

Network Tasman Limited

Default Price-Quality Path

Annual Compliance Statement

1 April 2023 – 31 March 2024 Assessment Period

27 August 2024

## Contents

1. Introduction .....	3
2. Date prepared.....	3
3. Wash-up amount .....	4
4. Quality standards .....	8
5. Transactions .....	16
6. Director’s certification .....	16
7. Assurance report .....	16
Appendix A – Pass-through and recoverable costs .....	17
Appendix B – Prices and quantities .....	21
Appendix C – Policies and procedures for measuring planned and unplanned interruptions .....	27
Appendix D – SAIDI and SAIFI major events .....	29
Appendix E – Director’s certificate .....	33
Appendix F – Assurance report .....	34

## **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 fourth assessment period, commencing 1 April 2023 and ending 31 March 2024.

## **2. Date prepared**

This statement was prepared on 27 August 2024.

### 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 fourth assessment period.

#### 3.2 Wash-up amount calculation

**Table 1**

<b>Wash-up amount RY24</b>		
<b>Term</b>	<b>Description</b>	<b>Value (\$000)</b>
Actual allowable revenue (AAR)	<i>Sum of actual net allowable revenue + actual pass-through costs and recoverable costs + revenue wash-up draw down amount</i>	48,595
Actual revenue (AR)	<i>Sum of actual revenue from prices plus other regulated income</i>	40,478
Revenue foregone (RV)	<i>Actual net allowable revenue x (revenue reduction percentage - 20%) when revenue reduction percentage is greater than 20%, otherwise nil</i>	0
<b>Wash-up amount</b>	<i>AAR - AR - RV</i>	<b>8,117</b>

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**

<b>Actual allowable revenue RY24</b>		
<b>Term</b>	<b>Description</b>	<b>Value (\$000)</b>
Actual net allowable revenue (ANAR)	<i>Actual net allowable revenue for the third assessment period <math>x (1 + CPI) x (1-x)</math></i>	31,344
Actual pass-through costs	<i>Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period</i>	459
Actual recoverable costs	<i>Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period</i>	12,701
Revenue wash-up draw down amount	<i>Closing wash-up account balance for the third assessment period</i>	4,091
<b>Total actual allowable revenue (AAR)</b>	<i>actual net allowable revenue + actual pass-through costs and recoverable costs + revenue wash-up draw down amount</i>	<b>48,595</b>

Further information supporting actual pass-through costs, revenue wash-up draw down amount and actual recoverable costs 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 RY24		
Term	Description	Value (\$000)
Actual revenue from prices	<i>Actual prices between 1 April 2023 and 31 March 2024 multiplied by actual quantities for the assessment period</i>	40,473
Other regulated income	<i>Other income associated with supply of electricity distribution services</i>	-
<b>Total actual revenue (AR)</b>	<i>Sum of actual revenue from prices plus other regulated income</i>	<b>40,473</b>

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 RY24		
Term	Description	Value (\$000)
Forecast revenue from prices	<i>Forecast revenue from prices for the fourth assessment period</i>	40,280
Revenue reduction percentage (RRP)	$1 - (\text{actual revenue from prices} / \text{forecast revenue from prices})$	-0.5%
Actual net allowable revenue (ANAR)	<i>Actual net allowable revenue for the third assessment period x (1 + CPI) x (1-x)</i>	31,344
<b>Revenue foregone (RV)</b>	<i>Actual net allowable revenue x (RRP- 20%) when RRP is greater than 20%, otherwise nil</i>	-

**Table 5 - Calculation of ANAR**

Year	Month	CPI Index
2022	Mar	1142
	Jun	1161
	Sep	1186
	Dec	1203
2023	Mar	1218
	Jun	1231
	Sep	1253
	Dec	1259
2024	Mar	1267

**Table 6**

Term	Description	Value (\$000)
$ANAR_{previous}$		29,830
$1+CPI_t$		1.05076
X		0
Actual net allowable revenue (ANAR)	Actual net allowable revenue for the third assessment period x (1 + CPI) x (1-x)	<b>31,344</b>

## 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 7 and Table 8 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 to the fourth assessment period.

**Table 7**

<b>Planned interruptions quality standard - SAIDI</b>	
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
Planned SAIDI assessed value for the second assessment period	66.13
Planned SAIDI assessed value for the third assessment period	154.01
Planned SAIDI assessed value for the fourth assessment period	103.76
Sum of planned SAIDI assessed values	439.91
Compliance result	<b>Compliant</b>



**Table 8**

<b>Planned interruptions quality standard - SAIFI</b>	
Sum of planned SAIFI assessed values $\leq$ Planned accumulated SAIFI limit	
Planned accumulated SAIFI limit	4.9021
Planned SAIFI assessed value for the first assessment period	0.3317
Planned SAIFI assessed value for the second assessment period	0.2054
Planned SAIFI assessed value for the third assessment period	0.5561
Planned SAIFI assessed value for the fourth assessment period	0.3021
Sum of planned SAIFI assessed values	1.3953
Compliance result	<b>Compliant</b>

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 9 and Table 10 below show Network Tasman Limited's planned SAIDI and SAIFI assessed values for the assessment period.

**Table 9**

<b>Planned SAIDI assessed value RY24</b>		
Term	Description	Value
Class B non-notified interruptions		103.76
Class B notified interruptions falling outside window		0
SAIDI <sub>B</sub>	<i>Sum of Class B non-notified interruptions</i>	103.76
Class B notified interruptions falling inside window		0
Class B intended interruptions cancelled without notice		0
Class B intended interruptions cancelled with notice		0
SAIDI <sub>N</sub>	<i>Sum of Class B notified interruptions</i>	0
Planned SAIDI assessed value	$SAIDI_B + (SAIDI_N/2)$	<b>103.76</b>

**Table 10**

<b>Planned SAIFI assessed value RY24</b>		
Term	Description	Value
Planned SAIFI assessed value	<i>Sum of Class B interruptions commencing within the assessment period</i>	<b>0.3021</b>

#### 4.2 Statement of compliance with unplanned interruptions quality standards

As demonstrated in Table 11 and Table 12 below, and consistent with clause 9.7 of the 2020 DPP Determination, Network Tasman Limited has complied with the unplanned interruptions quality standard.

**Table 11**

<b>Unplanned interruptions quality standard RY24 - SAIDI</b>		
Unplanned SAIDI assessed value ≤ Unplanned SAIDI limit		
Unplanned SAIDI limit		101.03
Unplanned SAIDI assessed value	<i>Sum of normalised SAIDI values for Class C interruptions commencing within the assessment period</i>	49.48
Compliance result		<b>Compliant</b>

**Table 12**

<b>Unplanned interruptions quality standard RY24 - SAIFI</b>		
Unplanned SAIFI assessed value ≤ Unplanned SAIFI limit		
Unplanned SAIFI limit		1.1956
Unplanned SAIFI assessed value	<i>Sum of normalised SAIFI values for Class C interruptions commencing within the assessment period</i>	0.5462
Compliance result		<b>Compliant</b>

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 three major events during the assessment period. All three affected both SAIDI and SAIFI.

SAIDI major events. The applicable SAIDI unplanned boundary value of 7.22 is used in the normalisation calculation.

**Table 13**

Unplanned SAIDI major events RY24			
Start	End	Pre-normalised unplanned SAIDI	Normalised unplanned SAIDI
09-Apr-2023 01:30 PM	11-Apr-2023 01:00 PM	19.5393	0.7374
11-Jan-2024 02:00 AM	13-Jan-2024 01:00 AM	44.5497	0.1504
08-Feb-2024 11:00 PM	10-Feb-2024 10:00 PM	20.8281	0.4513

SAIFI major events. The applicable SAIFI unplanned boundary value of 0.0688 is used in the normalisation calculation.

**Table 14**

Unplanned SAIFI major events RY24			
Start	End	Pre-normalised unplanned SAIFI	Normalised unplanned SAIFI
09-Apr-2023 02:00 PM	11-Apr-2023 01:00 PM	0.3263	0.0069
11-Jan-2024 02:00 AM	13-Jan-2024 01:00 AM	0.2875	0.0014
09-Feb-2024 07:30 AM	10-Feb-2024 10:00 PM	0.0884	0.0043

Further information of each major event is in Appendix D

### 4.3 Statement of compliance with extreme event standard

As demonstrated in Table 15 below, and consistent with clause 9.9 of the 2020 DPP Determination Network Tasman Limited has complied with the extreme event standard.

**Table 15**

<b>Extreme event standard RY24</b>	
<i>Unplanned SAIDI value ≤ 120 minutes, and customer interruption minutes ≤ six million during any 24-hour period, excluding unplanned interruptions from major external factors</i>	
Number of extreme events	Compliance result
Nil	Compliant

#### 4.4 Quality Incentive Adjustment

Table 16 below shows Network Tasman Limited's quality incentive adjustment for the assessment period.

**Table 16**

Quality Incentive Adjustment RY24		
Term	Description	Value (\$000)
SAIDI planned adjustment	$(SAIDI_{planned, target} - SAIDI_{planned, assessed}) \times 0.5 \times IR$	(89)
SAIDI unplanned adjustment	$(SAIDI_{unplanned, target} - SAIDI_{unplanned, assessed}) \times IR$	157
Total adjustment	$SAIDI_{planned adjustment} + SAIDI_{unplanned adjustment}$	67
Revenue at risk	$0.02 * ANAR$	626.890
Total penalty/reward		67
67th percentile estimate of post-tax WACC		4.23%
Quality incentive adjustment		<b>73.24</b>

Table 17 below shows Network Tasman Limited's quality incentive adjustment inputs consistent with Schedule 4 of the 2020 DPP Determination.

**Table 17**

<b>Quality Incentive Adjustment Inputs RY24</b>					
Term	Units	Value	Term	Units	Value
SAIDI planned interruption cap	minutes	225.83	SAIDI unplanned interruption cap	minutes	101.03
SAIDI planned interruption collar	minutes	0	SAIDI unplanned interruption collar	minutes	0
SAIDI planned interruption target	minutes	75.28	SAIDI unplanned interruption target	minutes	74.49
Planned SAIDI assessed value	minutes	103.76	Unplanned SAIDI assessed value	minutes	49.48
Incentive rate	\$	6,260			
Actual net allowable revenue (ANAR)	\$000	31,344			
SAIDI planned interruption target	minutes	75.28	SAIDI unplanned interruption target	minutes	74.49
Minimum of the planned SAIDI cap and assessed value	minutes	103.76	Minimum of the unplanned SAIDI cap and assessed value	minutes	49.48
Planned SAIDI subject to incentive	minutes	(28.48)	Unplanned SAIDI subject to incentive	minutes	25.01
Adjustment (IR x 0.5)	\$	3,130	Adjustment (IR)	\$	6,260
SAIDI planned adjustment	\$000	(89.14)	SAIDI unplanned adjustment	\$000	156.55

## **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 18**

<b>Actual pass-through costs RY24</b>	
Actual pass-through costs	Actual (\$000)
Rates on system fixed assets	191
Commerce Act levies	104
Electricity Authority levies	136
Utilities Disputes levies	28
<b>Total actual pass-through costs</b>	<b>459</b>

**Recoverable costs****Table 19**

<b>Actual recoverable costs RY24</b>	
Actual recoverable costs	Actual (\$000)
IRIS incentive adjustment	736
Transmission charges	10,836
New investment contract charges	1,225
System operator services charges	
Avoided transmission charges	
Distributed generation allowance	
Claw-back	
Catastrophic event allowance	
Extended reserves allowance	
Quality incentive adjustment	73
Capex wash-up adjustment	(225)
Reconsideration event allowance	
Quality standard variation engineers fee	
Urgent project allowance	
Fire and Emergency NZ levies	56
Innovation project allowance	
<b>Total actual recoverable costs</b>	<b>12,701</b>

### **Revenue wash-up draw down amount**

Table 20 to Table 22 show the calculation of the Revenue wash-up draw down amount.

**Table 20**

<b>Revenue wash-up draw down amount RY24</b>	
<i>The revenue wash-up draw down amount for the fourth assessment period = closing wash-up balance for the third assessment period. The closing wash-up balance for the third assessment period = (Wash-up amount for the second assessment period - voluntary undercharging amount foregone for the second assessment period) x (1 + 67th percentile estimate of post-tax WACC)<sup>2</sup></i>	
Term	Value (\$000)
Wash-up amount for the second assessment period	3,765
Voluntary undercharging amount foregone for the second assessment period	0
(1 + 67th percentile estimate of post-tax WACC) <sup>2</sup>	1.09
<b>Revenue wash-up draw down amount for the fourth assessment period</b>	<b>4,091</b>

**Table 21**

<b>Voluntary undercharging amount foregone RY22</b>	
<i>Voluntary undercharging amount foregone for RY22 = nil if the forecast revenue from prices for the second assessment period is greater than the voluntary undercharging revenue floor for the second assessment period; otherwise voluntary undercharging revenue floor for the second assessment period - forecast revenue from prices for the second assessment period</i>	
Term	Value (\$000)
Forecast revenue from prices for the second assessment period	39,246
Voluntary undercharging revenue floor for the second assessment period	38,961
<b>Voluntary undercharging amount foregone for the second assessment period</b>	<b>0</b>

**Table 22**

<b>Voluntary undercharging revenue floor RY22</b>	
<p><i>Voluntary undercharging revenue floor for RY22 = lesser of:</i>  <i>(a) forecast allowable revenue for assessment period two x voluntary undercharging threshold; and</i>  <i>(b) (1 + limit on annual percentage increase in forecast revenue from prices) x forecast revenue from prices for assessment period one</i></p>	
Term	Value (\$000)
Forecast allowable revenue for the second assessment period	43,290
Voluntary undercharging threshold	90%
Forecast revenue from prices for assessment period one	38,147
Limit on annual percentage increase in forecast revenue from prices	10%
<b>Voluntary undercharging revenue floor for the second assessment period</b>	<b>38,961</b>

## Appendix B – Prices and quantities

Table 23 shows the actual prices and quantities for actual revenue from prices for the fourth assessment period.

**Table 23**

Actual revenue from prices RY24				
Price Code	Unit	Unit price (\$)	Actual quantity	Actual revenue (\$)
0S	Watts	0	0	0
0S	Watts	0	0	0
0S	Watts	0	0	0
0STL	Watts	0.00119	0	0
0STL	Watts	0.001	144	63
0STL	Watts	0.001	436,671	183,293
0UNM	ICP/Day	0.533	0	0
0UNM	ICP/Day	0.550	(2)	(325)
0UNM	ICP/Day	0.600	73	15,884
1GL	ICP/Day	1.000	0	12
1GL	ICP/Day	1.000	0	24
1GL	ICP/Day	1.060	3	1,070
1GL	ICP/Day	1.060	3,719	1,438,927
1GLANY	kWh	0.025	(1,947)	(48)
1GLANY	kWh	0.022	97,177	2,089
1GLANY	kWh	0.017	4,821,387	82,928
1GLDAY	kWh	0.030	(2)	(0)
1GLDAY	kWh	0.027	(3,302)	(88)
1GLDAY	kWh	0.021	392,664	8,285
1GLDEF	kWh	0.017	2,736,776	47,073
1GLGEN	kWh	0.000	143	0
1GLGEN	kWh	0.000	18,888	0
1GLGEN	kWh	0.000	2,521,568	0
1GLNIT	kWh	0.005	1,051	6
1GLNIT	kWh	0.004	(3,929)	(17)
1GLNIT	kWh	0.003	292,297	935
1GLOFP	kWh	0.014	5,871,442	81,026
1GLPEK	kWh	0.020	7,344,430	146,889
1GLWSR	kWh	0.008	101	1
1GLWSR	kWh	0.006	(7,157)	(44)
1GLWSR	kWh	0.004	1,543,356	6,636
1RL	ICP/Day	0.150	0	0
1RL	ICP/Day	0.300	7	718
1RL	ICP/Day	0.300	(5)	(602)
1RL	ICP/Day	0.450	19,287	3,167,865
1RLANY	kWh	0.073	10,580	777
1RLANY	kWh	0.053	(7,530)	(402)

Price Code	Unit	Unit price (\$)	Actual quantity	Actual revenue (\$)
1RLANY	kWh	0.045	24,627,878	1,110,717
1RLDAY	kWh	0.080	44	4
1RLDAY	kWh	0.069	16,135	1,107
1RLDAY	kWh	0.049	544,228	26,667
1RLDEF	kWh	0.045	4,074,852	183,776
1RLGEN	kWh	0.000	(1,244)	0
1RLGEN	kWh	0.000	17,158	0
1RLGEN	kWh	0.000	3,920,875	0
1RLNIT	kWh	0.013	329	4
1RLNIT	kWh	0.009	7,809	66
1RLNIT	kWh	0.031	997,893	31,034
1RLOFP	kWh	0.042	24,270,724	1,012,089
1RLPEK	kWh	0.048	26,365,538	1,262,909
1RLWSR	kWh	0.020	1,332	26
1RLWSR	kWh	0.014	(45,368)	(617)
1RLWSR	kWh	0.032	26,445,924	851,559
1RS	ICP/Day	1.000	0	55
1RS	ICP/Day	1.000	1	541
1RS	ICP/Day	1.060	3	976
1RS	ICP/Day	1.060	16,733	6,473,837
1RSANY	kWh	0.025	25,346	621
1RSANY	kWh	0.022	83,553	1,796
1RSANY	kWh	0.017	34,917,790	600,586
1RSDAY	kWh	0.030	2,079	63
1RSDAY	kWh	0.027	17,964	476
1RSDAY	kWh	0.021	1,086,245	22,920
1RSDEF	kWh	0.017	6,010,487	103,380
1RSGEN	kWh	0.000	4,928	0
1RSGEN	kWh	0.000	22,885	0
1RSGEN	kWh	0.000	3,068,944	0
1RSNIT	kWh	0.005	1,928	10
1RSNIT	kWh	0.004	(11,179)	(47)
1RSNIT	kWh	0.003	1,635,031	5,232
1RSOFP	kWh	0.014	34,738,554	479,392
1RSPEK	kWh	0.020	37,319,486	746,390
1RSWSR	kWh	0.008	4,641	35
1RSWSR	kWh	0.006	(17,151)	(105)
1RSWSR	kWh	0.004	33,279,365	143,101
2	kVA	0.094	(16)	(564)
2	kVA	0.095	(10)	(356)
2	kVA	0.105	128,507	4,901,593
2	kVA	0.105	4,622	176,283
2ANY	kWh	0.034	5,040	172
2ANY	kWh	0.029	(105,422)	(3,099)
2ANY	kWh	0.030	21,848,742	644,538

Price Code	Unit	Unit price (\$)	Actual quantity	Actual revenue (\$)
2DAY	kWh	0.039	(385)	(15)
2DAY	kWh	0.034	(160,598)	(5,460)
2DAY	kWh	0.034	11,234,935	381,988
2DEF	kWh	0.030	15,015,537	442,958
2GEN	kWh	0.000	0	0
2GEN	kWh	0.000	0	0
2GEN	kWh	0.000	0	0
2HANY	kWh	0.262	9	2
2HANY	kWh	0.255	407	104
2HANY	kWh	0.200	5,197	1,039
2HDEF	kWh	0.200	240	48
2HLFC	ICP/Day	0.150	0	0
2HLFC	ICP/Day	0.300	0	0
2HLFC	ICP/Day	0.450	8	1,315
2HOFP	kWh	0.194	8,675	1,684
2HPEK	kWh	0.204	9,135	1,864
2HWSR	kWh	0.170	2	0
2HWSR	kWh	0.169	14	2
2HWSR	kWh	0.187	4,752	887
2LANY	kWh	0.132	1,754	231
2LANY	kWh	0.118	3,293	390
2LANY	kWh	0.105	212,589	22,216
2LDAY	kWh	0.150	66	10
2LDAY	kWh	0.144	373	54
2LDAY	kWh	0.109	19,487	2,124
2LDEF	kWh	0.105	24,958	2,608
2LGEN	kWh	0.000	(50)	0
2LGEN	kWh	0.000	14,477	0
2LLFC	ICP/Day	0.150	16	900
2LLFC	ICP/Day	0.300	(62)	(6,772)
2LLFC	ICP/Day	0.450	107	17,650
2LNIT	kWh	0.051	53	3
2LNIT	kWh	0.038	(325)	(12)
2LNIT	kWh	0.087	11,473	998
2LOFP	kWh	0.099	65,284	6,437
2LPEK	kWh	0.109	77,452	8,404
2LWSR	kWh	0.057	(48)	(3)
2LWSR	kWh	0.056	217	12
2LWSR	kWh	0.091	57,288	5,225
2NIT	kWh	0.012	283	3
2NIT	kWh	0.012	(106,931)	(1,272)
2NIT	kWh	0.012	4,870,460	58,446
2OFP	kWh	0.024	20,826,100	491,496
2PEK	kWh	0.034	28,538,727	956,047
2WSR	kWh	0.016	1,479	23

Price Code	Unit	Unit price (\$)	Actual quantity	Actual revenue (\$)
2WSR	kWh	0.016	5,120	82
2WSR	kWh	0.016	2,896,275	46,920
3.3GEN	kWh	0.000	2,444,881	0
3.4GEN	kWh	0.000	164,227	0
6.1	Annual	1,346,963	1	1,346,963
6.2	Annual	413,129	1	413,129
ANY_T	kVA	0.112	54,512	2,220,501
AnyDem31	kVA	0.113	2,065	85,156
AnyDem33	kVA	0.133	2,505	121,872
AnyDem34	kVA	0.142	52,219	2,704,598
AnyDem34	kVA	0.142	96	4,971
AnyDem35	kVA	0.133	3,045	148,169
CB	Annual	1,829,364.340	0	1,829,364
CBGEN	kWh	0.000	1,601,988	0
0	0	0.000	0	0
0	0	0.000	0	0
HLF	kVA	0.403	0	0
HLF	kVA	0.402	0	0
HLF	kVA	0.432	2,713	427,978
HLFANY	kWh	0.008	209	2
HLFANY	kWh	0.007	(1,649)	(11)
HLFANY	kWh	0.007	402,804	2,900
HLFDAY	kWh	0.009	58	1
HLFDAY	kWh	0.008	(458)	(4)
HLFDAY	kWh	0.008	191,460	1,589
HLFDEF	kWh	0.007	782,274	5,632
HLFGEN	kWh	0.000	0	0
HLFGEN	kWh	0.000	8	0
HLFGEN	kWh	0.000	22,556	0
HLFNIT	kWh	0.002	68	0
HLFNIT	kWh	0.002	(194)	(0)
HLFNIT	kWh	0.002	72,975	117
HLFOFP	kWh	0.006	2,419,012	13,788
HLFPEK	kWh	0.009	2,878,336	24,466
HLFWSR	kWh	0.002	6	0
HLFWSR	kWh	0.001	483	1
HLFWSR	kWh	0.002	51,020	77
kVAr	kVAr	0.311	93	10,539
MAT	Annual	13,155.120	0	13,155
MATANY	kWh	0.000	27,602	0
MATGEN	kWh	0.000	21,716,345	0
NEL	Annual	1,573,385	1	1,573,385
SD31	kWh	0.004	3,373,895	14,508
SD33	kWh	0.013	3,788,328	48,491
SD34	kWh	0.013	54,283	695





Price Code	Unit	Unit price (\$)	Actual quantity	Actual revenue (\$)
<b>Network Development Levy (aggregated)</b>				
1c	per ICP	3,250		0
1	kVA-km	640	86	55,017
2	kVA-km	406	332	134,651
3.4	kVA-km	8	288	2,301
			0	0
<b>Generator Fees</b>				
Network Fee 1	Network Fee pa	684	1	684
Network Fee 2	Network Fee pa	600	1	600
Network Fee 3	Network Fee pa	360	1	360
Onekaka 33 Trnfr	Transformer Charge pa	5,544	1	5,544
<b>Total actual revenue from prices</b>				<b>40,477,907</b>

## 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 an 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  $\times$  (Time Unfaulted Area restored – Time of Initial Interruption)

+

No. of Fault area customers  $\times$  (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 online 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 online 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

Three major events (3 SAIDI and 3 SAIFI) occurred during Assessment Period 4.

**1: Major Event:** 10 April 2023

**(i) Cause of event:** Adverse Weather - Severe weather event including high winds, Tornado and Lightning

**(ii) & (iii) Event start time and date:**

SAIDI: 13:30 09 Apr 2023

SAIFI: 14:00 09 Apr 2023

**(iv) & (v) Event end date and time:**

SAIDI: 13:00 11 April 2023

SAIFI: 13:00 11 April 2023

**(vi) SAIDI/SAIFI value before and after replacements:**

Interruption	SAIDI		SAIFI	
	Before	Replacement	Before	Replacement
1	0.0037	0.0037	0.000185	0.000185
2	9.6874	0.1504	0.036145	0.001433
3	8.4120	0.1504	0.268229	0.001433
4	1.0143	0.1504	0.018442	0.001433
5	0.1293	0.1293	0.000462	0.000462
6	0.2898	0.1504	0.002262	0.001433
7	0.0028	0.0028	0.000554	0.000554
<b>Total</b>	<b>19.5393</b>	<b>0.7374</b>	<b>0.326278</b>	<b>0.006934</b>

**Description of event:**

A severe wind and lightning storm passed through the area on 10 April 2023. During this storm a tornado developed and passed through the Mapua area, bringing down large trees and damaging residences and sheds. Lightning also caused the simultaneous tripping of both 66kV sub-transmission circuits supplying the Motueka and Golden Bay bulk supply regions.

**(viii) Location of the major event:**

Tasman and Mapua.

**(ix) Main equipment involved:**

66kV sub-transmission and 11kV distribution lines.

**(x) How we responded to the major event:**

Control room and field response services mobilised. Restoration was prioritised and completed as per the Disaster Readiness and Response Plan.

**(xi) Mitigating factors that may have prevented or minimised the major event:**

Existing Underground reticulation in some areas. Good vegetation clearance and compliance with Tree regulations.

**(xii) A description of any steps we propose to take to mitigate the risk of future similar major events:**

Continuation of existing vegetation management policies and practices.

Continuation of existing asset maintenance and renewals policies and practises.

---

**2: Major Event: 12 January 2024**

**(i) Cause of event:** Defective Equipment - Fault in 33kV Cable near Stoke Grid Exit Point.

**(ii) & (iii) Event start time and date:**

SAIDI: 02:00 11 Jan 2024

SAIFI: 02:00 11 Jan 2024

**(iv) & (v) Event end date and time:**

SAIDI: 01:00 13 Jan 2024

SAIFI: 01:00 13 Jan 2024

**(vi) SAIDI/SAIFI value before and after replacements:**

Interruption	SAIDI		SAIFI	
	Before	Replacement	Before	Replacement
1	44.5497	0.1504	0.287548	0.001433
<b>Total</b>	<b>44.5497</b>	<b>0.1504</b>	<b>0.287548</b>	<b>0.001433</b>

**Description of event:**

A heavy earth fault developed in a 33kV sub-transmission circuit cable tripping supply to Hope and Brightwater zone substations. The location of the cable fault was in Marsden Valley Road in the Poormans stream creek bed where the cable crosses the stream below the bed. It was suspected that creek bed excavations to manage gravel build up in the bed had damaged the cable at a previous time.

The passage of high fault currents in the Neutral Earthing resistor at the Stoke GXP resulted in temporary overvoltage in the unfaulted phases. The temporary elevated voltage overcame the insulation in a joint box in another 33kV feeder circuit, causing that circuit also to trip. This second tripping affected the Richmond zone substation.

**(viii) Location of the major event:**

Initial fault site at Poormans stream in Marsden Valley Road. Secondary fault site in 33kV joint box near Aquatic centre Richmond.

**(ix) Main equipment involved:**

33kV Sub-transmission circuits supplying Hope, Brightwater and Richmond zone substations.

**(x) How we responded to the major event:**

Control room and field responders identified initial cause of fault and consequent joint box insulation failure. Then 33kV restored supply to all three zone substations by switching to alternate circuits.

**(xi) Mitigating factors that may have prevented or minimised the major event:**

The availability of alternate 33kV sub-transmission circuits.

The timing of the event meant that network loads were light at the time.

**(xii) A description of any steps we propose to take to mitigate the risk of future similar major events:**

Removal of 33kV underground cable from below stream bed and replacement with a span of overhead line. Completed.

Cleaning/repair of the insulation in the Aquatic Centre joint box in the Richmond 33kV sub-transmission underground cable circuit. Inspection of insulation in all other 33kV joint boxes.

---

**3: Major Event: 9 February 2024**

**(i) Cause of event:** Defective Equipment - Binder failing in 33kV copper conductor circuit supplying Takaka substation in Golden Bay.

**(ii) & (iii) Event start time and date:**

SAIDI: 23:00 8 Feb 2024

SAIFI: 07:30 9 Feb 2024

**(iv) & (v) Event end date and time:**

SAIDI: 22:00 10 Feb 2024

SAIFI: 22:00 10 Feb 2024

**(vi) SAIDI/SAIFI value before and after replacements:**

Interruption	SAIDI		SAIFI	
	Before	Replacement	Before	Replacement
1	17.0893	0.1504	0.058604	0.001433
2	1.9179	0.1504	0.026659	0.001433
3	1.8208	0.1504	0.003116	0.001433
<b>Total</b>	<b>20.8281</b>	<b>0.4513</b>	<b>0.088379</b>	<b>0.004300</b>

**Description of event:**

Loose binder caused copper conductor to break at an insulator resulting in a downed conductor. Due to the conductor dropping on load side of break, ground fault current sensing and tripping was intermittent hindering positive fault identification.

**(viii) Location of the major event:**

Takaka, Golden Bay

**(ix) Main equipment involved:**

33kV transmission line between Motupipi sub-transmission and Takaka zone substation.

**(x) How we responded to the major event:**

Control room and field response mobilised. Standard procedures used to identify fault cause and make repairs.

**(xi) Mitigating factors that may have prevented or minimised the major event:**

Nil. This is a single line 33kV supply.

**(xii) A description of any steps we propose to take to mitigate the risk of future similar major events:**

Replacement of the copper conductor sections in this circuit with new ACSR conductor. This will be done at the next zone substation shutdown opportunity.



## Appendix E – Director’s certificate



### Network Tasman Limited

52 Main Road, Hope 7020  
PO Box 3005  
Richmond 7050  
Nelson, New Zealand

Phone: +64 3 989 3600  
Freephone: 0800 508 098  
Email: [info@networktasman.co.nz](mailto:info@networktasman.co.nz)  
Website: [www.networktasman.co.nz](http://www.networktasman.co.nz)

## APPENDIX E – Directors Certificate

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

#### Clause 11.5(d)

We, Sarah Louise Smith and Anthony Page Reilly, 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.

A handwritten signature in black ink, appearing to read "S. Smith", written over a horizontal line.

Sarah Louise Smith  
Director

A handwritten signature in black ink, appearing to read "A. Reilly", written over a horizontal line.

Anthony Page Reilly  
Director

27 August 2024

## Appendix F – Assurance report

### Independent Assurance Report

**To the directors of Network Tasman Limited and to the Commerce Commission  
on the Annual Compliance Statement for the  
assessment period ended 31 March 2024 as required by the  
Electricity Distribution Services Default Price-Quality Path Determination 2020  
(consolidated 20 May 2020)**

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 undertake a reasonable assurance engagement, on his behalf, on whether the Annual Compliance Statement on pages 4 to 32 for the assessment period ended on 31 March 2024 has been prepared, in all material respects, in compliance with the Electricity Distribution Services Default Price-Quality Path Determination 2020 (consolidated 20 May 2020) (the Determination).

#### Opinion

In our opinion, in all material respects:

- 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 with clauses 11.5 and 11.6 of the Determination in preparing the Annual Compliance Statement for the assessment period ended 31 March 2024.

#### Basis for opinion

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

We have obtained sufficient recorded evidence and explanations that we required to provide a basis for our opinion.

#### Directors' responsibilities

The directors of the Company are responsible for the:

- preparation of the Annual Compliance Statement under clause 11.4 and in accordance with the requirements in clauses 11.5 and 11.6 of the Determination; and

- identification of risks that may threaten compliance with the clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

### **Auditor's responsibilities**

Our responsibilities in terms of clause 11.5(e) and schedules 8(1)(b)(vi) and 8(1)(c) of the Determination, are to express an opinion on whether:

- 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 Annual Compliance Statement, for the assessment period ended 31 March 2024, has been prepared, in all material respects, in accordance with the requirements in clauses 11.5 and 11.6 of the Determination.

To meet these responsibilities, we planned and performed procedures in accordance with SAE 3100 (Revised), to obtain reasonable assurance about whether the Company has complied, in all material respects, with clauses 11.5 and 11.6 of the Determination.

In relation to the wash-up amount set out in clause 8.6 of the Determination, our procedures included recalculation of the wash-up amount in accordance with schedule 1.6 of the Determination and assessing it against the amounts and disclosures contained on pages 4 to 7, and 17 to 26 of the Annual Compliance Statement.

In relation to the quality standards in clause 9 of the Determination, our procedures included examination, on a test basis, of evidence relevant to the values and disclosures contained on pages 8 to 13, and 27 to 32 of the Annual Compliance Statement.

In relation to the quality incentive adjustment set out in schedule 4 of the Determination, our procedures included recalculation of the quality incentive adjustment in accordance with schedule 4 of the Determination and assessing it against the amounts and disclosures contained on pages 14 and 15 of the 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 controls implemented to meet the requirements. The procedures selected depend on our judgement, including the identification and assessment of the risks of material non-compliance with the requirements.

### **Inherent limitations**

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error, or non-compliance with clauses 11.5 and 11.6 of the Determination may occur and not be detected. A reasonable assurance engagement throughout the assessment period does not provide assurance on whether compliance with clauses 11.5 and 11.6 of the Determination will continue in the future.

## Restricted use

This report has been prepared for use by the directors of the Company and the Commerce Commission in accordance with clause 11.5(e) of the Determination and is provided solely for the purpose of establishing whether the compliance requirements have been met. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the Company and the Commerce Commission, or for any other purpose than that for which it was prepared.

## Independence and quality control

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: *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; and
- quality management requirements, which incorporate Professional and Ethical Standard 3: *Quality Management for Firms that perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 trading activities of the Company, this engagement, the assurance engagement on the Information Disclosures and the annual audit of the Company's financial statements and performance information, we have no relationship with or interests in the Company.



John Mackey  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
27 August 2024