



**DEFAULT PRICE QUALITY PATH COMPLIANCE STATEMENT  
FOR THE ASSESSMENT DATE 31 MARCH 2020**

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

30 June 2020

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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 2020, 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 2020

#### Clause 8.3

|                 |                                  |        |                |
|-----------------|----------------------------------|--------|----------------|
| Test:           | <u>NR2020</u>                    | $\leq$ | <u>ANR2020</u> |
| \$ 000's        |                                  |        |                |
| NR2020:         | \$                               | 43,445 |                |
| ANR2020:        | \$                               | 47,700 |                |
| 0.9108 $\leq$ 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 2020, 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:                        | $\frac{SAIDI_{Assess\ 2020}}{SAIDI_{Limit}} \leq 1$ |
| SAIDI <sub>Assess 2020</sub> | 365.620   |
| SAIDI <sub>Limit</sub>       | 516.675   |
| Test:                        | 0.7076 < 1  |
| Result:                      | SAIDI Limit has not been breached                   |

|                              |   |
|------------------------------|---|
| Test:                        | $\frac{SAIFI_{Assess\ 2020}}{SAIFI_{Limit}} \leq 1$ |
| SAIFI <sub>Assess 2020</sub> | 4.463   |
| SAIFI <sub>Limit</sub>       | 6.248   |
| Test:                        | 0.7144 < 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))**

- (i) There were no price structure changes in the year ending 31 March 2018 to year ending 31 March 2020 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 David Alexander Sullivan, 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**



**David Alexander Sullivan**

Date: 30 June 2020



**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, Brett Tomkins, 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 2020 on pages 2 to 4 and 8 to 24 has been prepared, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2015 as amended by the Electricity Distribution Services Default Price-Quality Path (Compliance Statement Due Date and Auditor's Report) Amendments Determination 2020, issued by the Commerce Commission NZ on 9 April 2020 (the 'Determination as amended').

**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 2020, has been prepared, in all material respects, in accordance with the Determination as amended.

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

**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 as amended.

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 as amended. 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 as amended for the assessment period ended on 31 March 2020, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 2, 4 and 8 to 13 of the Annual Compliance Statement.

In assessing the disclosures about compliance with the quality standards in clause 9 of the Determination as amended for the assessment period ended on 31 March 2020, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 3, 4 and 14 to 24 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.

## 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.

## 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 as amended, 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 as amended.

## 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 as amended.

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.

## 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 as amended. 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.



Brett Tomkins  
**For Deloitte Limited**  
**On behalf of the Auditor-General**  
Auckland, New Zealand  
30 June 2020

## 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 2020

#### Clause 8.5

| Notional Revenue for the year ending March 2020 |   |                |
|---|---|----------------|
| Term  | Description   | Value \$ 000's |
| DP2020*Q2018                                    | Prices at 31 March 2020<br>multiplied by 31 March 2018<br>Base Quantities | 48,690         |
|   | Notional Posted Discount<br>YE2020  | (5,245)        |
| NR2020  | Notional Revenue for the year<br>ending 31 March 2020                     | 43,445         |

Supported by P\*Q  
schedules presented  
in Appendix B

#### Clause 8.4

| Allowable Notional Revenue 2020 |   |                |
|---------------------------------|---|----------------|
| Term                            | Description   | Value \$ 000's |
| DPT-1Qt-2                       | 2019 Price* 2018 Qty  | 38,659         |
| $(ANR_t - I - NR_t - I)$        | Difference in Notional revenue  | 5,250          |
| $(1 + CPI_{2020})$              | Average change in Consumer Price<br>Index                             | 1.01527        |
| $I - X$                         | Annual rate of Change   | 1.07           |
| ANR2020                         | Allowable Notional Revenue under<br>for the year ending 31 March 2020 | 47,700         |



Appendix B – Price and Quantity Schedules (Clause1.3(a))

| $SP_{i,2020}-Q_{i-2}$          |                           | Prices at 31 March 2020 multiplied by QTY31 March 2018 |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
|--------------------------------|---------------------------|--|---|--|------------------------|--|------------------|------------------------------------|------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------|---|--|--|---------------------------|--|---------------------------|--|
| Price Category                 | Content and register code | Description  | Distribution Number of ICPs at 31/03/18 | Distribution kWh or kw or kvarh for 31/03/18 | Other Qty for 31/03/18 | Line Tariff 1.4.2019 to 31.3.2020 year |                  | Notional Distribution Revenue (\$) |            | Notional Other Revenue(\$) | Notional Other Revenue(\$) | Notional Other Revenue(\$) | Total Distribution Revenue | Total Discount (\$) | Total Distribution Revenue less Discount (\$) |  |  |                           |  |                           |  |
|                                |                           |  |   |  |                        | Fixed                                  | Variable (c/kwh) | Fixed                              | Variable   |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
|                                |                           |  |   |  |                        | Cents/Day Distribution                 | Distribution     |                                    |            |                            |                            |                            |                            |                     |   |  |  | $\Sigma Tr_{2020} @ 2018$ |  | $\Sigma Tr_{2020} @ 2018$ |  |
| Low User (LR)                  |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| LRF                            |                           | 0 LRF Daily Price                                      | 13,467                                  |  |                        | 13.730                                 |                  | 674,892                            |            |                            |                            | 674,892                    | (583,367)                  |                     | 91,525  |  |  |                           |  |                           |  |
| LUC                            | UN24                      | LRF Uncontrolled                                       |   | 8,743,141                                    |                        |  | 22.420           |                                    | 1,960,212  |                            |                            | 1,960,212                  | (208,001)                  |                     | 1,752,211                                     |  |  |                           |  |                           |  |
| LA                             | IN18                      | LRF All inclusive                                      |   | 50,189,602                                   |                        |  | 17.310           |                                    | 8,687,820  |                            |                            | 8,687,820                  | (1,193,226)                |                     | 7,494,594                                     |  |  |                           |  |                           |  |
| LFC                            | CN20                      | LRF Controlled 20                                      |   | 183,413                                      |                        |  | 7.190            |                                    | 13,187     |                            |                            | 13,187                     | -                          |                     | 13,187  |  |  |                           |  |                           |  |
| LD                             | D16                       | LRF Day  |   | 996,063                                      |                        |  | 20.760           |                                    | 206,683    |                            |                            | 206,683                    | (24,211)                   |                     | 182,472                                       |  |  |                           |  |                           |  |
| LN                             | N8                        | LRF Night  |   | 372,324                                      |                        |  | 7.530            |                                    | 28,036     |                            |                            | 28,036                     | -                          |                     | 28,036  |  |  |                           |  |                           |  |
| Low user TOU Uncontrolled      |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| LUF                            |                           | LUF Daily price on HHR                                 | 36.00                                   |  |                        | 13.730                                 |                  | 1,804                              |            |                            |                            | 1,804                      | (1,774)                    |                     | 30  |  |  |                           |  |                           |  |
| LU1                            | UN24                      | LUF Peak   |   | 46,980                                       |                        |  | 30.830           |                                    | 14,484     |                            |                            | 14,484                     | (1,298)                    |                     | 13,186  |  |  |                           |  |                           |  |
| LU2                            | UN24                      | LUF Shoulder   |   | 74,520                                       |                        |  | 20.470           |                                    | 15,254     |                            |                            | 15,254                     | (2,058)                    |                     | 13,196  |  |  |                           |  |                           |  |
| LU3                            | UN24                      | LUF Off peak   |   | 42,120                                       |                        |  | 19.840           |                                    | 8,357      |                            |                            | 8,357                      | (1,163)                    |                     | 7,193   |  |  |                           |  |                           |  |
| Low user TOU controlled        |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| LCF                            |                           | LCF Daily price on HHR                                 | 213                                     |  |                        | 13.730                                 |                  | 10,674                             |            |                            |                            | 10,674                     | (10,496)                   |                     | 179   |  |  |                           |  |                           |  |
| LC1                            | IN18                      | LCF Peak   |   | 277,965                                      |                        |  | 24.150           |                                    | 67,129     |                            |                            | 67,129                     | (7,678)                    |                     | 59,451  |  |  |                           |  |                           |  |
| LC2                            | IN18                      | LCF Shoulder   |   | 440,910                                      |                        |  | 16.390           |                                    | 72,265     |                            |                            | 72,265                     | (12,179)                   |                     | 60,086  |  |  |                           |  |                           |  |
| LC3                            | IN18                      | LCF Off peak   |   | 249,210                                      |                        |  | 13.550           |                                    | 33,768     |                            |                            | 33,768                     | (6,884)                    |                     | 26,884  |  |  |                           |  |                           |  |
| Standard User (SR)             |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| SRF                            |                           | 0 SRF Daily Price                                      | 12,514                                  |  |                        | 116.800                                |                  | 5,334,968                          |            |                            |                            | 5,334,968                  | (667,873)                  |                     | 4,667,095                                     |  |  |                           |  |                           |  |
| SUC                            | UN24                      | SRF Uncontrolled                                       |   | 14,070,613                                   |                        |  | 17.890           |                                    | 2,517,233  |                            |                            | 2,517,233                  | (269,296)                  |                     | 2,247,936                                     |  |  |                           |  |                           |  |
| SA                             | IN18                      | SRF All inclusive                                      |   | 66,270,210                                   |                        |  | 12.760           |                                    | 8,456,079  |                            |                            | 8,456,079                  | (1,266,936)                |                     | 7,189,143                                     |  |  |                           |  |                           |  |
| SFC                            | CN20                      | SRF Controlled 20                                      |   | 516,320                                      |                        |  | 5.560            |                                    | 28,707     |                            |                            | 28,707                     | -                          |                     | 28,707  |  |  |                           |  |                           |  |
| SD                             | D16                       | SRF Day  |   | 3,185,640                                    |                        |  | 15.840           |                                    | 504,605    |                            |                            | 504,605                    | (62,164)                   |                     | 442,442                                       |  |  |                           |  |                           |  |
| SN                             | N8                        | SRF Night  |   | 1,271,478                                    |                        |  | 6.340            |                                    | 80,612     |                            |                            | 80,612                     | -                          |                     | 80,612  |  |  |                           |  |                           |  |
| Standard user TOU Uncontrolled |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| SUF                            |                           | SUF Daily price on HHR                                 | 42.0000                                 |  |                        | 116.800                                |                  | 17,905                             |            |                            |                            | 17,905                     | (2,070)                    |                     | 15,836  |  |  |                           |  |                           |  |
| SU1                            | UN24                      | SUF Peak   |   | 77,952                                       |                        |  | 26.030           |                                    | 20,291     |                            |                            | 20,291                     | (1,514)                    |                     | 18,777  |  |  |                           |  |                           |  |
| SU2                            | UN24                      | SUF Shoulder   |   | 123,648                                      |                        |  | 17.050           |                                    | 21,082     |                            |                            | 21,082                     | (2,401)                    |                     | 18,681  |  |  |                           |  |                           |  |
| SU3                            | UN24                      | SUF Off peak   |   | 69,888                                       |                        |  | 15.830           |                                    | 11,063     |                            |                            | 11,063                     | (1,357)                    |                     | 9,706   |  |  |                           |  |                           |  |
| Standard user TOU Uncontrolled |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| SCF                            |                           | SCF Daily price on HHR                                 | 209.0000                                |  |                        | 116.800                                |                  | 89,101                             |            |                            |                            | 89,101                     | (10,298)                   |                     | 78,802  |  |  |                           |  |                           |  |
| SC1                            | IN18                      | SCF Peak   |   | 387,904                                      |                        |  | 18.710           |                                    | 72,577     |                            |                            | 72,577                     | (7,534)                    |                     | 65,043  |  |  |                           |  |                           |  |
| SC2                            | IN18                      | SCF Shoulder   |   | 615,296                                      |                        |  | 11.850           |                                    | 72,913     |                            |                            | 72,913                     | (11,950)                   |                     | 60,962  |  |  |                           |  |                           |  |
| SC3                            | IN18                      | SCF Off peak   |   | 347,776                                      |                        |  | 9.690            |                                    | 33,699     |                            |                            | 33,699                     | (6,754)                    |                     | 26,945  |  |  |                           |  |                           |  |
| General User (G)               |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| GF                             |                           | 0 GRF Daily Price                                      | 5,058                                   |  |                        | 116.800                                |                  | 2,156,327                          |            |                            |                            | 2,156,327                  | (233,416)                  |                     | 1,922,911                                     |  |  |                           |  |                           |  |
| GUC                            | UN24                      | GRF Uncontrolled                                       |   | 51,328,911                                   |                        |  | 17.890           |                                    | 9,182,742  |                            |                            | 9,182,742                  | (428,919)                  |                     | 8,753,823                                     |  |  |                           |  |                           |  |
| GA                             | IN18                      | GRF All inclusive                                      |   | 4,841,993                                    |                        |  | 12.760           |                                    | 617,838    |                            |                            | 617,838                    | (37,201)                   |                     | 580,637                                       |  |  |                           |  |                           |  |
| GFC                            | CN20                      | GRF Controlled 20                                      |   | 3,883,636                                    |                        |  | 5.560            |                                    | 215,930    |                            |                            | 215,930                    | -                          |                     | 215,930                                       |  |  |                           |  |                           |  |
| GD                             | D16                       | GRF Day  |   | 8,426,899                                    |                        |  | 15.840           |                                    | 1,334,821  |                            |                            | 1,334,821                  | (64,744)                   |                     | 1,270,077                                     |  |  |                           |  |                           |  |
| GN                             | N8                        | GRF Night  |   | 3,639,351                                    |                        |  | 6.340            |                                    | 230,735    |                            |                            | 230,735                    | -                          |                     | 230,735                                       |  |  |                           |  |                           |  |
| General Advanced User (GA)     |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| GAF                            | TOU or SM                 | GF Daily price on HHR                                  | 104                                     |  |                        | 824.330                                |                  | 312,916                            |            |                            |                            | 312,916                    | (20,675)                   |                     | 292,841                                       |  |  |                           |  |                           |  |
| G1                             | See Note 1.6              | GRF Peak   |   | 2,959,405                                    |                        |  | 15.500           |                                    | 458,708    |                            |                            | 458,708                    | (11,569)                   |                     | 447,139                                       |  |  |                           |  |                           |  |
| G2                             | See Note 1.6              | GRF Shoulder   |   | 5,183,541                                    |                        |  | 10.540           |                                    | 551,745    |                            |                            | 551,745                    | (22,539)                   |                     | 529,206                                       |  |  |                           |  |                           |  |
| G3                             | See Note 1.6              | GRF Off peak   |   | 2,971,254                                    |                        |  | 6.340            |                                    | 188,378    |                            |                            | 188,378                    | -                          |                     | 188,378                                       |  |  |                           |  |                           |  |
| DG                             |                           |  |   | 1,385,560                                    |                        |  |                  |                                    |            |                            |                            | -                          | -                          |                     | -   |  |  |                           |  |                           |  |
| Larger User (TOU)              |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| TOU                            |                           | TOU Daily price on HHR                                 | 54                                      |  |                        | 2,345.540                              |                  | 462,306                            |            |                            |                            | 462,306                    | (12,246)                   |                     | 450,060                                       |  |  |                           |  |                           |  |
| TOU1                           |                           | Peak   |   | 8,496,493                                    |                        |  | 11.080           |                                    | 941,411    |                            |                            | 941,411                    | (9,869)                    |                     | 931,543                                       |  |  |                           |  |                           |  |
| TOU2                           |                           | Shoulder   |   | 18,286,789                                   |                        |  | 7.530            |                                    | 1,376,995  |                            |                            | 1,376,995                  | (21,240)                   |                     | 1,355,755                                     |  |  |                           |  |                           |  |
| TOU3                           |                           | Off peak   |   | 9,445,787                                    |                        |  | 0.650            |                                    | 61,398     |                            |                            | 61,398                     | -                          |                     | 61,398  |  |  |                           |  |                           |  |
| Industrial                     |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| 0000984310TEBBE                |                           |  | 2                                       |  |                        | 1,660.53                               |                  | 606,093                            |            |                            |                            | 606,093                    | (13,914)                   |                     | 592,180                                       |  |  |                           |  |                           |  |
| 0000930130TE465                |                           |  | 0                                       |  |                        |  |                  |                                    |            |                            |                            | -                          | -                          |                     | -   |  |  |                           |  |                           |  |
| 0000984000TE210                |                           |  | 1                                       |  |                        | 808.56                                 |                  | 295,125                            |            |                            |                            | 295,125                    | (6,957)                    |                     | 288,168                                       |  |  |                           |  |                           |  |
| Non standard                   |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| LDG                            |                           |  | 1                                       |  |                        | 175.6200                               | -                | 64,101                             | -          |                            |                            | 64,101                     | -                          |                     | 64,101  |  |  |                           |  |                           |  |
| Street Lights                  |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
| UMCONS00                       |                           |  |   |  | 173                    | 48.4000                                |                  | -                                  | -          |                            |                            | 30,562                     | -                          |                     | 30,562  |  |  |                           |  |                           |  |
| UMDECL                         |                           |  |   |  | 30                     | 50.1000                                |                  | -                                  | -          |                            |                            | 5,486                      | -                          |                     | 5,486   |  |  |                           |  |                           |  |
| UMGL                           |                           |  |   |  | 62                     | 16.79                                  |                  | -                                  | -          |                            |                            | 3,800                      | -                          |                     | 3,800   |  |  |                           |  |                           |  |
| UMINT                          |                           |  |   |  | 8                      | 26.79                                  |                  | -                                  | -          |                            |                            | 782                        | -                          |                     | 782   |  |  |                           |  |                           |  |
| UMLDH                          |                           |  |   |  | 36                     | 100.31                                 |                  | -                                  | -          |                            |                            | 13,181                     | -                          |                     | 13,181  |  |  |                           |  |                           |  |
| UMLSH                          |                           |  |   |  | 1,729                  | 50.10                                  |                  | -                                  | -          |                            |                            | 316,174                    | -                          |                     | 316,174                                       |  |  |                           |  |                           |  |
| UMLSHLPMC                      |                           |  |   |  | 464                    | 61.80                                  |                  | -                                  | -          |                            |                            | 104,664                    | -                          |                     | 104,664                                       |  |  |                           |  |                           |  |
| UMLTH                          |                           |  |   |  | 4                      | 150.28                                 |                  | -                                  | -          |                            |                            | 2,194                      | -                          |                     | 2,194   |  |  |                           |  |                           |  |
| NIL                            |                           |  |   |  | 57                     |  |                  |                                    |            |                            |                            | -                          | -                          |                     | -   |  |  |                           |  |                           |  |
| $SP_{i,2020}Q_i$               |                           |  |   |  |                        |  |                  |                                    |            |                            |                            |                            |                            |                     |   |  |  |                           |  |                           |  |
|                                |                           |  | 31,701                                  | 270,402,596                                  | 2,563                  |  |                  | 10,026,213                         | 38,186,758 | 476,843                    | -                          | 48,689,814                 | (5,245,173)                |                     | 43,444,641                                    |  |  |                           |  |                           |  |

Note: The maximum NR (2020) prices and quantities are the same as NR (2020)

| $\Sigma P_{i,2019} \cdot Q_{i,2019}$ |                           | Prices at 31 March 2019 multiplied by 31 March 2018 Base Quantities |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
|--------------------------------------|---------------------------|---|----------------------------|---------------------------------|------------------------|--|-----------------------------|------------------------------------|------------|----------------------------|-----------|---------------------------------|-------------|---------------------|-----------|--|--|--------------------------------------|--|---------------------------------------|--|--|--|
| Price Category Code                  | Register and content code | Description   | Number of ICPs at 31/03/18 | kWh or kw or kvarh for 31/03/18 | Other Qty for 31/03/18 | Line Tariff 1.4.2016 tL 31.3.2019 year |                             | Notional Distribution Revenue (\$) |            | Notional Other Revenue(\$) |           | Total Distribution Revenue (\$) |             | Total Discount (\$) |           | Total Distribution Revenue (\$) Notional |  |                                      |  |                                       |  |  |  |
|                                      |                           |   |                            |                                 |                        | Fixed \$/Day Distribution              | Variable Distribution c/kWh | Fixed                              | Variable   | Fixed                      |           |                                 |             |                     |           | less Discount                            |  |                                      |  |                                       |  |  |  |
|                                      |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  | $\Sigma P_{i,2019} \cdot Q_{i,2019}$ |  | $\Sigma tL_{i,2020} \cdot Q_{i,2018}$ |  |  |  |
| Low User (LR)                        |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| LRF                                  |                           | 0 LRF Daily Price   | 13,467                     |                                 |                        | 0.13730000                             |                             | 674,892                            |            |                            |           | 674,892                         |             | (583,367)           |           | 91,525                                   |  |                                      |  |                                       |  |  |  |
| LUC                                  | UN24                      | LRF Uncontrolled  |                            | 8,743,141                       |                        |  | 20,000                      |                                    | 1,748,628  |                            | 1,748,628 |                                 | (208,001)   |                     | 1,540,627 |  |  |                                      |  |                                       |  |  |  |
| LA                                   | IN18                      | LRF All inclusive   |                            | 50,189,602                      |                        |  | 15,350                      |                                    | 7,704,104  |                            | 7,704,104 |                                 | (1,193,226) |                     | 6,510,878 |  |  |                                      |  |                                       |  |  |  |
| LFC                                  | CN20                      | LRF Controlled 20   |                            | 183,413                         |                        |  | 6,360                       |                                    | 11,665     |                            | 11,665    |                                 |             |                     | 11,665    |  |  |                                      |  |                                       |  |  |  |
| LD                                   | D16                       | LRF Day   |                            | 996,063                         |                        |  | 17,750                      |                                    | 176,801    |                            | 176,801   |                                 | (24,211)    |                     | 152,590   |  |  |                                      |  |                                       |  |  |  |
| LN                                   | N8                        | LRF Night   |                            | 372,324                         |                        |  | 3,860                       |                                    | 14,372     |                            | 14,372    |                                 | -           |                     | 14,372    |  |  |                                      |  |                                       |  |  |  |
| Low user TOU Uncontrolled            |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| LUF                                  | 0                         | LUF Daily price on HHR  | 36                         |                                 |                        | 0.13730000                             |                             | 1,804                              |            |                            |           | 1,804                           |             | (1,774)             |           | 30                                       |  |                                      |  |                                       |  |  |  |
| LU1                                  | UN24                      | LUF Peak  |                            | 46,980                          |                        |  | 20,000                      |                                    | 9,396      |                            | 9,396     |                                 | (1,298)     |                     | 8,098     |  |  |                                      |  |                                       |  |  |  |
| LU2                                  | UN24                      | LUF Shoulder  |                            | 74,520                          |                        |  | 20,000                      |                                    | 14,904     |                            | 14,904    |                                 | (2,058)     |                     | 12,846    |  |  |                                      |  |                                       |  |  |  |
| LU3                                  | UN24                      | LUF Off peak  |                            | 42,120                          |                        |  | 20,000                      |                                    | 8,424      |                            | 8,424     |                                 | (1,163)     |                     | 7,261     |  |  |                                      |  |                                       |  |  |  |
| Low user TOU controlled              |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| LCF                                  | 0                         | LCF Daily price on HHR  | 213                        |                                 |                        | 0.13730000                             |                             | 10,674                             |            |                            |           | 10,674                          |             | (10,496)            |           | 179                                      |  |                                      |  |                                       |  |  |  |
| LC1                                  | IN18                      | LCF Peak  |                            | 277,965                         |                        |  | 15,350                      |                                    | 42,668     |                            | 42,668    |                                 | (7,678)     |                     | 34,990    |  |  |                                      |  |                                       |  |  |  |
| LC2                                  | IN18                      | LCF Shoulder  |                            | 440,910                         |                        |  | 15,350                      |                                    | 67,680     |                            | 67,680    |                                 | (12,179)    |                     | 55,501    |  |  |                                      |  |                                       |  |  |  |
| LC3                                  | IN18                      | LCF Off peak  |                            | 249,210                         |                        |  | 15,350                      |                                    | 38,254     |                            | 38,254    |                                 | (6,884)     |                     | 31,370    |  |  |                                      |  |                                       |  |  |  |
| Standard User (SR)                   |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| SRF                                  |                           | SRF Daily Price   | 12,514                     |                                 |                        | 0.968                                  |                             | 4,419,619                          |            |                            |           | 4,419,619                       |             | (667,873)           |           | 3,751,746                                |  |                                      |  |                                       |  |  |  |
| SUC                                  |                           | SRF Uncontrolled  |                            | 14,070,613                      |                        |  | 16,590                      |                                    | 2,334,315  |                            | 2,334,315 |                                 | (269,296)   |                     | 2,065,018 |  |  |                                      |  |                                       |  |  |  |
| SA                                   |                           | SRF All inclusive   |                            | 66,270,210                      |                        |  | 11,950                      |                                    | 7,919,290  |                            | 7,919,290 |                                 | (1,266,936) |                     | 6,652,354 |  |  |                                      |  |                                       |  |  |  |
| SFC                                  |                           | SRF Controlled 20   |                            | 516,320                         |                        |  | 5,120                       |                                    | 26,436     |                            | 26,436    |                                 | -           |                     | 26,436    |  |  |                                      |  |                                       |  |  |  |
| SD                                   | D16                       | SRF Day   |                            | 3,185,640                       |                        |  | 13,370                      |                                    | 425,920    |                            | 425,920   |                                 | (62,164)    |                     | 363,757   |  |  |                                      |  |                                       |  |  |  |
| SN                                   | N8                        | SRF Night   |                            | 1,271,478                       |                        |  | 3,230                       |                                    | 41,069     |                            | 41,069    |                                 | -           |                     | 41,069    |  |  |                                      |  |                                       |  |  |  |
| Standard user TOU Uncontrolled       |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| SUF                                  |                           | SUF Daily price on HHR  | 42                         |                                 |                        | 0.968                                  |                             | 14,833                             |            |                            |           | 14,833                          |             | (2,070)             |           | 12,764                                   |  |                                      |  |                                       |  |  |  |
| SU1                                  | UN24                      | SUF Peak  |                            | 77,952                          |                        |  | 16,590                      |                                    | 12,932     |                            | 12,932    |                                 | (1,514)     |                     | 11,418    |  |  |                                      |  |                                       |  |  |  |
| SU2                                  | UN24                      | SUF Shoulder  |                            | 123,648                         |                        |  | 16,590                      |                                    | 20,513     |                            | 20,513    |                                 | (2,401)     |                     | 18,112    |  |  |                                      |  |                                       |  |  |  |
| SU3                                  | UN24                      | SUF Off peak  |                            | 69,888                          |                        |  | 16,590                      |                                    | 11,594     |                            | 11,594    |                                 | (1,357)     |                     | 10,237    |  |  |                                      |  |                                       |  |  |  |
| Standard user TOU Uncontrolled       |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| SCF                                  |                           | SCF Daily price on HHR  | 209                        |                                 |                        | 0.968                                  |                             | 73,813                             |            |                            |           | 73,813                          |             | (10,298)            |           | 63,515                                   |  |                                      |  |                                       |  |  |  |
| SC1                                  | IN18                      | SCF Peak  |                            | 387,904                         |                        |  | 11,950                      |                                    | 46,355     |                            | 46,355    |                                 | (7,534)     |                     | 38,821    |  |  |                                      |  |                                       |  |  |  |
| SC2                                  | IN18                      | SCF Shoulder  |                            | 615,296                         |                        |  | 11,950                      |                                    | 73,528     |                            | 73,528    |                                 | (11,950)    |                     | 61,578    |  |  |                                      |  |                                       |  |  |  |
| SC3                                  | IN18                      | SCF Off peak  |                            | 347,776                         |                        |  | 11,950                      |                                    | 41,559     |                            | 41,559    |                                 | (6,754)     |                     | 34,805    |  |  |                                      |  |                                       |  |  |  |
| General User (G)                     |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| GF                                   |                           | GRF Daily Price   | 5,058                      |                                 |                        | 0.968                                  |                             | 1,786,354                          |            | -                          |           | 1,786,354                       |             | (233,416)           |           | 1,552,938                                |  |                                      |  |                                       |  |  |  |
| GUC                                  |                           | GRF Uncontrolled  |                            | 51,328,911                      |                        |  | 16,590                      |                                    | 8,515,466  |                            | 8,515,466 |                                 | (428,919)   |                     | 8,086,547 |  |  |                                      |  |                                       |  |  |  |
| GA                                   |                           | GRF All inclusive   |                            | 4,841,993                       |                        |  | 11,950                      |                                    | 578,618    |                            | 578,618   |                                 | (37,201)    |                     | 541,417   |  |  |                                      |  |                                       |  |  |  |
| GFC                                  |                           | GRF Controlled 20   |                            | 3,883,636                       |                        |  | 5,120                       |                                    | 198,842    |                            | 198,842   |                                 | -           |                     | 198,842   |  |  |                                      |  |                                       |  |  |  |
| GD                                   | D16                       | GRF Day   |                            | 8,426,899                       |                        |  | 13,370                      |                                    | 1,126,676  |                            | 1,126,676 |                                 | (64,744)    |                     | 1,061,933 |  |  |                                      |  |                                       |  |  |  |
| GN                                   | N8                        | GRF Night   |                            | 3,639,351                       |                        |  | 3,230                       |                                    | 117,551    |                            | 117,551   |                                 | -           |                     | 117,551   |  |  |                                      |  |                                       |  |  |  |
| General Advanced User (GA)           |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| GAF                                  | CAP150                    | Closed  | 27                         |                                 |                        | 7.563                                  |                             | 74,530                             |            | -                          |           | 74,530                          |             | (20,075)            |           | 54,455                                   |  |                                      |  |                                       |  |  |  |
| G1                                   |                           |   |                            | 842,028                         |                        |  | 16,150                      |                                    | 135,988    |                            | 135,988   |                                 | (11,569)    |                     | 124,418   |  |  |                                      |  |                                       |  |  |  |
| G2                                   |                           |   |                            | 1,948,787                       |                        |  | 10,980                      |                                    | 213,977    |                            | 213,977   |                                 | (22,539)    |                     | 191,437   |  |  |                                      |  |                                       |  |  |  |
| G3                                   |                           |   |                            | 853,677                         |                        |  | 3,230                       |                                    | 27,580     |                            | 27,580    |                                 | -           |                     | 27,580    |  |  |                                      |  |                                       |  |  |  |
| DG                                   |                           |   |                            | 1,385,560                       |                        |  |                             |                                    |            |                            |           | -                               |             | -                   | -         |  |  |                                      |  |                                       |  |  |  |
| Time of Use                          |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
|                                      |                           |   | 54                         |                                 |                        | 21.519                                 |                             | 424,134                            |            |                            |           | 424,134                         | -           | 12,246              |           | 411,888                                  |  |                                      |  |                                       |  |  |  |
| TOU1                                 |                           |   |                            | 8,496,493                       |                        |  | 9,990                       |                                    | 848,800    |                            | 848,800   |                                 | -           | 9,869               |           | (9,869)                                  |  |                                      |  |                                       |  |  |  |
| TOU2                                 |                           |   |                            | 18,286,789                      |                        |  | 6,790                       |                                    | 1,241,673  |                            | 1,241,673 |                                 | -           | 21,240              |           | 827,560                                  |  |                                      |  |                                       |  |  |  |
| TOU3                                 |                           |   |                            | 9,445,787                       |                        |  | 0,590                       |                                    | 55,730     |                            | 55,730    |                                 | -           | -                   |           | 1,241,673                                |  |                                      |  |                                       |  |  |  |
| Industrial                           |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| 0000984310TEBBE                      |                           |   | 2                          |                                 |                        | 1,746.6000                             |                             | 637,509                            |            | -                          |           | 637,509                         | -           | 13,914              |           | 623,595                                  |  |                                      |  |                                       |  |  |  |
| 0000930130TE465                      |                           |   | 0                          |                                 |                        |  |                             |                                    |            |                            |           | -                               | -           | -                   | -         | -  |  |                                      |  |                                       |  |  |  |
| 00009840000TE210                     |                           |   | 1                          |                                 |                        | 1,000.0000                             |                             | 365,000                            |            | -                          |           | 365,000                         | -           | 6,957               |           | 358,043                                  |  |                                      |  |                                       |  |  |  |
| Non Standard (25MW)                  |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| LDG                                  |                           |   | 0                          |                                 |                        | 175.6200                               |                             | -                                  |            | -                          |           | -                               | -           | -                   | -         | -  |  |                                      |  |                                       |  |  |  |
| Street Lights                        |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
| UMCON500                             |                           |   |                            |                                 | 173                    | 0.4420                                 |                             |                                    | -          | 27,910                     |           | 27,910                          |             | -                   |           | 27,910                                   |  |                                      |  |                                       |  |  |  |
| UMDECL                               |                           |   |                            |                                 | 30                     | 0.4575                                 |                             |                                    | -          | 5,010                      |           | 5,010                           |             | -                   |           | 5,010                                    |  |                                      |  |                                       |  |  |  |
| UMGL                                 |                           |   |                            |                                 | 62                     | 0.1533                                 |                             |                                    | -          | 3,469                      |           | 3,469                           |             | -                   |           | 3,469                                    |  |                                      |  |                                       |  |  |  |
| UMINT                                |                           |   |                            |                                 | 8                      | 0.2447                                 |                             |                                    | -          | 715                        |           | 715                             |             | -                   |           | 715                                      |  |                                      |  |                                       |  |  |  |
| UMLDH                                |                           |   |                            |                                 | 36                     | 0.9161                                 |                             |                                    | -          | 12,038                     |           | 12,038                          |             | -                   |           | 12,038                                   |  |                                      |  |                                       |  |  |  |
| UMLSH                                |                           |   |                            |                                 | 1,729                  | 0.4575                                 |                             |                                    | -          | 288,721                    |           | 288,721                         |             | -                   |           | 288,721                                  |  |                                      |  |                                       |  |  |  |
| UMLSHLPMC                            |                           |   |                            |                                 | 464                    | 0.5844                                 |                             |                                    | -          | 95,587                     |           | 95,587                          |             | -                   |           | 95,587                                   |  |                                      |  |                                       |  |  |  |
| UMLTH                                |                           |   |                            |                                 | 4                      | 1.3724                                 |                             |                                    | -          | 2,004                      |           | 2,004                           |             | -                   |           | 2,004                                    |  |                                      |  |                                       |  |  |  |
| NIL                                  |                           |   |                            |                                 | 57                     |  |                             |                                    | -          |                            |           | -                               | -           | -                   | -         | -  |  |                                      |  |                                       |  |  |  |
| $\Sigma P_{i,2019} \cdot Q_i$        |                           |   |                            |                                 |                        |  |                             |                                    |            |                            |           |                                 |             |                     |           |  |  |                                      |  |                                       |  |  |  |
|                                      |                           |   | 31,700                     | 270,402,596                     | 2,563                  |  |                             | 8,711,171                          | 34,757,545 | 435,453                    |           | 43,904,169                      | -           | 5,245,173           |           | 38,658,996                               |  |                                      |  |                                       |  |  |  |

Clause 11.4(e): The pricing methodology used to calculate distribution prices and pass-through prices is in accordance with the Pricing Methodology Disclosure 2019-2020 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><br>Coincident share of RCPD (kW) for industrial consumers and Anytime Maximum Demand (AMD) for other connections<br><br><i>Connection charges and ACOT - Transmission:</i><br>Share of AMD | Allocation of interconnection charges aligns with Transpower's use of RCPD to apportion charges at a national level.<br><br>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)<br><br>General Advanced: RAB<br><br>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.  |

**Commerce Act (Electricity Distribution Default Price-Quality Path)****Determination 2015****Pass Through and Recoverable Costs  
for the Assessment Date 31 March 2020**

| Pass Through and Recoverable Costs for year ending March 2020 |                   |                   |               |              |
|---|-------------------|-------------------|---------------|--------------|
| V 2020  | 2020              | 2020 Forecast     | Variance (\$) | Variance (%) |
| Transpower  | 5,328,932         | 5,328,932         | -             | -            |
| Avoided Transmission Ngawha                                   | 2,752,881         | 2,752,881         | -             | -            |
| Avoided Transmission Transpower                               | -                 | -                 | -             | -            |
| Energy Efficiency Incentive                                   | -                 | -                 | -             | -            |
| Quality Incentive Adjustment                                  | 1,653             | 1,737             | (84)          | (5.07)%      |
| Clawback  | 1,968,000         | 1,968,000         | -             | -            |
| NPV Washup Allowance  | 733,000           | 733,000           | -             | -            |
| Opex Incentive  | -                 | -                 | -             | -            |
| Capex Incentive   | 25,699            | 25,699            | -             | -            |
| IRIS (Balance from previous years difference)                 |                   |                   |               |              |
| Total V   | 10,810,165        | 10,810,249        | (84)          |              |
| K 2020  | Actual (\$)       | Forecast (\$)     | Variance (\$) | Variance (%) |
| Rates   | 50,970            | 49,462            | 1,508         | 2.96%        |
| Electricity Authority Levies                                  | 72,895            | 75,193            | (2,298)       | (3.15)%      |
| Complaints Levy   | 25,169            | 22,355            | 2,815         | 11.18%       |
| Commerce Act Levies   | 124,272           | 116,480           | 7,792         | 6.27%        |
| Total K   | 273,306           | 263,489           | 9,817         | 3.59%        |
| <b>Total Pass Through and Recoverable Costs</b>               | <b>11,083,471</b> | <b>11,073,738</b> | <b>9,733</b>  | <b>.09%</b>  |

**Commerce Act (Electricity Distribution  
Default Price-Quality Path)  
Pass Through Balance  
for the Assessment Date 31 March 2020**

| Pass Through and Recoverable Costs for year ending March 2020 |            |
|---|------------|
| V 2020  | 2020       |
| PTPi2020 Qi2020   | 11,118,968 |
| Actual K 2020   | 273,306    |
| Actual V 2020   | 10,810,165 |
| Total K+V (passthrough)                                       | 11,083,471 |
| PTBt2019  | (190,550)  |
| PTBt2019 Interest   | (11,604)   |
| PTB 2020  | (237,651)  |

| Pass Through and Recoverable Costs for year ending March 2020 with Variances to Pricing forecast |            |             |                      |   |
|--|------------|-------------|----------------------|---|
| V 2020   | Actual\$   | Forecast \$ | Variance to forecast | Explanation   |
| PTPi2020 Qi2020  | 11,118,968 | 11,140,480  | (21,512)             | Residential Standard kWh decreased and Low User kWh increased, with an overall decrease of 1.4%. The forecast was 279GWh and actual was 275GWh. The decrease in recovery was \$ 21.5k |
| Actual K 2020  | 273,306    | 263,489     | 9,817                | Mainly due to an increase in Commerce Levies \$8k   |
| Actual V 2020  | 10,810,165 | 10,810,249  | (84)                 | Quality Incentive update  |
| Total K+V (passthrough)  | 11,083,471 | 11,146,676  | (63,205)             | Net decrease in PTB costs to be recovered is \$265k   |
| PTBt2019   | (190,550)  | 68,751      | (259,301)            | The 2019 over recovery was more than expected. See kWh  |
| Interest 2019 PBT  | (11,604)   | 4,187       | (15,791)             | PBT interest at 6.09 included   |
| PTB 2020   | (237,651)  | 6,196       | (243,847)            | Net Increase in Over Recovery to forecast is \$243.8k due to 2019 being a higher recovery than forecast   |

## 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 <sub>2020</sub> | 365.620 |
|-----------------------|---------|

The sum of daily SAIDI Values in the Normalised Assessment Dataset

$$\text{SAIDI}_{\text{assess}} = (0.5 \times \text{SAIDI}_B) + \text{SAIDI}_C$$

SAIDI<sub>B</sub> is the sum of the daily SAIDI Values for Class B Interruptions

SAIDI<sub>C</sub> is the sum of the daily SAIDI Values for Class C Interruptions

##### Assessed SAIFI Value

|                       |       |
|-----------------------|-------|
| SAIFI <sub>2020</sub> | 4.463 |
|-----------------------|-------|

The sum of daily SAIFI Values in the Normalised Assessment Dataset

$$\text{SAIFI}_{\text{assess}} = (0.5 \times \text{SAIFI}_B) + \text{SAIFI}_C$$

SAIFI<sub>B</sub> is the sum of the daily SAIFI Values for Class B Interruptions

SAIFI<sub>C</sub> 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 |
| 2020 | 365.620 | 4.463 |

## Appendix F –Quality Incentive Calculations

| Quality Incentive Adjustment |                                      | 2016        | 2017        | 2018        | 2019        | 2020        |
|------------------------------|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Term                         | Description                          | Value \$000 | Value \$000 | Value \$000 | Value \$000 | Value \$000 |
| $S_{SAIDI}$                  | SAIDI incentive                      | -55.506     | 72.809      | -100.905    | 171.155     | 147.185     |
| $S_{SAIFI}$                  | SAIFI incentive                      | -42.815     | 129.120     | 102.558     | 171.155     | 171.155     |
| $S_{TOTAL}$                  | SAIDI incentive plus SAIFI incentive | -98.322     | 201.929     | 1.653       | 342.310     | 318.340     |

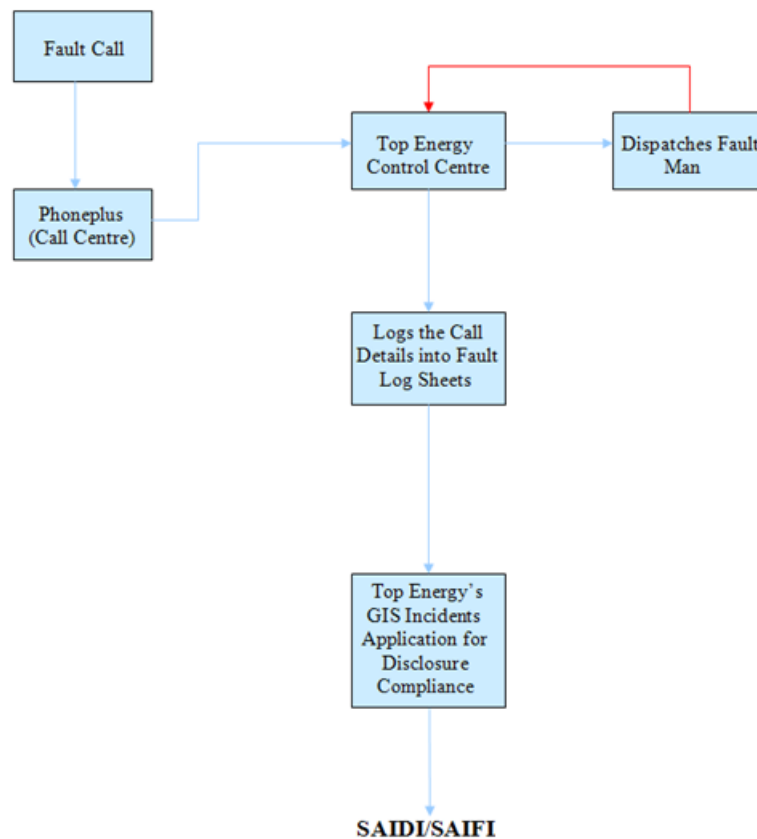
| SAIDI Incentive                  |   | 2016     | 2017     | 2018     | 2019     | 2020     |
|----------------------------------|---|----------|----------|----------|----------|----------|
| Term                             | Description   | Value    | Value    | Value    | Value    | Value    |
| $SAIDI_{Target}$                 | SAIDI target specified in DPP Determination   | 435.4607 | 435.4607 | 435.4607 | 435.4607 | 435.4607 |
| $SAIDI_{Collar}$                 | SAIDI incentive range collar specified in DPP Determination   | 354.2460 | 354.2460 | 354.2460 | 354.2460 | 354.2460 |
| $SAIDI_{Cap}$                    | SAIDI incentive range cap specified in DPP Determination  | 516.6753 | 516.6753 | 516.6753 | 516.6753 | 516.6753 |
| $MAR$                            | Maximum allowable revenue for the 2015/16 year (in \$000)   | 34,231   | 34,231   | 34,231   | 34,231   | 34,231   |
| $REV_{RISK}$                     | Revenue at risk; 1% of MAR (\$000)  | 342.310  | 342.310  | 342.310  | 342.310  | 342.310  |
| $SAIDI_{IR}$                     | 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    | 2.107    |
| $SAIDI_{ASSESS}$                 | Assessed SAIDI value for the Assessment Period  | 461.799  | 400.9123 | 483.3410 | 351.5860 | 365.6199 |
| $SAIDI_{ASSESS - FOR INCENTIVE}$ | Assessed SAIDI value for purpose of incentive   | 461.799  | 400.9123 | 483.3410 | 354.2460 | 365.6199 |
| $S_{SAIDI}$                      | SAIDI incentive adjustment; equal to incentive rate multiplied by SAIDI target minus Assessed SAIDI value (\$000) | -55.506  | 72.809   | -100.905 | 171.155  | 147.185  |

| SAIFI Incentive                  |   |            |            |            |            |            |
|----------------------------------|---|------------|------------|------------|------------|------------|
| SAIFI Incentive                  |   | 2016       | 2017       | 2018       | 2019       | 2020       |
| Term                             | Description   | Value      | Value      | Value      | Value      | Value      |
| $SAIFI_{Target}$                 | SAIFI target specified in DPP Determination   | 5.4359     | 5.4359     | 5.4359     | 5.4359     | 5.4359     |
| $SAIFI_{Collar}$                 | SAIFI incentive range collar specified in DPP Determination   | 4.6240     | 4.6240     | 4.6240     | 4.6240     | 4.6240     |
| $SAIFI_{Cap}$                    | SAIFI incentive range cap specified in DPP Determination  | 6.2478     | 6.2478     | 6.2478     | 6.2478     | 6.2478     |
| $MAR$                            | Maximum allowable revenue for the 2015/16 year (in \$000)   | 34,231.000 | 34,231.000 | 34,231.000 | 34,231.000 | 34,231.000 |
| $REV_{RISK}$                     | Revenue at risk; 1% of MAR (\$000)  | 342.310    | 342.310    | 342.310    | 342.310    | 342.310    |
| $SAIFI_{IR}$                     | 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    | 210.808    |
| $SAIFI_{ASSESS}$                 | Assessed SAIFI value for the Assessment Period  | 5.6390     | 4.8234     | 4.9494     | 3.5790     | 4.4633     |
| $SAIFI_{ASSESS - FOR INCENTIVE}$ | Assessed SAIFI value for purpose of incentive   | 5.6390     | 4.8234     | 4.9494     | 4.6240     | 4.6240     |
| $S_{SAIFI}$                      | SAIFI incentive adjustment; equal to incentive rate multiplied by SAIFI target minus Assessed SAIFI value (\$000) | -42.815    | 129.120    | 102.558    | 171.155    | 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 2020, Top Energy had been using the accurate customer count as at 31 March 2019. 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.

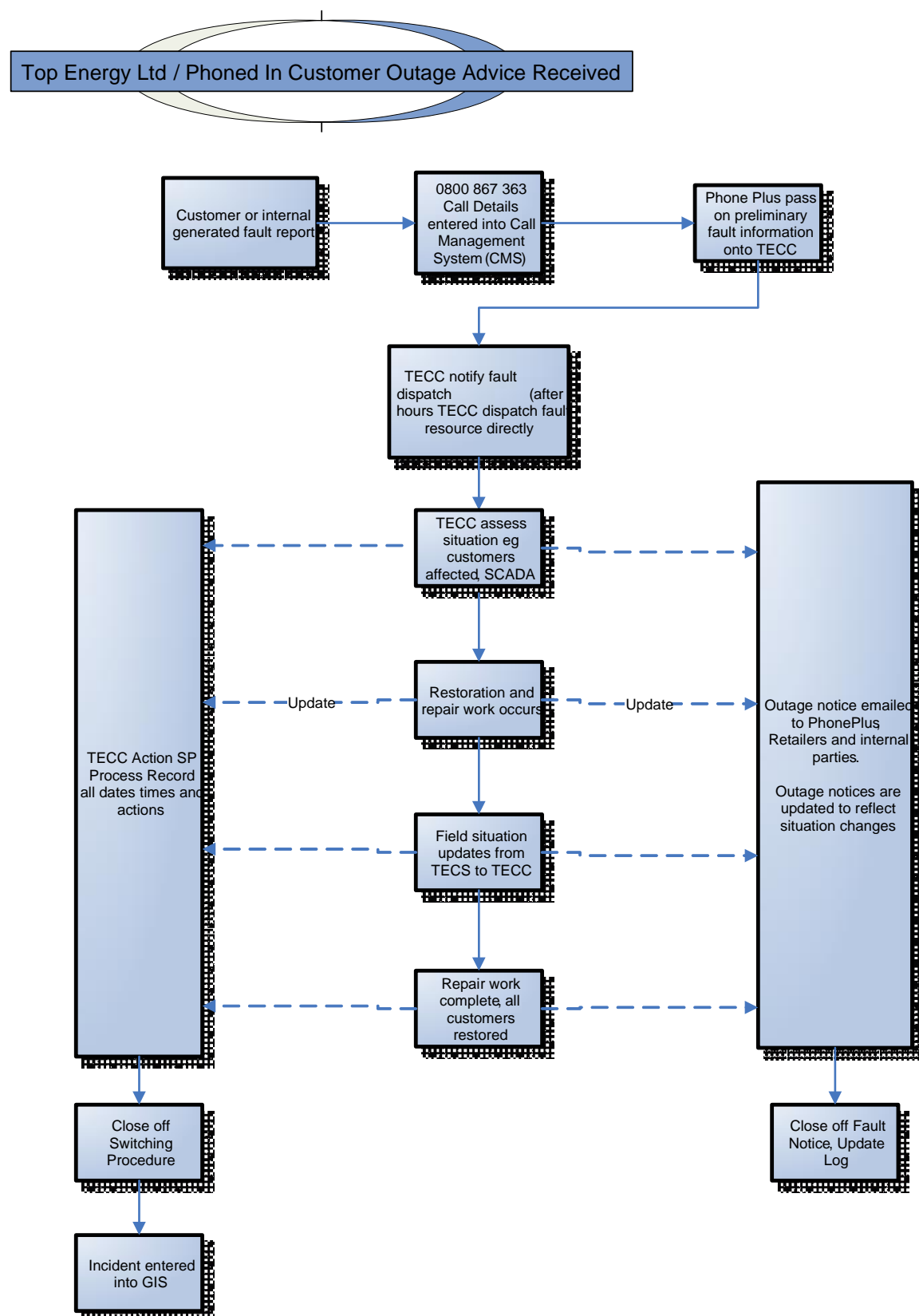
The Customer count data is taken from the Electricity Registry.

The average ICP count for 2020 was calculated as the sum of the 31 March 2019 + 31 March 2020 ICP counts divided by 2.

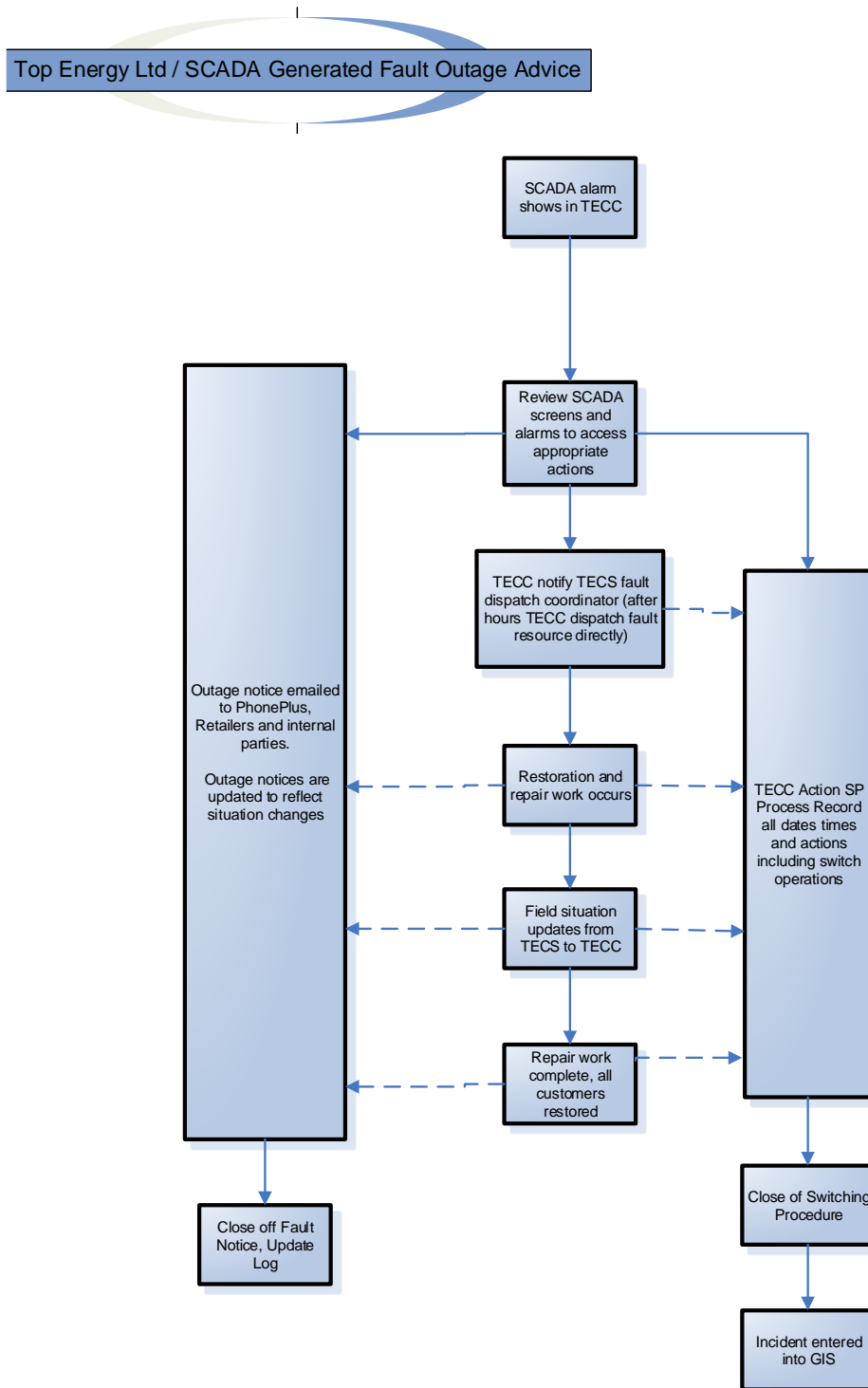
To ensure the accuracy of ICPs in Geographical Information System (GIS) an automatic trace is set to run on a daily basis. The trace runs through the connected model and gathers total ICPs per feeder. The trace results are compared against the previous days trace and outputted into a report showing the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

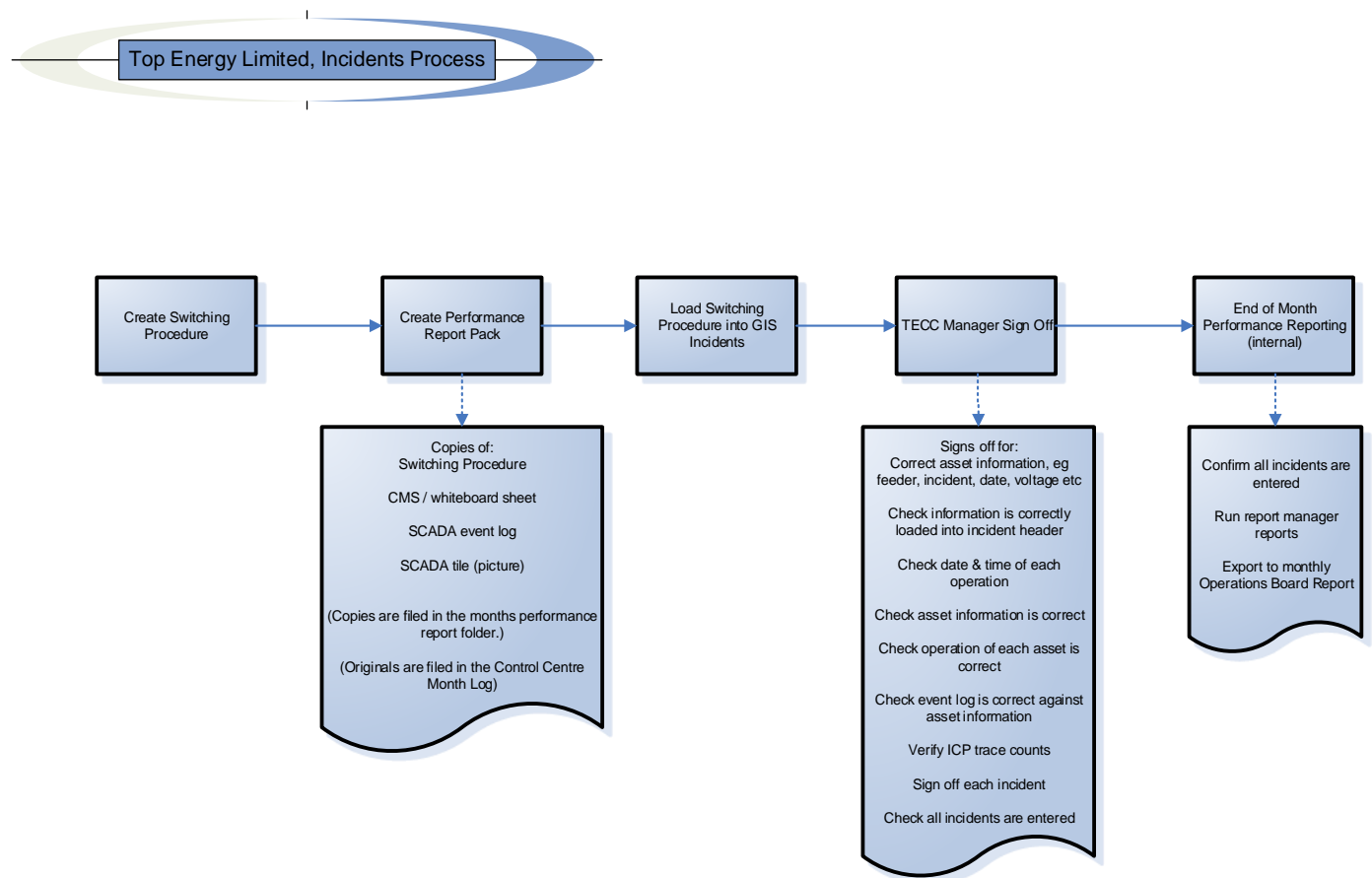
## 5. PHONED IN CUSTOMER OUTAGE ADVICE



## 6. SCADA GENERATED OUTAGE ADVICE



## 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.

