



Default Price-Quality Path Annual Compliance Statement

Gas Distribution Services



Assessment Period: 01 October 2022 – 30 September 2023

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1. Summary

Powerco is required to annually report on compliance with its price and quality path

Powerco Limited's gas distribution business (Powerco) is subject to regulation under the Commerce Act 1986. The Commerce Commission (Commission) has set a default price-quality path (DPP) which applies to all non-exempt gas distribution businesses (GDBs) including Powerco.

The annual Compliance Statement (Statement) requirements are set out in the Gas Distribution Services Default Price-Quality Path Determination 2022¹ (the Determination), and clause A3 of Section 53N Notice (Notice) dated 31st May 2022². Each year Powerco must report on compliance with two aspects of the determination:

- a) the price path (demonstrating that actual revenue is below allowed revenue), and
- b) the quality standards (time taken to respond to emergency calls).

Powerco must disclose the Statement which includes information relevant to the assessment of its performance. The DPP is based on a regulatory period of 4 years, from October 2022 to September 2026. This 2023 assessment period is the first under the current default price-quality path.

Powerco is compliant with the price path and quality standards for the year ended September 2023

This Statement confirms that Powerco:

- complied with the price path and the quality path for this 2023 assessment period (1 October 2022 - 30 September 2023)
- has not undertaken a restructure of prices during this assessment period.
- has not completed any amalgamations, mergers, transfers or major transactions in this assessment period.

Appendix D provides the detailed compliance requirements from the Determination and Notice and references to the relevant information included in this Statement.

Powerco published this statement was prepared by and approved on the 21st March 2024 and published on the 31st March 2024. A copy is available at Powerco's principal office (Powerco, 35 Junction Street, Welbourn, New Plymouth). The Statement is published on Powerco's website (www.powerco.co.nz) and additional copies can be provided on request.

¹ https://comcom.govt.nz/_data/assets/pdf_file/0026/284525/Gas-Distribution-Services-DPP-Determination-2022-31-May-2022.pdf

² https://comcom.govt.nz/_data/assets/pdf_file/0023/285116/Compliance-letter-to-Powerco-31-May-2022.pdf

2. Assessment against the price path

In this section, Powerco demonstrates compliance with the price path requirements of section 8 of the Determination.

For presentation purposes, the tables set out in this section contain aggregates of the price and quantity information. While the dollar balances in all pricing tables are rounded to the nearest thousand dollars, the underlying compliance calculations apply to the whole number. More detailed information is contained in appendix A.

2.1 Summary of price path compliance information

Clause 8.3 of the Determination states that to demonstrate compliance with the price path,

the notional revenue (NR_t) of each GDB in an assessment period must not exceed the allowable notional revenue (ANR_t) for the assessment period.

As demonstrated by table 1, Powerco complies with the price path for the assessment period.

Table 1: Price path results for this assessment period

DPP requirement	NR _t ≤ ANR _t
Powerco's result (\$000)	56,020 ≤ 56,058
Compliance test	Complies

2.2 Allowable notional revenue and notional revenue

The first step is to calculate what should have been allowed for 2023: actual allowable revenue. The Determination defines actual allowable revenue as in table 2. The calculation of each component is explained in subsequent sections.

2.2.1 Calculating allowable notional revenue

Allowable notional revenue for the 2023 assessment period is calculated in accordance with equation 1 of schedule 3 of the Determination.

Table 2: Calculating Powerco’s allowable notional revenue (ANR)

$$ANR_{2023} \left(\frac{MAR}{\Delta D} \right) =$$

Calculation components	Value	Total (\$000)
MAR represents the starting prices for each GDB for the Regulatory Period, specified as maximum allowable revenue, outlined in Schedule 1 of the determination.		57,633
ΔD is a value specified in Schedule 3 of the determination for each GDB		1.0281
ANR₂₀₂₃ is the total allowable notional revenue for the 2023 assessment period.		56,058

2.2.2 Calculating notional revenue

Notional revenue is the product of each price during any part of the assessment period multiplied by the relevant quantity for the assessment period ending two years prior. The formula to calculate notional revenue is specified in clause 8.4(a) of the Determination.

Table 3: Calculating Powerco’s notional revenue (NR)

$$NR_{2023} = (\sum_i P_{i,2023} Q_{i,2021} - (K_{2023} + V_{2023}))$$

Calculation components	Total (\$000)
<p>$P_{i,2023}Q_{i,2021}$ represents the notional revenue for the assessment period ending September 2023. This is the sum of all products of the 2023 prices for each lines service and corresponding quantities for the year ending September 2021. Refer to appendix A for detail.</p>	57,765
<p>$(K_{2023} + V_{2023})$ is the sum of all pass-through and recoverable costs included in pricing in the current assessment period.</p>	(1,745)
<p>NR₂₀₂₃ is the total notional revenue for the 2023 assessment period.</p>	<p>56,020</p>

2.3 Pass-through and recoverable costs

The Determination allows for the inclusion of pass-through and recoverable costs in pricing if they are known at the time prices are set and have not been previously recovered or will not be able to be recovered other than through prices. Pass-through and recoverable costs are defined in clauses 3.1.2 and 3.1.3 of the Gas Distribution Services Input Methodologies Determination 2012.

Pass-through costs include:

- Rates on system fixed assets
- Gas Act levies
- Commerce Act levies
- Electricity and Gas Complaints Commissioner Scheme (EGCC) levies
- Levies under the Commerce (Levy for Control of Natural Gas Services) Regulations 2005

Recoverable costs include:

- Claw back applied by the Commission
- Costs relating to a CPP application

Pass-through and recoverable costs included in pricing

Each year Powerco sets draft pricing around April and finalises it in July to take effect on 1 October. Pass-through and recoverable costs known at the point pricing is finalised may be included in pricing. Table 4 contains costs included in 2023 pricing.

Table 4: Pass-through and recoverable costs included in 2023 pricing

Pass-through and recoverable costs incurred	Total (\$000)
<u>Pass-through costs</u>	
Rates	1,491
Commission levies	59
Utilities Disputes levies	64
<u>Recoverable costs</u>	
Capex wash-up*	0
Pass-through and recoverable costs included in 2023 pricing	1,615

* The discount rate applied to the capex wash-up is 5.85% and is set by the Commission.

The formula to calculate the time value of pass-through costs is prescribed by equation 3 of schedule 5 of the Determination. The formula to calculate the capex wash-up adjustment is prescribed by the equation set in clause 3.1.3(1)(h) of the Gas Distribution Services Input Methodologies Determination 2012.

Table 5: Time value of money adjustment

Pricing period costs incurred	2021 (\$000)	2022 (\$000)	Total (\$000)
Amount of pass-through costs paid in the period	1,554	60	1,615
Amount of recoverable costs paid in the period	0	0	0
Total pass-through and recoverable costs paid in the period	1,554	60	1,615
Total pass-through and recoverable costs included in 2022 pricing adjusted for the time value of money*	1,682	63	1,745

* The discount rate applied to pass-through costs is 4.04% and set in the Determination.

2.4 Price restructuring

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

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

Powerco has not restructured its pricing during this assessment period.

3. Assessment against the quality path

In this section Powerco demonstrates compliance with the quality standards in section 9 of the Determination.

3.1 Summary of quality path compliance information

Clause 9.1 of the Determination states that to demonstrate compliance with the quality standards,

a GDB's RTE (response time to emergencies) values for an assessment period must be such that:

- a) of the total of all RTE's, the percentage greater than 60 minutes does not exceed 20%; and**
- b) the RTE to any emergency does not exceed 180 minutes.**

As demonstrated by table 6, Powerco complies with the quality path for the assessment period.

Table 6: Quality path results for this assessment period

DPP requirement	RTE > 60 mins	RTE > 180 mins
Powerco's result	0%	0%
DPP standard	20%	0%
Compliance test	Complies	Complies

An emergency is defined under the Determination as meaning:

- a) an unplanned escape or ignition of gas that requires the active involvement³ of any emergency service (e.g., fire service or ambulance);
- b) an unplanned disruption in the supply of gas that affects more than five installation control points; or
- c) an evacuation of a premises as the result of escape or ignition of gas.

The assessed results are calculated from a dataset that covers the period 1 October 2022 to 30 September 2023. The incident data and calculations for the response times to emergencies are included in appendix B.

Emergencies may be excluded from the dataset if the Commission has granted an exclusion in writing. Powerco confirms that for this assessment period it did not have any emergencies the Commission determined may be excluded from the RTE values, nor does Powerco have any excluding requests pending a decision by the Commission for the assessment period.

³ Active involvement includes actions such as establishing safety cordons, the use of firefighting equipment or providing medical or first aid treatment.

3.2 Reliability policies and procedures

3.2.1 Recording emergency events

Each event affecting the gas distribution system reported to Powerco is recorded in Powerco's Outage Management System (OMS) by personnel in Powerco's Network Operations Centre (NOC). Data recorded includes:

- if the event is planned or unplanned;
- time of call;
- time of arrival of personnel onsite;
- if emergency services are involved;
- if premises are evacuated;
- if Powerco's assets are involved;
- number of connections affected; and
- event closure codes.

The process of collecting and reviewing data for the calculation of the RTE metric is illustrated in flow diagrams included in appendix C.

3.2.1.1 Initial recording and response

At the time of initial notification, all contributing factors may not be apparent. Examples include an accurate count of customers affected, the type of equipment that has failed, and confirmation that a gas leak has occurred.

Powerco initially classifies any notification received from an emergency service as an emergency event. This is independent of any further action that the emergency service may or may not take.

Following initial notification of an event the responding field operative will call NOC to confirm all relevant event data. It may not be until this point that a job meets the criteria to be classified as an emergency. Conversely, it may be the case that an emergency classification is changed if for example a reported smell of gas is not confirmed on site. Occasionally the site may be evacuated sometime after the initial call to NOC.

3.2.1.2 Post event paperwork

The field operative records event data on a datasheet (form 390F140). This acts as a further record of the event details. These datasheets are held by the service provider and provided to Powerco. The forms are checked against the original entries in OMS by the gas operations team. This check typically verifies the information initially recorded.

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

3.2.1.3 Regular emergency response checks and reporting

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

The percentage of emergencies responded to within 60 minutes and within 180 minutes is calculated for the current month and on a cumulative assessment year basis. These figures are compared to Powerco's internal targets and reported to the gas management team monthly. The cumulative results are reported in the management report to the Board as required.

The time taken to respond to an emergency is calculated as being the difference between the time stamped entry of the initial call to NOC and OMS entry, and the time recorded by the field operative as the on-site time.

3.2.1.4 Preparation for disclosure

The Determination definition of an emergency is narrower than that used by Powerco for internal reporting. Therefore, the results from internal reporting are filtered to only select emergency events as defined in the Determination. For example, any events that are not associated with Powerco distribution assets or minor faults where no emergency response was required are removed as these do not fall within the Determination definition of emergency.

3.2.1.5 Escalation of exceptions

The gas asset intelligence analyst confirms Powerco remains compliant with the quality standard each week once the OMS checks have been completed. Any confirmed instance where the response time is greater than 180 minutes, or it is possible that more than 20% of emergencies have exceeded 60 minutes, must be reported immediately to all the following:

- Gas Asset Strategy Manager
- Gas Operations Manager
- General Manager Gas
- Head of Policy, Regulation, and Markets
- General Manager Customer

4. Major transactions

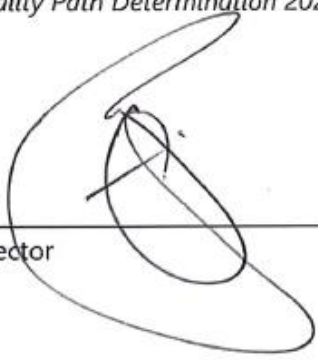
Powerco has not completed any amalgamations, mergers, transfers or major transactions in this assessment period.

5. Director's certificate

Director's Certificate for the Default Price-Quality Path Compliance Statement

For the period 1 October 2022 to 30 September 2023

I, John Loughlin, being (a) director of Powerco Limited certify that, having made all reasonable enquiries, to the best of my knowledge and belief, the attached price path compliance statement of Powerco, and related information, prepared for the purposes of the *Gas Distribution Services Default Price-Quality Path Determination 2022* has been prepared in accordance with all the relevant requirements.



Director

21 March 2024

Date

6. Auditor's report



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF POWERCO LIMITED AND THE COMMERCE COMMISSION

Report on Powerco Limited's Annual Gas Compliance Statement

We have conducted a reasonable assurance engagement on whether the information disclosed by Powerco Limited ('the Company') on pages 3 to 12 and 16 to 24, Sections 1, 2, 3 and 4 and the related Appendices A to D of the Company's Annual Compliance Statement ('the Annual Compliance Statement') for the period 1 October 2022 to 30 September 2023 has been prepared, in all material respects, in accordance with the Gas Distribution Services Default Price-Quality Path Determination 2022 ('the Determination').

Opinion

In our opinion:

- as far as appears from our examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and
- the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the period 1 October 2022 to 30 September 2023.

Basis for Opinion

We conducted our engagement in accordance with the Standard on Assurance Engagements (SAE) 3100 (Revised) *Assurance Engagements on Compliance* ('ISAE (NZ) 3100 (Revised)'), issued by the New Zealand Auditing and Assurance Standards Board. An engagement conducted in accordance with SAE 3100 (Revised) requires that we comply with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000 (Revised)').

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

Board of Directors' Responsibility

The Board of Directors is responsible on behalf of the Company for the preparation of the Annual Compliance Statement in accordance with the Determination. This responsibility includes the design, implementation, and maintenance of internal control relevant to the Company's compliance with the Determination.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* ('PES 1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than in our capacity as auditor and the provision of other assurance services including the audit of financial statements and the audit of regulatory disclosure statements, we have no relationship with or interests in the Company. These services have not impaired our independence as auditor of the Company as required by the Determination.

The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express an opinion on whether 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, sourced from its financial and non-financial systems; and whether the Company has complied, in all material

respects, with the Determination in preparing its Annual Compliance Statement. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement.

An assurance engagement to report on the Company's compliance with the Determination involves performing procedures to obtain evidence about the compliance activity and the controls implemented to meet the requirements of the Determination. The procedures selected depend on our judgement, including the identification and assessment of risk of material non-compliance with the Determination whether due to fraud, error or non-compliance with the Determination.

In evaluating those risks, we consider internal control relevant to the Company's preparation of the Annual Compliance Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. A reasonable assurance engagement also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the Annual Compliance Statement.

Our procedures included:

- examining, on a sample basis, evidence relevant to the amounts and disclosures contained on pages 3 to 12 and 16 to 24 of the Annual Compliance Statement in relation to the Default Price Path Compliance Information and Quality Compliance Information set out in Clauses 8 and 9 of the Determination respectively;
- assessing significant estimates and judgements, if any, made by the Company in the preparation of the Annual Compliance Statement;
- assessing whether the basis of preparation of the Annual Compliance Statement has been adequately disclosed; and
- ensuring that the information used in preparing the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems.

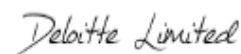
These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in preparing its Annual Compliance Statement for the period 1 October 2022 to 30 September 2023.

Inherent Limitations

Because of the inherent limitations of evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the period 1 October 2022 to 30 September 2023 and the procedures performed in respect of the Company's compliance with Determination are undertaken on a test basis, our assurance engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. The opinion expressed in this report has been formed on the above basis.

Use of Report

This report has been prepared for use by the directors of the company and the Commerce Commission in accordance with clause 11.2 of the Determination and is provided solely for the purpose of establishing whether the compliance requirements have been met. This report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written consent. We accept or assume no duty, responsibility or liability to any party, other than you, in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in our report.

A handwritten signature in cursive script that reads "Deloitte Limited".

Deloitte Limited
Auckland, New Zealand
21 March 2024

7. Appendices

The following list of appendices provides further information supporting this Statement.

Appendix reference	Information provided
A – Calculating notional revenue	The price and quantity information used in the calculation of notional revenue for the assessment period.
B – Response time to emergency incidents	The incident data and calculations for the response times to emergencies.
C – Recording the response time to emergencies statistics	Flowchart format the process described in section 3.2.
D – Compliance references	References the compliance requirements of the Determination and where they are evidenced in this Statement.

Appendix A – Calculating notional revenue

This table summarizes the price and quantity information used to calculate notional revenue for the assessment period. Prices include pass-through and recoverable costs.

F2023 x Q2021 \$ 57,764,879

	Load Group	2023 Pricing Year (Oct 2022 - Sept 2023)							Total Revenue (\$)
		Price t (2023)		Quantity t-2 (2021)		Fixed Revenue	Variable Revenue		
		Fixed \$/day	Variable (\$/GJ)	Avg no of ICPs	Vol (GJ)				
Hawkes Bay	G06	2G06	\$0.0000	\$19.8876	1,223	15,008	\$0	\$298,480	\$298,480
	G11	2G11	\$0.6365	\$4.7696	4,102	131,688	\$949,111	\$628,099	\$1,577,210
	G12	2G12	\$1.6567	\$4.0901	199	48,423	\$120,025	\$198,053	\$318,078
	G14	2G14	\$4.4750	\$3.5835	92	65,518	\$149,863	\$234,784	\$384,647
	G16	2G16	\$5.9409	\$3.3848	63	143,563	\$136,577	\$485,931	\$622,508
	G18	2G18	\$10.3420	\$3.2700	6	27,057	\$22,649	\$88,475	\$111,124
	G30	2G30	\$20.9294	\$0.4464	5	13,147	\$35,454	\$5,868	\$41,323
	G40	2G40	\$69.8865	\$0.4800	24	1,690,274	\$527,738	\$811,288	\$1,339,026
		Totals			5,714	2,134,678	1,941,417	2,750,977	4,692,395
Manawatu	G06	3G06	\$0.0000	\$19.8876	5,344	63,651	\$0	\$1,265,872	\$1,265,872
	G11	3G11	\$0.6365	\$4.7696	14,834	435,289	\$3,433,599	\$2,076,159	\$5,509,758
	G12	3G12	\$1.6567	\$4.0901	323	92,709	\$194,842	\$379,187	\$574,028
	G14	3G14	\$4.4750	\$3.5835	95	79,090	\$154,767	\$283,420	\$438,186
	G16	3G16	\$5.9409	\$3.3848	61	135,396	\$132,078	\$458,286	\$590,364
	G18	3G18	\$10.3420	\$3.2700	12	53,070	\$44,731	\$173,537	\$218,267
	G30	3G30	\$29.0821	\$2.6141	11	113,466	\$84,920	\$296,605	\$381,524
	G40	3G40	\$32.0439	\$1.8865	25	644,628	\$269,008	\$1,216,074	\$1,485,082
		Totals			20,705	1,617,299	4,313,944	6,149,139	10,463,082
Wellington	G06	4G06	\$0.0000	\$21.7560	7,230	81,319	\$0	\$1,769,172	\$1,769,172
	G11	4G11	\$0.6444	\$5.4903	24,794	1,041,428	\$5,813,983	\$5,717,717	\$11,531,700
	G12	4G12	\$1.1093	\$5.5030	513	131,331	\$207,096	\$722,711	\$929,807
	G14	4G14	\$6.3875	\$5.4696	135	95,189	\$314,140	\$520,646	\$834,786
	G16	4G16	\$9.8589	\$5.1149	70	120,837	\$250,896	\$618,065	\$868,960
	G18	4G18	\$15.1513	\$4.9582	8	19,837	\$44,030	\$98,357	\$142,386
	G30	4G30	\$12.1509	\$2.1388	70	211,666	\$254,471	\$452,715	\$707,186
	G40	4G40	\$26.6811	\$0.6995	13	357,577	\$97,386	\$250,136	\$347,522
		Totals			32,833	2,059,184	6,982,002	10,149,519	17,131,520
Hutt Valley / Porirua	G06	5G06	\$0.0000	\$21.7560	6,774	82,880	\$0	\$1,803,138	\$1,803,138
	G11	5G11	\$0.6444	\$5.4903	25,268	912,046	\$5,924,379	\$5,007,367	\$10,931,746
	G12	5G12	\$1.1093	\$5.5030	596	118,837	\$240,773	\$653,954	\$894,726
	G14	5G14	\$6.3875	\$5.4696	142	107,887	\$330,428	\$590,098	\$920,526
	G16	5G16	\$9.8589	\$5.1149	46	118,749	\$165,279	\$607,387	\$772,666
	G18	5G18	\$15.1513	\$4.9582	13	32,457	\$71,893	\$160,929	\$232,822
	G30	5G30	\$10.1862	\$1.8351	23	73,563	\$66,478	\$134,997	\$201,475
	G40	5G40	\$41.9013	\$1.9368	18	280,635	\$159,379	\$543,535	\$702,914
		Totals			32,880	1,727,054	6,958,609	9,501,405	16,460,013
Taranaki	G06	6G06	\$0.0000	\$19.8876	5,996	69,190	\$0	\$1,376,015	\$1,376,015
	G11	6G11	\$0.6365	\$4.7696	13,897	427,648	\$3,217,293	\$2,039,715	\$5,257,007
	G12	6G12	\$1.6567	\$4.0901	226	66,075	\$136,409	\$270,250	\$406,658
	G14	6G14	\$4.4750	\$2.3149	111	115,260	\$181,286	\$266,813	\$448,100
	G16	6G16	\$5.9409	\$2.2563	34	64,969	\$73,709	\$146,593	\$220,302
	G18	6G18	\$10.3420	\$2.0531	12	52,471	\$44,874	\$107,728	\$152,601
	G30	6G30	\$9.0776	\$4.3335	7	16,326	\$13,253	\$70,749	\$84,002
	G40	6G40	\$98.0487	\$0.6337	19	620,468	\$679,967	\$393,215	\$1,073,183
		Totals			20,302	1,432,406	4,346,792	4,671,077	9,017,869

DPP Annual Compliance Statement 2023



Appendix B – RTE incident data

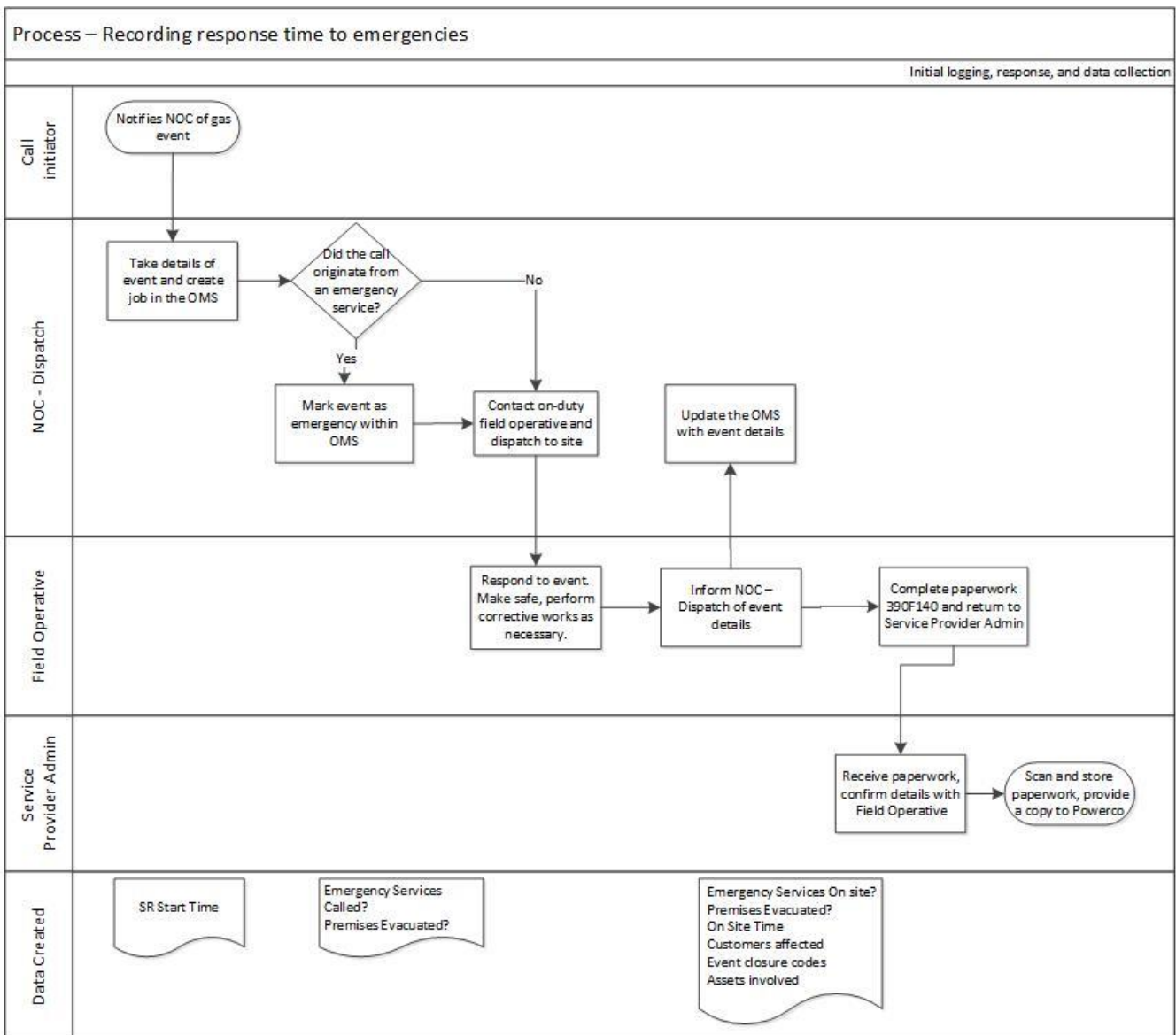
Total Events:	16
Active involvement of emergency services:	14
Evacuation Events:	2
Emergency & Evacuation:	1
Customers Affected>5:	1
# Responded to greater than 1Hr:	0
# Responded to exceeding 3Hr:	0
%Responded to greater than 1Hr:	0%
%Responded to exceeding 3Hr:	0%

Work Order ID	Active involvement of emergency services?	Premises Evacuate	# Customers Affected	Time emergency is reported	On Site Time	Time from when emergency is reported to OnSite Time	1.Equipment	2. Reason	3. Action
JG22003495	TRUE	N	1	11/10/2022 9:05:49 AM	11/10/2022 9:30:00 AM	0:00:24:12	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG22003628	TRUE	N	1	11/23/2022 10:54:41 AM	11/23/2022 11:24:21 AM	0:00:29:40	L - LP (LOW PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG22003834	TRUE	N	0	12/13/2022 11:37:44 AM	12/13/2022 11:55:00 AM	0:00:17:17	S - SERVICE PIPE	S - NON-PUBLIC REPORTED ESCAPE/SMELL	C - CAP SERVICE
JG22003944	TRUE	N	1	12/22/2022 2:15:41 PM	12/22/2022 2:55:00 PM	0:00:39:19	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG23000040	TRUE	N	1	1/6/2023 8:07:58 PM	1/6/2023 9:04:49 PM	0:00:56:50	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG23000441	TRUE	N	0	2/15/2023 11:57:05 AM	2/15/2023 12:42:00 PM	0:00:44:55	M - MP (MEDIUM PRESSURE)	S - NON-PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
JG23000810	TRUE	N	0	3/18/2023 10:17:53 PM	3/18/2023 10:26:00 PM	0:00:08:07	M - MP (MEDIUM PRESSURE)	S - NON-PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
JG23001497	TRUE	N	0	5/18/2023 8:13:05 AM	5/18/2023 8:41:00 AM	0:00:27:56	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG23001724	TRUE	N	0	6/7/2023 9:33:45 PM	6/7/2023 10:10:00 PM	0:00:36:16	L - LP (LOW PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	X - DETERIORATION/AGE
JG23001967	FALSE	Y	0	6/22/2023 2:45:58 PM	6/22/2023 3:05:00 PM	0:00:19:02	S - SERVICE PIPE	R - PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG23002185	TRUE	N	1	7/10/2023 12:01:58 PM	7/10/2023 12:30:00 PM	0:00:28:03	M - MP (MEDIUM PRESSURE)	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG23002289	TRUE	N	0	7/18/2023 11:51:50 AM	7/18/2023 12:06:00 PM	0:00:14:11	S - SERVICE PIPE	A - LEAK CLASS 1	C - CAP SERVICE
JG23002451	TRUE	N	1	7/30/2023 1:36:27 PM	7/30/2023 2:30:00 PM	0:00:53:33	S - SERVICE PIPE	A - LEAK CLASS 1	T - THIRD PARTY DAMAGE
JG23002662	FALSE	N	32	8/12/2023 11:56:55 AM	8/12/2023 12:20:00 PM	0:00:23:06	M - MP (MEDIUM PRESSURE)	R - PUBLIC REPORTED ESCAPE/SMELL	E - EQUIPMENT REPLACE/REPAIR
JG23003342	TRUE	N	1	9/29/2023 10:03:01 AM	9/29/2023 10:40:00 AM	0:00:37:00	S - SERVICE PIPE	S - NON-PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE
JG23003345	TRUE	Y	1	9/29/2023 1:55:07 PM	9/29/2023 2:35:00 PM	0:00:39:54	M - MP (MEDIUM PRESSURE)	S - NON-PUBLIC REPORTED ESCAPE/SMELL	T - THIRD PARTY DAMAGE

Appendix C – Recording the response time to emergencies statistics

The process of collecting and reviewing data for the calculation of the response time to emergencies metric is in diagram 1 and diagram 2 below. Diagram 1 describes the process steps to collect interruption information and recording response time to emergencies. Diagram 2 describes the review process undertaken to ensure the information recorded is correct.

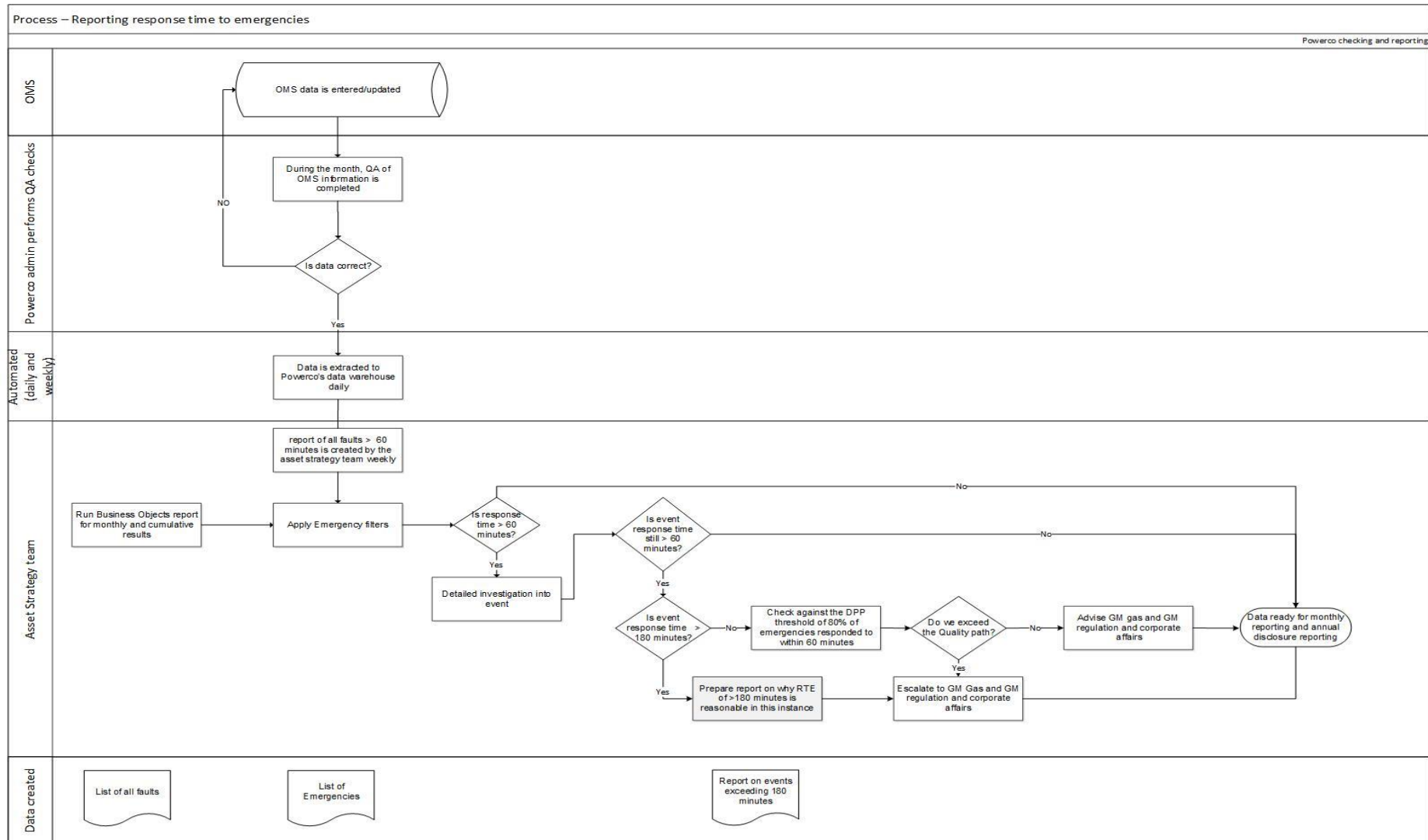
Diagram 1: Process - recording response time to emergencies



DPP Annual Compliance Statement 2023



Diagram 2: RTE reporting process



Appendix D – Compliance statement references

Determination/ (Notice) clause	Determination requirement	Compliance statement section
Price path		
8.3	The NR of a GDB in an assessment period must not exceed the ANR for the assessment period.	2.1
Quality standards		
9.1	A GDB's RTE values must be such that: <ul style="list-style-type: none"> a) of the total of all RTE's, the percentage greater than 60 minutes does not exceed 20%; and b) the RTE to any emergency does not exceed 180 minutes. 	3.1
9.2 – 9.4	Except in instances where the Commission has determined in writing that the GDB has a reasonable excuse for not responding to an emergency within 180 minutes and can be treated as having complied with the quality standard for that emergency.	
Transactions		
10.1	If a GDB completes an amalgamation or merger during the assessment period with another GDB subject to a DPP, the ANR and NR, and the total number of emergencies of the combined GDB are summed.	4
10.2	If a GDB completes a transfer during an assessment period, the GDB must increase or decrease the ANR and NR for that assessment period as specified in schedule 6.	
10.3	A GDB must notify the Commission in writing within 30 working days of completing an amalgamation, merger, transfer or transaction.	
Compliance statements		
11.2	Powerco Limited, and First Gas Limited in respect of Gas Distribution Services, must each provide to the Commission a written 'annual compliance statement', as specified in a Section 53N notice, by 31 March following the end of each Assessment Period.	N/a, actioned on completion
(A5)	The annual Compliance Statement must – <ul style="list-style-type: none"> (a) state whether Powerco has: <ul style="list-style-type: none"> (i) complied with the price path in clause 8 of the PQ determination for the relevant Assessment Period (ii) complied with the quality standards in clause 9 of the PQ determination for the relevant Assessment Period; and (iii) implement a Restructure of Prices during the relevant Assessment Period; and (b) state the date on which the Compliance Statement was prepared. 	1

(A6)	<p>The annual Compliance Statement must include any information reasonably necessary to demonstrate whether Powerco has, during the relevant Assessment Period, complied with:</p> <p>(a) the price path in clause 8 of the PQ Determination, including but not limited to:</p> <ul style="list-style-type: none"> (i) the amount of Allowable Notional Revenue, the amount of Notional Revenue, Prices, Quantities, units of measurement associated with all numeric data, and other relevant data, information and calculations; (ii) the amounts of Pass-through Costs and Recoverable Costs that were used to calculate Allowable Notional Revenue and Notional Revenue, and supporting data, information, and calculations used to determine those amounts, including when each Pass-through Cost and Recoverable Cost amount was paid, and the period to which those costs relate; (iii) if Powerco has not complied with the price path, the reasons for non-compliance; and (iv) if Powerco has not complied with the price path, actions taken to mitigate any non-compliance and to prevent similar noncompliance in future Assessment Periods, including Assessment Periods associated with future Regulatory Periods; <p>(b) the quality standards in clause 9 of the PQ Determination, including but not limited to:</p> <ul style="list-style-type: none"> (i) relevant incident data and calculations; (ii) a description of the policies and procedures Powerco has used for recording the RTE statistics for the relevant Assessment Period; (iii) a list of all Emergencies in respect of which the Commission has determined that Powerco can treat the RTE of the Emergency as having complied with the quality standard, and any requests under clause 9.2 of the PQ Determination that are pending a decision by the Commission; (iv) if Powerco has not complied with a quality standard, the reasons for not meeting the quality standard; (v) if Powerco has not complied with a quality standard, the actions taken to mitigate any non-compliance and to prevent similar noncompliance in future Assessment Periods, including Assessment Periods associated with future Regulatory Periods; and (vi) where a quality standard has not been met, for each Emergency which exceeded the RTE for that quality standard, a description of the Emergency, including the nature, cause, and location of the Emergency and the number of Consumers affected. 	<p>2.1, 2.2, app A</p> <p>2.3</p> <p>n/a</p> <p>n/a</p> <p>3.1, app B</p> <p>3.2, app C</p> <p>3.1</p> <p>n/a</p> <p>n/a</p> <p>n/a</p>
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(A7)	<p>If Powerco, implemented a Restructure of Prices, that first applied during the relevant Assessment Period, the immediately preceding Assessment Period, or in both Assessment Periods, the annual Compliance Statement must:</p> <ul style="list-style-type: none"> (a) state the nature of each Restructure of Prices and identify the Consumer Groups impacted by such Restructure of Prices; and (b) if Powerco has derived Quantities under clause 8.8 of the PQ Determination for the purposes of calculating Notional Revenue and/or Allowable Notional Revenue for the relevant Assessment Period, include: <ul style="list-style-type: none"> (i) the methodology used to derive the Quantities in place of the actual Quantities that correspond to each restructured Price; (ii) the derived Quantities corresponding to each restructured Price determined by Powerco for the relevant Assessment Period, and the actual Quantities; and (iii) an explanation for any differences between the actual Quantities and the derived Quantities. 	2.4
(A8)	<p>If Powerco participated in an Amalgamation, Merger, Transfer, or Major Transaction during a relevant Assessment Period, the annual Compliance Statement for that Assessment Period must:</p> <ul style="list-style-type: none"> (a) state whether Powerco has complied with clauses 10.3, 10.4 and 10.5 of the PQ Determination; (b) include any information or calculations that are reasonably required to demonstrate compliance with clauses 10.3, 10.4 and 10.5 of the PQ Determination; and (c) if Powerco has not complied with clauses 10.3, 10.4 or 10.5 of the PQ Determination in any respects, identify how it has failed to comply and state the reasons for the non-compliance. 	<p>4</p> <p>4</p> <p>N/a</p>

