Network Tasman Limited

Default Price-Quality Path

Annual Compliance Statement

1 April 2020 – 31 March 2021 Assessment Period

27 August 2021

Contents

1. Introduction

Network Tasman Limited is subject to price-quality regulation under Part 4 of the Commerce Act 1986. The Commerce Commission has set a Default Price-Quality Path (DPP) which applies to Network Tasman Limited from 1 April 2020.

This annual compliance statement is published in accordance with clause 11.4 of the 2020 DPP Determination, and applies to the first assessment period, commencing 1 April 2020 and ending 31 March 2021.

2. Date prepared

This statement was prepared on 27 August 2021

3. Wash-up amount

3.1 Statement of compliance

As demonstrated in Table 1 in Section 3.2, and consistent with clause 8.6 of the 2020 DPP Determination Network Tasman Limited has complied with the wash-up amount calculation for the first assessment period.

3.2 Wash-up amount calculation

Table 1

Wash-up amount RY21		
Term	Description	Value ($000)
Actual allowable revenue (AAR)	*Sum of actual net allowable revenue, actual pass-through and recoverable costs, pass-through balance and revenue wash-up draw down amount*	40,112
Actual revenue (AR)	*Sum of actual revenue from prices plus other regulated income*	38,643
Revenue foregone (RV)	*Actual net allowable revenue x (revenue reduction percentage - 20%) when revenue reduction percentage is greater than 20%, otherwise nil*	-
Wash-up amount	*AAR - AR - RV*	**1,470**

Further information supporting actual allowable revenue is included in Section 3.2.1.

Further information supporting actual revenue is included in Section 3.2.2.

Further information supporting revenue foregone is included in Section 3.3.3.

3.2.1 Actual allowable revenue

Table 2 below shows the actual allowable revenue for the assessment period consistent with Schedule 1.6 of the 2020 DPP Determination.

Table 2

Actual allowable revenue RY21		
Term	Description	Value ($000)
Actual net allowable revenue (ANAR)	*Amount specified as forecast net allowable revenue for the first assessment period*	26,452
Actual pass-through costs	*Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period*	397
Actual recoverable costs	*Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period*	13,257
Pass-through balance	*The amount calculated for RY21*	(5.6)
Total actual allowable revenue (AAR)	*Actual net allowable revenue + actual pass-through costs + actual recoverable costs – RY 2021 pass-through balance*	**40,112**

Further information supporting actual pass-through costs, actual recoverable costs and the pass-through balance is included in Appendix A.

3.2.2 Actual revenue

Table 3 below shows actual revenue for the assessment period consistent with clause 4.2 of the 2020 DPP Determination.

Table 3

Actual revenue RY21		
Term	Description	Value ($000)
Actual revenue from prices	*Actual prices between 1 April 2020 and 31 March 2021 multiplied by actual quantities for the assessment period*	38,643
Other regulated income	*Other income associated with supply of electricity distribution services*	-
Total actual revenue (AR)	*Sum of actual revenue from prices plus other regulated income*	**38,643**

Further information supporting actual revenue from prices is included in Appendix B.

3.2.3 Revenue foregone

Table 4 below shows the revenue foregone consistent with clause 4.2 of the 2020 DPP Determination.

Table 4

Revenue foregone RY21		
Term	Description	Value ($000)
Actual net allowable revenue (ANAR)	*Amount specified as forecast net allowable revenue for the first assessment period*	26,452
Revenue reduction percentage (RRP)	*1 - (actual revenue from prices / forecast revenue from prices)*	-1.30%
Revenue foregone (RV)	*Actual net allowable revenue x (RRP- 20%) when RRP is greater than 20%, otherwise nil*	**-**

4. Quality standards

4.1 Statement of compliance with planned interruptions quality standards

Network Tasman Limited is subject to a planned accumulated SAIDI limit and a planned accumulated SAIFI limit which are assessed for the DPP regulatory period as stated in clause 9.2 of the 2020 DPP Determination.

Table 5 and Table 6 below show the planned accumulated SAIDI and SAIFI limits for Network Tasman Limited for the DPP regulatory period and the planned SAIDI and SAIFI assessed values for the first assessment period.

Table 5

Planned interruptions quality standard - SAIDI	
Sum of planned SAIDI assessed values ≤ Planned accumulated SAIDI limit	
Planned accumulated SAIDI limit	1,129.14
Planned SAIDI assessed value for the first assessment period	116.01

Table 6

Planned interruptions quality standard - SAIFI	
Sum of planned SAIFI assessed values ≤ Planned accumulated SAIFI limit	
Planned accumulated SAIFI limit	4.9021
Planned SAIFI assessed value for the first assessment period	0.3317

Further information supporting planned SAIDI and SAIFI assessed values is included in Section 4.1.1.

4.1.1 Planned SAIDI and SAIFI assessed values

Table 7 and Table 8 below show Network Tasman Limited's planned SAIDI and SAIFI assessed values for the assessment period.

Table 7

Planned SAIDI assessed value RY21		
Term	Description	Value
Class B non-notified interruptions		**116.01**
Class B notified interruptions falling outside window		-
$SAIDI_B$	*Sum of Class B non-notified interruptions*	116.01
Class B notified interruptions falling inside window		-
Class B intended interruptions cancelled without notice		-
Class B intended interruptions cancelled with notice		-
$SAIDI_N$	*Sum of Class B notified interruptions*	-
Planned SAIDI assessed value	$SAIDI_B + (SAIDI_N/2)$	116.01

Table 8

Planned SAIFI assessed value RY21		
Term	Description	Value
Planned SAIFI assessed value	*Sum of Class B interruptions commencing within the assessment period*	**0.3317**

4.2 Statement of compliance with unplanned interruptions quality standards

As demonstrated in Table 9 and Table 10 below, and consistent with clause 9.7 of the 2020 DPP Determination, Network Tasman Limited has complied with the unplanned interruptions quality standard.

Table 9

Unplanned interruptions quality standard RY21 - SAIDI		
Unplanned SAIDI assessed value ≤ Unplanned SAIDI limit		
Unplanned SAIDI limit		101.03
Unplanned SAIDI assessed value	*Sum of normalised SAIDI values for Class C interruptions commencing within the assessment period*	87.45
Compliance result		**Compliant**

Table 10

Unplanned interruptions quality standard RY21 - SAIFI		
Unplanned SAIFI assessed value ≤ Unplanned SAIFI limit		
Unplanned SAIFI limit		1.1956
Unplanned SAIFI assessed value	*Sum of normalised SAIFI values for Class C interruptions commencing within the assessment period*	0.7834
Compliance result		**Compliant**

Information about policies, procedures and calculations for measuring planned and unplanned interruptions during the assessment period is in Appendix C.

4.2.1 Major events

Network Tasman Limited had one major events during the assessment period.

Table 11

Unplanned SAIDI major events RY21			
Start	End	Pre-normalised unplanned SAIDI	Normalised unplanned SAIDI
n/a	n/a		

Table 12

Unplanned SAIFI major events RY21					
Start		End		Pre-normalised unplanned SAIFI	Normalised unplanned SAIFI
17/03/2021 1:30		18/03/2021 9:00		0.06968	0.0029

4.3 Statement of compliance with extreme event standard

As demonstrated in Table 13 below, and consistent with clause 9.9 of the 2020 DPP Determination Network Tasman Limited has complied with the extreme event standard.

Table 11

Extreme event standard RY21	
Unplanned SAIDI value ≤ 120 minutes, and customer interruption minutes ≤ six million during any 24-hour period, excluding unplanned interruptions from major external factors	
Number of extreme events	Compliance result
Nil	Compliant

4.4 Quality Incentive Adjustment

Table 14 below shows Network Tasman Limited's quality incentive adjustment for the assessment period.

Table 12

Quality Incentive Adjustment RY21		
Term	Description	Value ($000)
SAIDI planned adjustment	*(SAIDI$_{planned, target}$ - SAIDI$_{planned, assessed}$) x 0.5 x IR*	(127)
SAIDI unplanned adjustment	*(SAIDI$_{unplanned, target}$ - SAIDI$_{unplanned, assessed}$) x IR*	(81)
Total adjustment	*SAIDI planned adjustment + SAIDI unplanned adjustment*	(209)
Revenue at risk	*0.02 * ANAR*	529
Total penalty/reward		(209)
67th percentile estimate of post-tax WACC		4.23%
Quality incentive adjustment		**(227)**

Table 15 below shows Network Tasman Limited's quality incentive adjustment inputs consistent with Schedule 4 of the 2020 DPP Determination.

Table 13

Quality Incentive Adjustment Inputs RY21					
Term	Units	Value	Term	Units	Value
SAIDI planned interruption cap	minutes	225.8	SAIDI unplanned interruption cap	minutes	101.0
SAIDI planned interruption collar	minutes	-	SAIDI unplanned interruption collar	minutes	-
SAIDI planned interruption target	minutes	75.3	SAIDI unplanned interruption target	minutes	74.5
Planned SAIDI assessed value	minutes	116.0	Unplanned SAIDI assessed value	minutes	87.5
Incentive rate		6,260			
Actual net allowable revenue (ANAR)	$000	26,452			
SAIDI planned interruption target	minutes	75.3	SAIDI unplanned interruption target	minutes	74.5
Minimum of the planned SAIDI cap and assessed value	minutes	116.0	Minimum of the unplanned SAIDI cap and assessed value	minutes	87.5
Planned SAIDI subject to incentive	minutes	(40.7)	Unplanned SAIDI subject to incentive	minutes	(13.0)
Adjustment (IR x 0.5)	$	3,130	Adjustment (IR)	$	6,260
SAIDI planned adjustment	$000	(127)	SAIDI unplanned adjustment	$000	(81)

5. Transactions

Network Tasman Limited has not entered into any agreements with another EDB or Transpower for an amalgamation, merger, major transaction or transfer in the assessment period.

6. Director's certification

A Director's certificate in the form set out in Schedule 7 of the 2020 DPP Determination is included as Appendix E.

7. Assurance report

An assurance report meeting the requirements of Schedule 8 of the 2020 DPP Determination is included in Appendix F.

Appendix A – Pass-through and recoverable costs

Pass-through costs

Table 14

Actual and forecast pass-through costs RY21	
Actual pass-through costs	Actual ($000)
Rates on system fixed assets	171
Commerce Act levies	54
Electricity Authority levies	149
Utilities Disputes levies	23
Total actual pass-through costs	**397**

Recoverable costs

Table 15

Actual and forecast recoverable costs RY21	
Actual recoverable costs	Actual ($000)
IRIS incentive adjustment	(462)
Transmission charges	12,665
New investment contract charges	1,244
System operator services charges	
Avoided transmission charges	
Distributed generation allowance	
Claw-back	
Catastrophic event allowance	
Extended reserves allowance	
Quality incentive adjustment	(227)
Capex wash-up adjustment	
Reconsideration event allowance	
Quality standard variation engineers fee	
Urgent project allowance	
Fire and Emergency NZ levies	37
Innovation project allowance	-
Total actual recoverable costs	**13,257**

Pass-through balance

Table 16

Pass-through balance RY21		
Term	Description	Value ($000)
Pass-through balance	*Pass-through balance for the assessment period ending 31 March 2020*	(5.3)
67th percentile estimate of post-tax WACC		4.23%
Pass-through balance	*Pass-through balance x (1 + 67th percentile post-tax WACC)*	**(5.6)**

Appendix B – Prices and quantities

Table 19 shows the actual prices and quantities for actual revenue from prices for the first assessment period.

Table 17

Actual revenue from prices RY21				
Price Code	Unit	Unit price $	Actual quantity	Actual revenue ($000)
0S	*$/Watts*	*0*	*0*	-
0STL	*$/Watts*	*0.00*	*430,029*	*182*
0STL	$/Watts	0.00111	22	0
0UNM	$/ICP	0.5223	75	14
1GL	$/ICP	0.75	2	1
1GL	$/ICP	0.85	3,605	1,118
1GLANY	$/kWh	0.0277	(9,601)	(0)
1GLANY	$/kWh	0.0288	17,876,145	516
1GLDAY	$/kWh	0.0332	2,748	0
1GLDAY	$/kWh	0.0348	718,848	25
1GLGEN	$/kWh	0	70,418	-
1GLNIT	$/kWh	0.0062	440,181	3
1GLWSR	$/kWh	0.0087	1,596,506	14
1RL	$/ICP	0.15	18,589	1,018
1RLANY	$/kWh	0.0617	221,318	14
1RLANY	$/kWh	0.0691	73,654,798	5,094
1RLDAY	$/kWh	0.07	(2,100)	(0)
1RLDAY	$/kWh	0.0761	1,437,177	109
1RLGEN	$/kWh	0	1,622,676	-
1RLNIT	$/kWh	0.0121	1,550,673	19
1RLNIT	$/kWh	0.0122	(13,089)	(0)
1RLWSR	$/kWh	0.0185	49,504	1
1RLWSR	$/kWh	0.0186	27,104,308	505
1RS	$/ICP	0.75	58	16
1RS	$/ICP	0.85	15,635	4,851
1RSANY	$/kWh	0.0277	881,136	24
1RSANY	$/kWh	0.0288	103,495,040	2,985
1RSDAY	$/kWh	0.0348	2,272,897	79
1RSDAY	$/kWh	0.0332	8,235	0
1RSGEN	$/kWh	0	1,091,912	-
1RSNIT	$/kWh	0.0062	2,368,873	15
1RSWSR	$/kWh	0.0087	33,265,130	290
2	$/kVA	0.08	127,011	3,709
2	$/kVA	0.071	422	11
2ANY	$/kWh	0.0395	229,644	9
2ANY	$/kWh	0.0415	66,369,611	2,758
2DAY	$/kWh	0.045	3,917	0
2GEN	$/kWh	0	691,970	-
2HANY	$/kWh	0.228	12,975	3
2HLFC	$/kWh	0.15	5	0
2HWSR	$/ICP	0.163	9,852	2
2LANY	$/kWh	0.1127	1,469	0
2LANY	$/kWh	0.122	344,136	42

2LDAY	$/kWh	0.1359	289	0
2LDAY	$/kWh	0.1433	40,198	6
2LGEN	$/kWh	0	7,977	-
2LLFC	$/kWh	0.15	124	7
2LNIT	$/ICP	0.0402	(115)	(0)
2LNIT	$/kWh	0.0479	16,859	1
2LWSR	$/kWh	0.0496	(88)	(0)
2LWSR	$/kWh	0.0508	53,631	3
2NIT	$/kWh	0.0119	30,100	0
2NIT	$/kWh	0.0136	7,554,875	103
2WSR	$/kWh	0.0202	3,271,806	60
2WSR	$/kWh	0.0162	(4,402)	(0)
3.3GEN	$/kWh	0	2,016,353	-
3.4GEN	$/kWh	0	2,977	-
6.1	$/kWh	1462408.707	1	1,452
6.2	$/ICP	470587.0672	1	472
AnyDem31	$/ICP	0.1276	2,023	103
AnyDem33	$/kVA	0.146	2,269	134
AnyDem34	$/kVA	0.1537	42,990	2,669
AnyDem34	$/kVA	0.1448	0	-
AnyDem35	$/kVA	0.146	3,296	194
CB	$/kVA	0	1	1,683
CBGEN	$/ICP	0	36,899,707	-
Energy	$/kWh	0	132,498,799	-
Energy	$/kWh	0	192,457,352	-
HLF	$/kWh	0.3433	2,532	402
HLFANY	$/kVA	0.0153	4,546,581	70
HLFANY	$/kWh	0.0146	68,078	1
HLFDAY	$/kWh	0.0162	193	0
HLFDAY	$/kWh	0.017	3,601,330	61
HLFGEN	$/kWh	0	21,500	-
HLFNIT	$/kWh	0.0038	1,963	0
HLFNIT	$/kWh	0.0042	1,468,976	6
HLFWSR	$/kWh	0.0048	183	0
HLFWSR	$/kWh	0.0052	34,206	0
kVAr	$/kWh	0.2845	0	10
MAT	$/kVAr	0	1	3
MATANY	$/ICP	0	15,772	-
MATGEN	$/kWh	0	1,833,655	-
NEL	$/kWh	0	1	1,831
SD31	$/Connection	0.0031	4,030,465	12
SD33	$/kWh	0.0095	3,913,770	37
SD34	$/kWh	0.0083	0	-
SD34	$/kWh	0.0095	49,477,910	470
SD35	$/kWh	0.0065	4,667,476	30
SN31	$/kWh	0.0016	1,660,608	3
SN33	$/kWh	0.0051	1,785,514	9
SN34	$/kWh	0.0051	17,843,528	91
SN34	$/kWh	0.0044	0	-
SN35	$/kWh	0.0039	2,081,217	8
WD31	$/kWh	0.0057	2,564,666	15
WD33	$/kWh	0.0245	2,304,605	56

WD34	$/kWh	0.0245	39,419,061	966
WD35	$/kWh	0.0208	4,214,580	88
WinDem	$/kWh	0.2926	25,637	2,738
WinDem	$/kW	0.3159	0	-
WN31	$/kW	0.0016	1,082,636	2
WN33	$/kWh	0.0051	936,535	5
WN34	$/kWh	0.0051	14,411,137	73
WN35	$/kWh	0.0039	1,852,023	7
Connection Fee				
0	Connection Fee	125	0	0
1	Connection Fee	250	838	210
2	Connection Fee	325	48	16
3	Connection Fee	400	11	4
Solar Pt 1A	<10kW	100	233	23
Solar Pt 2		500	13	7
Solar Pt 1	<10 kW	200	1	0
Network Developmet Levy (aggregated)				
1c	per ICP	3250	8	26
1	$/kVA-km	119.7171917	673	81
2	$/kVA-km	5.983974235	12420	74
3.4	$/kVA-km	7.227472527	910	7
SubDivision	$/kVA-km	11.86345178	3940	47
Generator Fees				
Network Fee 1	Network Fee	684	1	1
Network Fee 2	Network Fee	600	1	1
Network Fee 3	Network Fee	360	1	0
Onekaka 33 Trnfr	Transformer Charge	5064	1	5
Total actual revenue from prices				**38,643**

Appendix C – Policies and procedures for measuring planned and unplanned interruptions

For the purposes of compiling annual SAIDI and SAIFI data:

1) A high voltage outage on the distribution network is defined as an event resulting in loss of supply to any number of consumers for a duration of more than one minute
2) Only those outages resulting in de-energisation of a high voltage feeder or conductor (6.6kV and above on NTL's network) are included in SAIDI & SAIFI statistics. Outages stemming from low voltage (400V) equipment are excluded.
3) Both planned (Class B) and unplanned (Class C) events are included within high voltage outage statistics
4) All high voltage outages are managed through Network Tasman's control room by a qualified NTL System Operator
5) The Faults and Maintenance Contract between NTL and its faults contractor, Delta, obligates both parties to manage all outage events centrally through the System Operator located in NTL's control room.
6) All HV fault switching operations are recorded by the System Operator in the Control Room Log at the time the activity takes place. This provides a detailed record of the switching events for future reference and record keeping.

Under fault conditions, customers affected by operation of a distribution system high voltage protection device can be divided into:

(a) Those within the core fault area (i.e. who won't have supply restored until the necessary line repairs are completed)
(b) Those outside the immediate fault area (i.e. who can have power restored through co-ordinated switching activity)

To calculate the customer minutes lost under each fault event, each event is approximated as a maximum two step restoration process. This is in keeping with the philosophy of fault restoration that relies on the following sequential process for supply restoration:

(a) Identification, isolation and minimisation of the core fault area.
(b) Restoration, through switching, of supply to areas not immediately within the core fault area
(c) Making repairs and restoration of the core fault area.

The switching and recording process is managed by a NTL System Operator using NTL's Geographical Information System (GIS). To record outage data the operator draws geographical selection polygons around all sections of the high voltage line affected by the fault event. The software is then used to select and identify all the distribution transformers within the fault area. A query is then made into NTL's customer connection database to find and list all customers (ICPs) connected to those transformers affected by the fault event.

This data is then used in the following formula to calculate the total customer minutes for a fault event:

Total No. of customers initially affected **x** (Time Unfaulted Area restored – Time of Initial Interruption)

+

No. of Fault area customers **x** (Time Fault Area restored – Time Unfaulted Area restored)

Planned and unplanned events rely on essentially the same recording process however by nature, planned interruptions can be identified down to a predetermined set of consumers within a known area in advance.

The total customer minutes for a planned interruption are thus calculated using the following formula:

Total No. of customers interrupted **x** (Time Interrupted Area restored – Time of Initial Interruption)

The system operator records details of all outage events in the NTL Outage Database. This is an access database that remains on line in the control room. Each planned or unplanned event forms one record entry into the database. For the avoidance of doubt, an unplanned loss of supply event can, in some circumstances, be followed by restoration of supply and then by a successive interruption as a result of isolating the initial cause or making repairs and completing the permanent restoration of supply to all consumers. Where this occurs, NTL's reported SAIFI records the initial outage and not any subsequent short duration outages required to effect the restoration of supply. NTL's reported SAIDI includes the customer minutes from subsequent short duration outages required to effect the restoration of supply. The Outages Database is subject to NTL's normal electronic file backup and security protocols.

The Outage Database records the following data fields for each event:

- Date
- ID number of the protective device that has operated (allows identification of the HV feeder and area affected)
- Area: (Text description of area affected)
- Description; (Text description of fault cause and type – recorded once known)
- Outage type (Planned Shutdown or Fault)
- Area Class (Urban or Rural)
- Fault Class (Overhead or Underground)
- Fault Voltage (6.6kV, 11kV, 33kV, 66kV)
- Outage Region (Stoke, Motueka, Golden Bay, Kikiwa, Murchison)
- Time of Initial Interruption
- Time Unfaulted Area Restored
- Time Fault area restored
- Customers (ICPs) in Total Area (recorded post event)
- Customers (ICPs) in Fault area (recorded post event)

Unless otherwise stated all data is recorded on line by the NTL System Operator at the time of the event.

The outage database supports the following NTL activities:

1) Queries on an as needed basis by NTL's Network and Operations Managers
2) Summary outage statistics are prepared and provided to NTL's CEO and Board of Directors on a monthly basis and are compared against expected values.
3) Annual outage statistics are prepared and independently audited for regulatory and financial reporting purposes.
4) Summary statistics are recorded on a cumulative basis and are used for comparative analysis and form a key input into NTL's annual Asset Management Planning process.
5) Annual data is also reported against reliability targets in NTL's SCI, Information Disclosure Statements and Annual Financial Statements.
6) The SCI targets are negotiated and agreed annually with the Network Tasman Trust.

Appendix D – SAIDI and SAIFI major events

The tables below show the normalisation of the SAIFI major event that took place during the assessment period, consistent with Schedule 3.2 of the 2020 DPP Determination.

There are no SAIDI events where normalisation is required.

Table 22

Normalisation of unplanned SAIFI major events RY21			
SAIFI unplanned boundary value		0.0688	
1/48th of the SAIFI unplanned boundary value	Event reference		
	Half hour commencing	Raw SAIFI value for Class C interruption	Normalised SAIFI value for Class C interruption
0.0014	17/03/2021 01:30	-	-
0.0014	17/03/2021 02:00	-	-
0.0014	17/03/2021 02:30	-	-
0.0014	17/03/2021 03:00	-	-
0.0014	17/03/2021 03:30	-	-
0.0014	17/03/2021 04:00	-	-
0.0014	17/03/2021 04:30	-	-
0.0014	17/03/2021 05:00	-	-
0.0014	17/03/2021 05:30	-	-
0.0014	17/03/2021 06:00	-	-
0.0014	17/03/2021 06:30	-	-
0.0014	17/03/2021 07:00	-	-
0.0014	17/03/2021 07:30	-	-
0.0014	17/03/2021 08:00	-	-
0.0014	17/03/2021 08:30	-	-
0.0014	17/03/2021 09:00	-	-
0.0014	17/03/2021 09:30	0.0394	0.0014
0.0014	17/03/2021 10:00	-	-
0.0014	17/03/2021 10:30	-	-
0.0014	17/03/2021 11:00	-	-
0.0014	17/03/2021 11:30	-	-
0.0014	17/03/2021 12:00	-	-
0.0014	17/03/2021 12:30	-	-
0.0014	17/03/2021 13:00	-	-
0.0014	17/03/2021 13:30	-	-
0.0014	17/03/2021 14:00	-	-
0.0014	17/03/2021 14:30	-	-
0.0014	17/03/2021 15:00	-	-
0.0014	17/03/2021 15:30	-	-
0.0014	17/03/2021 16:00	-	-
0.0014	17/03/2021 16:30	-	-
0.0014	17/03/2021 17:00	-	-
0.0014	17/03/2021 17:30	-	-

0.0014	17/03/2021 18:00	-	-
0.0014	17/03/2021 18:30	-	-
0.0014	17/03/2021 19:00	-	-
0.0014	17/03/2021 19:30	-	-
0.0014	17/03/2021 20:00	-	-
0.0014	17/03/2021 20:30	-	-
0.0014	17/03/2021 21:00	-	-
0.0014	17/03/2021 21:30	-	-
0.0014	17/03/2021 22:00	-	-
0.0014	17/03/2021 22:30	-	-
0.0014	17/03/2021 23:00	-	-
0.0014	17/03/2021 23:30	-	-
0.0014	18/03/2021 00:00	-	-
0.0014	18/03/2021 00:30	-	-
0.0014	18/03/2021 01:00	0.0303	0.0014
0.0014	18/03/2021 01:30	-	-
0.0014	18/03/2021 02:00	-	-
0.0014	18/03/2021 02:30	-	-
0.0014	18/03/2021 03:00	-	-
0.0014	18/03/2021 03:30	-	-
0.0014	18/03/2021 04:00	-	-
0.0014	18/03/2021 04:30	-	-
0.0014	18/03/2021 05:00	-	-
0.0014	18/03/2021 05:30	-	-
0.0014	18/03/2021 06:00	-	-
0.0014	18/03/2021 06:30	-	-
0.0014	18/03/2021 07:00	-	-
0.0014	18/03/2021 07:30	-	-
0.0014	18/03/2021 08:00	-	-
0.0014	18/03/2021 08:30	-	-
0.0014	18/03/2021 09:00	-	-
Total		**0.0697**	**0.0029**

Information relating to the March 2021 major event

i) the cause of the SAIFI major event;
The major event was caused by 2 interruptions that were within 24 hrs of each other;
Event Number 7692, caused by human error a pole jumper
Event Number 7692, a feeder fault, cause unknown

(ii) the start date (dd/mm/yyyy) of the SAIFI major event;
17/03/2021

(iii) the start time (hh:mm am/pm) of the SAIFI major event;
01:30

(iv) the end date (dd/mm/yyyy) of the SAIFI major event;
18/03/2021

(v) the end time (hh:mm am/pm) of the SAIFI major event;
09:00

(vi) the SAIFI value of the SAIFI major event before any replacements under paragraph (3) of Schedule 3.2 occurred;
0.0697

(vii) the replaced SAIFI value of the SAIFI major event in accordance with paragraph (3) of Schedule 3.2;
0.0029

(viii) the location of the SAIFI major event;
There were two separate events:
a) Higgins Road feeder out of Brightwater sub
b) Tahunanui feeder out of Annesbrook substation

(ix) the main equipment involved in the SAIFI major event;
a) A HV jumper
b) Unknown fault on a feeder (no fault found)

(x) how the non-exempt EDB responded to the SAIFI major event;
a) Human error resulted in an incorrect operation and subsequent outage. An investigation was launched and training provided to those involved.

b) A fault patrol was carried out, no fault was found and the feeder was successfully relivened

(xi) any mitigating factors that may have prevented or minimised the SAIFI major event;
a) Human error with a mis-communication between the field operatives and the control room. More training may have helped mitigate this event
b) No mitigating factors would have prevented this

(xii) a description of any steps the non-exempt EDB proposes to take to mitigate the risk of future similar SAIFI major events;
a) Training has been provided to those involved in the incident
b) This feeder does not have a history of similar faults. We are not planning to look into this event further.

Appendix E – Director's certificate

Schedule 7: Form of director's certificate for annual compliance statement

Clause 11.5(d)

We, Michael John McCliskie and Sarah-Jane Weir, being directors of Network Tasman Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached annual compliance statement of Network Tasman Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* has been prepared in accordance with all the relevant requirements.

Michael John McCliskie
Director

Sarah-Jane Weir
Director

27 August 2021

Appendix F – Assurance report

Independent Assurance Report

To the Directors of Network Tasman and the Commerce Commission

The Auditor-General is the auditor of Network Tasman Limited (the Company). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to provide an opinion, on his behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2021 on pages 3 to 26 has been prepared, in all material respects, in accordance with the Electricity Distribution Services Default Price-Quality Path Determination 2020 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 20 May 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 2021, 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 (Revised): Assurance Engagements on Compliance issued by the New Zealand Auditing and Assurance Standards 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 2021, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 4 to 6 and pages 15 to 20 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 2021, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 7 to 13 and pages 21 to 26 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 preparation of 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 Audit New Zealand and its employees may deal with the Company on normal terms within the ordinary course of trading activities of the Company. Other than any dealings on normal terms within the ordinary course of business, this engagement, and the annual audit of the Company's financial statements, we have no relationship with or interests in the Company.

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.

John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
27 August 2021