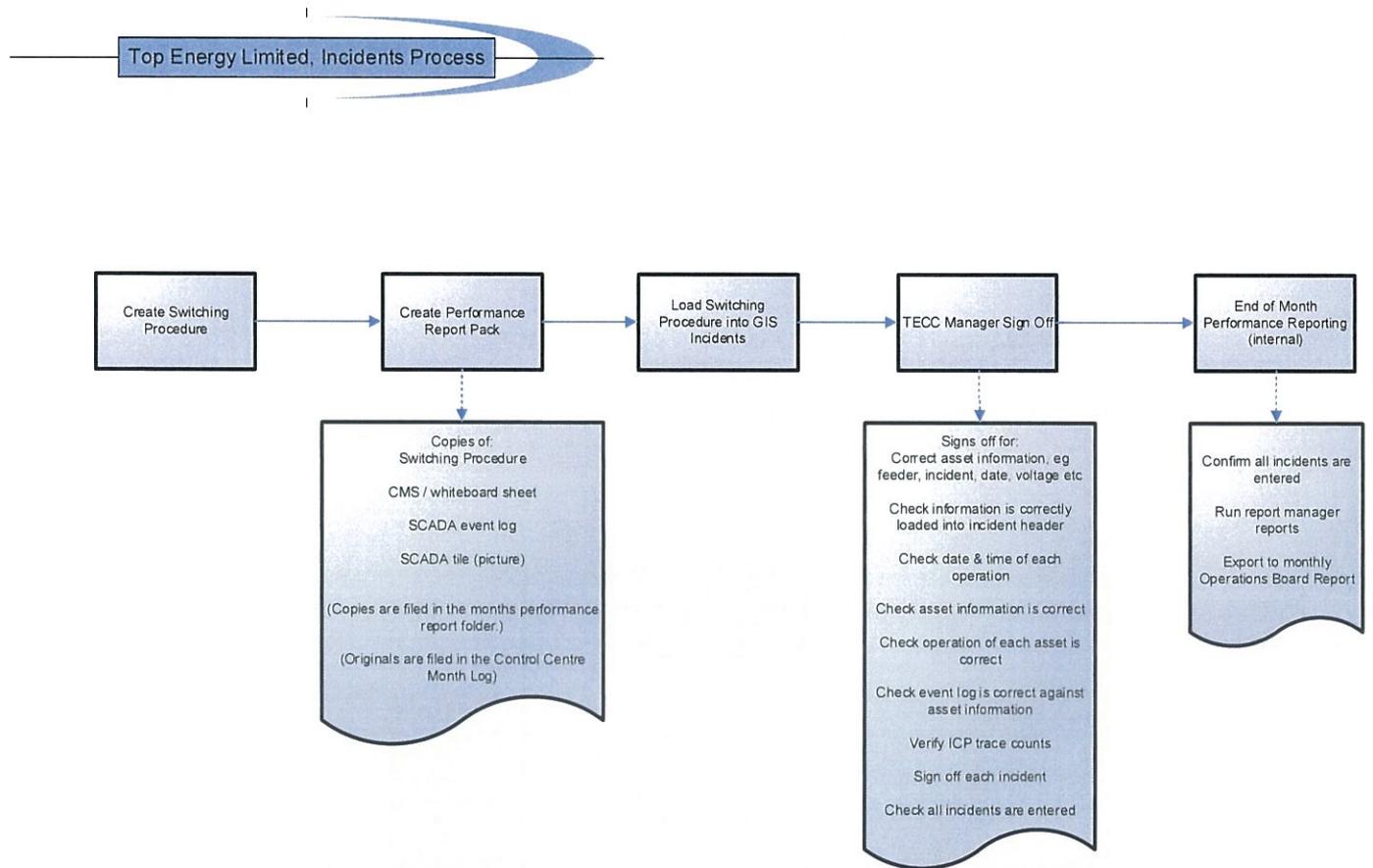


6. SCADA GENERATED OUTAGE ADVICE

Top Energy Ltd / SCADA Generated Fault 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.

