The Lines Company Limited

DEFAULT PRICE QUALITY PATH COMPLIANCE STATEMENT

FOR THE ASSESSMENT DATE 31 MARCH 2015

Pursuant to the Electricity Distribution Services Default Price-Quality Path Determination 2012

4 June 2015

Contents

Supporting Information (Clause 11.2(b))

1) Compliance with the Price Path (Clause 11.2(a))

The Lines Company Limited does comply with the price path at the assessment date, 31 March 2015, as specified in the *Electricity Distribution Services Default Price-Quality Path Determination 2012*.

Clause 8.4 - The notional revenue (NR_t) of a Non-exempt EDB at any time during the Assessment Period must not exceed the allowable notional revenue (R_t) for the Assessment Period.

Compliance is demonstrated in the following table, which demonstrates that notional revenue during the Assessment Period does not exceed allowable notional revenue.

Electricity Distribution Default Price-Quality Path Determination 2012

Assessment Against the Price Path

for the Assessment Date 31 March 2015 for

The Lines Company Limited

Clause 8.4 The notional revenue (NR_t) of a Non-exempt EDB at any time during the Assessment Period must not exceed the allowable notional revenue (R_t) for the Assessment Period, such that:

Test: $\frac{NR_{2014/15}}{R_{2014/15}} \leq 1$

$NR_{2014/15}$	$	30,568,618
$R_{2014/15}$	$	38,078,322
Result		0.8028 < 1
Result	*Price Path has not been breached*	

Supporting evidence is presented in Appendices A, B, C and D.

Basis of Estimates

The Lines Company Limited offers a 10% prompt payment discount (PPD) on most of our charges. The PPD available is included in our published tariff schedules, where we publish two sets of prices (before and after the deduction of the PPD). The take-up of the PPD is determined by customers, as the receipt of the discount is based on the date of payment.

Our DPP Price Path Compliance is demonstrated above. Both Notional Revenue and Allowable Notional Revenue are products of posted prices multiplied by corresponding billed quantities. In accordance with the 2012 DPP Determination, quantities are lagged two years, and thus for this Compliance Statement, reflect 2013 billable quantities.

The price and quantity schedules included in Appendix B, therefore, include two sets of prices and two sets of quantities comprising:

- pre PPD posted prices and post PPD posted prices;

- quantities for each based on the estimated take up of the PPD.

As we do not have sufficient data to be able to determine for each price, the actual billed quantities where PPD has been applied, and the actual billed quantities where PPD has not been applied, for the 2015 assessment period we have estimated the quantities using the following method.

The compliance calculation has been adjusted to include quantities where the PPD was not applied to late paying customers. We have estimated the split between 2013 quantities with PPD applied and 2013 quantities with no PPD applied. Due to system limitations at this time, the quantity splits have been estimated by reference to the PPD values applied and not applied to applicable customers. In 2013, the PPD was applied (by value) to 87.5% of the PPD offered. We note that the PPD is applied in full to Major Customer (standard and non standard) charges, generator charges and streetlight charges. In addition disconnection and reconnection charges receive no PPD.

The inclusion of PPD not applied to customers results in an increase in both Allowable Notional Revenue and Notional Revenue by approximately $547,000 and $513,000 respectively, relative to assuming that the PPD is applied to all quantities (which was the approach adopted for the 2013 Assessment Period).

This approach is consistent with the approach adopted for the DPP Compliance Statement 2014.

2) Compliance with the Quality Standards (Clause 11.2(a))

The Lines Company Limited does comply with all requirements of the quality standards at the assessment date, 31 March 2015, as specified in the *Electricity Distribution Services Default Price-Quality Path Determination 2012*.

2015 Reliability Assessment (9.1(a))

Clause 9.1(a) requires compliance with Clause 9.2: A Non-exempt EDB's Assessed Values for an Assessment Period must not exceed its Reliability Limits for that Assessment Period

Compliance is demonstrated in the following tables.

2015 Reliability Assessment (9.1(a))

Clause 9.1(a) requires compliance with Clause 9.2: A Non-exempt EDB's Assessed Values for an Assessment Period must not exceed its Reliability Limits for that Assessment Period

Test:	$\frac{SAIDI_{Assess\ 2014/15}}{SAIDI_{Limit}} \leq 1$
$SAIDI_{Assess\ 2014/15}$	233.54
$SAIDI_{Limit}$	307.69
	0.7590 < 1
Clause 9.1(a) Result:	*Does not exceed limit*

Test:	$\frac{SAIFI_{Assess\ 2014/15}}{SAIFI_{Limit}} \leq 1$
$SAIFI_{Assess\ 2014/15}$	3.74
$SAIFI_{Limit}$	4.15
	0.9012 < 1
Clause 9.1(a) Result:	*Does not exceed limit*

Supporting evidence is presented in Appendices E and F.

Prior Period Reliability Assessment (9.1(b))

Compliance is demonstrated in the following tables.

Prior Period Reliability Assessment (9.1(b))

Clause 9.1.(b) requires: compliance with annual reliability assessments for the two immediately preceding extant Assessment Periods

$SAIDI_{Assess\ 2013/14}$	270.46	$SAIFI_{Assess\ 2013/14}$	4.13
$SAIDI_{Limit\ 2013/14}$	307.69	$SAIFI_{Limit\ 2013/14}$	4.15
0.8790	< 1	0.9952	< 1
	Does not exceed limit		*Does not exceed limit*

$SAIDI_{Assess\ 2012/13}$	199.57	$SAIFI_{Assess\ 2012/13}$	2.32
$SAIDI_{Limit\ 2012/13}$	307.69	$SAIFI_{Limit\ 2012/13}$	4.15
0.6486	< 1	0.5590	< 1
	Does not exceed limit		*Does not exceed limit*

Compliance Summary

Clause 9.1 A Non-exempt EDB must, in respect of each Assessment Period, either:

(a) comply with the annual reliability assessment specified in clause 9.2; or

(b) have complied with those annual reliability assessments for the two immediately preceding extant Assessment Periods

	SAIDI	SAIFI	Compliance
Compliance with 9.1(a) 2014/15 Assessment Period	Does not exceed limit	Does not exceed limit	***Complies***
or			
Compliance with 9.1(b)			***Complies***
2013/14 Assessment Period	Does not exceed limit	Does not exceed limit	*Complies*
2012/13 Assessment Period	Does not exceed limit	Does not exceed limit	*Complies*
Clause 9.1 Result:		***Complies with Quality Standard***	

3) Director Certification (Clause 11.3(m))

We, Angus Malcolm Don and John McFadyen Rae, being directors of The Lines Company Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Annual Compliance Statement of The Lines Company Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2012* are true and accurate.

Angus Malcolm **DON**
Director

John McFayden **RAE**
Director

4 June 2015

pwc

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

The Auditor-General is the auditor of The Lines Company Limited (the company). The Auditor-General has appointed me, Sharon Cresswell, using the staff and resources of PricewaterhouseCoopers, to provide an opinion, on her behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2015 on pages 2-5 and 9-24 complies, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2012 NZCC 35 (the Determination).

Directors' responsibilities for the Annual Compliance Statement
The directors of the company are responsible for the preparation of the Annual Compliance Statement in accordance with the Determination, and for such internal control as the directors determine is necessary to enable the preparation of an Annual Compliance Statement that is free from material misstatement.

Auditor's responsibility for the Annual Compliance Statement
Our responsibility is to express an opinion on whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination.

Basis of opinion
We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the External Reporting Board and the Standard on Assurance Engagements 3100: *Compliance Engagements* issued by the External Reporting Board.

These standards require that we comply with ethical requirements and plan and perform our audit to provide reasonable assurance (which is also referred to as 'audit' assurance) about whether the Annual Compliance Statement has been prepared in all material respects in accordance with the Determination.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the Annual Compliance Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Compliance Statement, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, the auditor considers 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.

In relation to the price path set out in clause 8 of the Determination, our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 9 to 20 of the Annual Compliance Statement.

In relation to the SAIDI and SAIFI statistics for the Reference Period and the Assessment Period ended on 31 March 2015, including the calculation of the Reliability Limits and the Assessed Values, which are relevant to the quality standards set out in clause 9 of the Determination, our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 21 to 24 of the Annual Compliance Statement.

Our audit 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Use of this report
This independent auditor's report has been prepared for the directors of the company and for the Commerce Commission for the purpose of providing those parties with independent audit assurance about whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations
Because of the inherent limitations of an audit 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 auditor's report has been formed on the above basis.

Independence
When carrying out the engagement we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. We also complied with the independent auditor requirements specified in the Determination.

The Auditor-General, and her employees, and PricewaterhouseCoopers and its partners and 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.

Opinion
In our opinion, the Annual Compliance Statement of The Lines Company Limited for the year ended on 31 March 2015, has been prepared, in all material respects, in accordance with the Determination.

Emphasis of Matter
We draw attention to the Basis of Estimates section in page 2 of this Annual Compliance Statement, which describes the uncertainty due to the system limitations related to the estimation of the quantities for which the Prompt Payment Discounts ("PPD") apply. Our opinion is not qualified in respect of this matter.

Our audit was completed on 04 June 2015 and our opinion is expressed as at that date.

Sharon Cresswell
PricewaterhouseCoopers
On behalf of the Auditor-General
Hamilton, New Zealand

Appendix A – Price Path Compliance Calculations (Clause 11.3 (a))

Electricity Distribution Default Price-Quality Path
Determination 2012
Price Path Inputs and Calculations
for the Assessment Date 31 March 2015 for
The Lines Company Limited

Clause 8.4

Notional Revenue 2014/15		
Term	Description	Value $
$\Sigma P_{2014/15} * Q_{2012/13}$	Prices during 2014/2015 multiplied by 2012/2013 Quantities	38,055,698
$K_{2014/15}$	Rates on system fixed assets for year ending 31 March 2015	189,348
	Commerce Act levies for year ending 31 March 2015 + 1/5 of Commerce Act levies for year ending 31 March 2010	119,952
	Electricity Authority levies for year ending 31 March 2015	70,612
	EGCC levies for year ending 31 March 2015	36,930
$V_{2014/15}$	Transpower transmission charges for year ending 31 March 2015	5,485,366
	Transpower New Investment Contract charges for year ending 31 March 2015	-
	Avoided transmission charges resulting from connection of distributed generation for year ending 31 March 2015	1,584,872
	Clawback for year ending 31 March 2015	-
$NR_{2014/15}$	Notional Revenue for the year ending 31 March 2015	30,568,618

Allowable Notional Revenue 2014/15		
Term	Description	Value $
$\Sigma P_{2013/14} * Q_{2012/13}$	Prices during 2013/2014 multiplied by 2012/2013 Quantities	37,005,674
$K_{2013/14}$	Rates on system fixed assets for year ending 31 March 2014	155,786
	Commerce Act levies for year ending 31 March 2014 + 1/5 of Commerce Act levies for year ending 31 March 2010	55,270
	Electricity Authority levies for year ending 31 March 2014	30,889
	EGCC levies for year ending 31 March 2014	65,887
$V_{2013/14}$	Transpower transmission charges for year ending 31 March 2014	5,299,021
	Transpower new Investment Contract charges for year ending 31 March 2014	-
	Avoided transmission charges resulting from connection of distributed generation for year ending 31 March 2014	1,501,335
$R_{2013/14} - NR_{2013/14}$	Revenue differential for year ending 31 March 2014	4,388,157
$(1 + DCPI_{2014/15})$	Average change in Consumer Price Index	1.0097
X	X Factor	-10%
$R_{2014/15}$	Allowable Notional Revenue for year ending 31 March 2015	38,078,322

$DCPI_{2014/15}$			
Denominator		Numerator	
$CPI_{Dec2011}$	1158	$CPI_{Dec2012}$	1169
$CPI_{Mar2012}$	1164	$CPI_{Mar2013}$	1174
$CPI_{Jun2012}$	1168	$CPI_{Jun2013}$	1176
$CPI_{Sep2012}$	1171	$CPI_{Sep2013}$	1187
Total	4661	*Total*	4706
$DCPI_{2014/15}$	0.97%		

Source: Statistics NZ, SE9A Series

Revenue Differential 2014		
Term	Description	Value $
$R_{2013/14}$	Allowable Notional Revenue for year ending 31 March 2014	33,363,978
$NR_{2013/14}$	Notional Revenue for year ending 31 March 2014	28,975,821
$R_{2013/14} - NR_{2013/14}$	Allowable Notional Revenue less Notional Revenue for year ending 31 March 2014	4,388,157

Appendix B – Price and Quantity Schedules (Clause 11.3(a))

Summary of Notional Revenue, Recoverable and Pass Through Costs

	31 March 2014	31 March 2015
Notional Revenue:		
Major Customers - Distribution	$ 5,490,356	$ 5,718,088
Major Customers - Transmission	$ 1,903,204	$ 1,920,358
Network	$ 6,126,952	$ 6,448,103
Demand	$ 14,160,800	$ 14,730,761
Transmission	$ 5,079,181	$ 5,195,320
Transformer	$ 2,737,666	$ 2,860,853
Generators	$ 388,318	$ 34,567
Streetlights	$ 632,249	$ 660,700
Disconnection/Reconnections	$ 186,594	$ 186,594
Relay	$ 300,354	$ 300,354
Total Notional Revenue:	**$ 37,005,674**	**$ 38,055,698**
Allowable Costs:		
Recoverable Costs:		
Transpower	$ (5,299,021)	$ (5,485,366)
Avoided Cost of Transmission	$ (1,501,335)	$ (1,584,872)
Total Recoverable Costs:	**$ (6,800,356)**	**$ (7,070,238)**
Pass Through Costs:		
Rates on system fixed assets	$ (155,786)	$ (189,348)
Commerce Act levies	$ (55,270)	$ (119,952)
Electricity Authority levies	$ (30,889)	$ (70,612)
EGCC levies	$ (65,887)	$ (36,930)
Total Pass Through Costs:	**$ (307,832)**	**$ (416,842)**
Less Total Allowable Costs:	**$ (7,108,188)**	**$ (7,487,080)**
Total Notional Revenue Less Total Allowable Costs:	**$ 29,897,486**	**$ 30,568,618**
Allowable Notional Revenue March 2015		**$ 38,078,323**
Allowable Notional Revenue Difference 2015		**$ 7,509,705**
Result	**Price Path has not been breached**	

Major Customers - Standard and Non Standard	31-Mar-13	31-Mar-14				31-Mar-15			
	Quantity (Q)	Price (P)			Revenue (Q x P)	Price (P)			Revenue (Q x P)
		annual (disclosed)	gross	net of PPD		annual (disclosed)	gross	net of PPD	
Dedicated Network									
	1		1,768,125	1,591,313	$ 1,591,313		1,768,125	1,591,313	$ 1,591,313
	1		13,041	11,737	$ 11,737		13,628	12,265	$ 12,265
	1		10,976	9,878	$ 9,878		11,470	10,323	$ 10,323
	1		178,764	160,888	$ 160,888		186,808	168,127	$ 168,127
	1		109,286	98,357	$ 98,357		114,199	102,779	$ 102,779
	1		558,104	502,294	$ 502,294		558,104	502,294	$ 502,294
	1		437,047	393,342	$ 393,342		437,047	393,342	$ 393,342
	1		65,225	58,703	$ 58,703		68,160	61,344	$ 61,344
	1		476,864	429,178	$ 429,178		484,017	435,615	$ 435,615
	1		0		$ -		156,000		$ 156,000
					$ -				$ -
Billing Charge	32	141.32	1,696	1,526	$ 48,840	141.32	1,696	1,526	$ 48,840
					$ -				$ -
Network Charge (kVA)					$ -				$ -
Hangatiki	13,600	104.50	104.50	94.05	$ 1,279,080	109.20	109.20	98.28	$ 1,336,608
Tokaanu	2,602	114.46	114.46	103.01	$ 268,042	119.61	119.61	107.65	$ 280,103
Ongarue	660	118.49	118.49	106.64	$ 70,383	123.82	123.82	111.44	$ 73,549
33 kV	1,262	63.41	63.41	57.07	$ 72,021	66.26	66.26	59.63	$ 75,258
Stepped	700	78.38	78.38	70.54	$ 49,379	81.91	81.91	73.72	$ 51,603
Whakamaru	1,000	197.81	197.81	178.03	$ 178,029	206.71	206.71	186.04	$ 186,039
National Park	1,300	152.34	152.34	137.11	$ 178,238	159.20	159.20	143.28	$ 186,264
Ohakune	200	114.46	114.46	103.01	$ 20,603	119.61	119.61	107.65	$ 21,530
Low voltage	240	110.28	110.28	99.25	$ 23,820	115.24	115.24	103.72	$ 24,892
Generation 33 kV Hangatiki	200	104.50	104.50	94.05	$ 18,810		0.00	0.00	$ -
Generation 11 kV National Park	200	152.34	152.34	137.11	$ 27,421		0.00	0.00	$ -
			Distribution Totals		**$ 5,490,356**				**$ 5,718,088**
Transpower Connection (kVA)									
Hangatiki	21,328	19.68	19.68	17.71	$ 377,762	18.73	18.73	16.86	$ 359,526
Tokaanu	1,092	7.97	7.97	7.17	$ 7,833	8.69	8.69	7.82	$ 8,541
Ongarue	384	28.45	28.45	25.61	$ 9,832	25.91	25.91	23.32	$ 8,954
Whakamaru	999	0.00	0.00	0.00	$ -	0.00	0.00	0.00	$ -
National Park	3,020	50.95	50.95	45.86	$ 138,482	47.35	47.35	42.62	$ 128,697
Ohakune	2,792	13.28	13.28	11.95	$ 33,370	15.00	15.00	13.50	$ 37,692
Generation 33 kV Hangatiki	200	19.68	19.68	17.71	$ 3,542		0.00	0.00	$ -
Generation 11 kV National Park	200	50.95	50.95	45.86	$ 9,171		0.00	0.00	$ -
					$ -				$ -
Transpower Demand (kVA)					$ -				$ -
Hangatiki	13,290	72.10	72.10	64.89	$ 862,388	73.35	73.35	66.02	$ 877,339
Tokaanu	1,092	51.01	51.01	45.91	$ 50,133	58.45	58.45	52.61	$ 57,445
Ongarue	384	80.26	80.26	72.23	$ 27,738	84.28	84.28	75.85	$ 29,127
Whakamaru	999	20.80	20.80	18.72	$ 18,701	20.80	20.80	18.72	$ 18,701
National Park	721	64.80	64.80	58.32	$ 42,049	68.18	68.18	61.36	$ 44,242
Ohakune	157	48.21	48.21	43.39	$ 6,812	61.43	61.43	55.29	$ 8,680
Demand Coincidental Transpower 100	2,908	113.32	113.32	101.99	$ 296,581	130.45	130.45	117.41	$ 341,414
Generation 33 kV Hangatiki	200	72.10	72.10	64.89	$ 12,978		0.00	0.00	$ -
Generation 11 kV National Park	100	64.80	64.80	58.32	$ 5,832		0.00	0.00	$ -
			Transmission Totals		**$ 1,903,204**				**$ 1,920,358**

Network			31-Mar-13			31-Mar-14				31-Mar-15			
	Pricing Code		Quantity (Q) kVA and unit (LFC)			Price (P)			Notional Revenue (Q ×P)	Price (P)			Notional Revenue (Q ×P)
Standard			Total Q	PPD not taken up	PPD taken up	monthly (disclosed)	gross	net of PPD		monthly (disclosed)	gross	net of PPD	
Low Voltage/High Density													
Hangatiki	LVHIHT	HHHIHT	21,764	3,460	18,304	3.83	45.96	41.36	$ 916,148	4.00	48.00	43.20	$ 956,813
National Park	LVHINP	HHHINP	2,683	427	2,256	4.61	55.32	49.79	$ 135,943	4.82	57.84	52.06	$ 142,136
Ohakune	LVHIOK	HHHIOK	10,319	1,641	8,678	3.85	46.20	41.58	$ 436,645	4.02	48.24	43.42	$ 455,926
Ongarue	LVHION	HHHION	13,388	2,129	11,259	3.85	46.20	41.58	$ 566,509	4.02	48.24	43.42	$ 591,524
Tokaanu	LVHITK	HHHITK	20,198	3,211	16,987	3.85	46.20	41.58	$ 854,668	4.02	48.24	43.42	$ 892,406
Whakamaru	LVHIWK	HHHIWK	2,807	446	2,361	3.83	45.96	41.36	$ 118,159	4.00	48.00	43.20	$ 123,403
Low Voltage/Low Density													
Hangatiki	LVLOHT	HHLOHT	5,771	918	4,853	7.37	88.44	79.60	$ 467,467	7.70	92.40	83.16	$ 488,399
National Park	LVLONP	HHLONP	4,629	736	3,893	6.83	81.96	73.76	$ 347,486	7.14	85.68	77.11	$ 363,257
Ohakune	LVLOOK	HHLOOK	0	0	0	5.70	68.40	61.56	$ -	5.96	71.52	64.37	$ -
Ongarue	LVLOON	HHLOON	3,538	563	2,975	7.41	88.92	80.03	$ 288,145	7.74	92.88	83.59	$ 300,978
Tokaanu	LVLOTK	HHLOTK	234	37	197	7.41	88.92	80.03	$ 19,056	7.74	92.88	83.59	$ 19,904
Whakamaru	LVLOWK	HHLOWK	2,700	429	2,271	6.80	81.60	73.44	$ 201,789	7.11	85.32	76.79	$ 210,988
High Voltage/High Density													
Hangatiki	HVHIHT		11,964	1,902	10,062	1.79	21.48	19.33	$ 235,374	1.87	22.44	20.20	$ 245,893
National Park	HVHINP		632	100	532	2.16	25.92	23.33	$ 15,002	2.26	27.12	24.41	$ 15,697
Ohakune	HVHIOK		1,452	231	1,221	1.80	21.60	19.44	$ 28,726	1.88	22.56	20.30	$ 30,003
Ongarue	HVHION		3,121	496	2,625	1.80	21.60	19.44	$ 61,744	1.88	22.56	20.30	$ 64,488
Tokaanu	HVHITK		2,185	347	1,838	1.80	21.60	19.44	$ 43,226	1.88	22.56	20.30	$ 45,147
Whakamaru	HVHIWK		1,616	257	1,359	1.79	21.48	19.33	$ 31,793	1.87	22.44	20.20	$ 33,213
High Voltage/Low Density													
Hangatiki	HVLOHT		10,304	1,638	8,666	3.50	42.00	37.80	$ 396,371	3.66	43.92	39.53	$ 414,491
National Park	HVLONP		1,574	250	1,324	3.24	38.88	34.99	$ 56,049	3.39	40.68	36.61	$ 58,644
Ohakune	HVLOOK		0	0	0	2.71	32.52	29.27	$ -	2.83	33.96	30.56	$ -
Ongarue	HVLOON		4,621	735	3,886	3.52	42.24	38.02	$ 178,777	3.68	44.16	39.74	$ 186,903
Tokaanu	HVLOTK		428	68	360	3.52	42.24	38.02	$ 16,558	3.68	44.16	39.74	$ 17,311
Whakamaru	HVLOWK		14,833	2,358	12,475	3.23	38.76	34.88	$ 526,574	3.38	40.56	36.50	$ 551,028
Low Fixed Charge													
Hangatiki	LU1		1,701	270	1,431	3.91	46.92	42.23	$ 73,097	5.07	60.84	54.76	$ 94,783
National Park	LU1		99	16	83	3.91	46.92	42.23	$ 4,256	5.07	60.84	54.76	$ 5,518
Ohakune	LU1		286	45	241	3.91	46.92	42.23	$ 12,288	5.07	60.84	54.76	$ 15,934
Ongarue	LU1		1,000	159	841	3.91	46.92	42.23	$ 42,974	5.07	60.84	54.76	$ 55,723
Tokaanu	LU1		941	150	791	3.91	46.92	42.23	$ 40,440	5.07	60.84	54.76	$ 52,438
Whakamaru	LU1		272	43	229	3.91	46.92	42.23	$ 11,688	5.07	60.84	54.76	$ 15,155
Totals			145,060	23,062	121,998				$ 6,126,952				$ 6,448,103

kW Load			31-Mar-13			31-Mar-14				31-Mar-15			
	Pricing Code		Quantity (Q) kW			Price (P)			Notional Revenue (Q ×P)	Price (P)			Notional Revenue (Q ×P)
Standard			Total Q	PPD not taken up	PPD taken up	monthly (disclosed)	gross	net of PPD		monthly (disclosed)	gross	net of PPD	
Hangatiki	FPHT		23,627	3,757	19,870	16.99	203.88	183.49	$ 4,411,963	17.75	213.00	191.70	$ 4,609,320
National Park	FPNP		3,758	598	3,160	17.65	211.80	190.62	$ 729,016	18.44	221.28	199.15	$ 761,646
Ohakune	FPOK		6,555	1,042	5,513	13.91	166.92	150.23	$ 1,002,138	14.54	174.48	157.03	$ 1,047,526
Ongarue	FPON		11,035	1,755	9,280	17.81	213.72	192.35	$ 2,160,068	18.61	223.32	200.99	$ 2,257,095
Tokaanu	FPTK		10,866	1,728	9,138	16.19	194.28	174.85	$ 1,933,513	16.92	203.04	182.74	$ 2,020,695
Whakamaru	FPWK		8,436	1,341	7,095	22.72	272.64	245.38	$ 2,106,553	23.74	284.88	256.39	$ 2,201,125
Low Fixed Charge													
Low Voltage/High Density													
Hangatiki	FPHTL		2,448	389	2,059	23.79	285.48	256.93	$ 640,075	23.97	287.64	258.88	$ 644,918
National Park	FPNPL		119	19	100	26.19	314.28	282.85	$ 34,257	26.37	316.44	284.80	$ 34,492
Ohakune	FPOKL		408	65	343	20.74	248.88	223.99	$ 93,006	20.80	249.60	224.64	$ 93,276
Ongarue	FPONL		1,478	235	1,243	24.64	295.68	266.11	$ 400,262	24.87	298.44	268.60	$ 403,998
Tokaanu	FPTKL		1,484	236	1,248	23.02	276.24	248.62	$ 375,465	23.18	278.16	250.34	$ 378,075
Whakamaru	FPWKL		369	59	310	29.52	354.24	318.82	$ 119,733	29.96	359.52	323.57	$ 121,518
Low Voltage/Low Density													
Hangatiki	FPHTLR		0	0	0	31.70	380.40	342.36	$ -	31.68	380.16	342.14	$ -
National Park	FPNPLR		3	0	3	31.16	373.92	336.53	$ 1,010	31.20	374.40	336.96	$ 1,011
Ohakune	FPOKLR		0	0	0	24.88	298.56	268.70	$ -	24.84	298.08	268.27	$ -
Ongarue	FPONLR		2	0	2	32.59	391.08	351.97	$ 704	32.62	391.44	352.30	$ 705
Tokaanu	FPTKLR		0	0	0	30.98	371.76	334.58	$ -	30.93	371.16	334.04	$ -
Whakamaru	FPWKLR		16	3	13	36.17	434.04	390.64	$ 6,380	36.44	437.28	393.55	$ 6,428
High Voltage/High Density													
Hangatiki	FPHTLUT		353	56	297	19.24	230.88	207.79	$ 74,644	19.53	234.36	210.92	$ 75,769
National Park	FPNPLUT		30	5	25	20.72	248.64	223.78	$ 6,838	21.03	252.36	227.12	$ 6,940
Ohakune	FPOKLUT		61	10	51	16.17	194.04	174.64	$ 10,847	16.34	196.08	176.47	$ 10,961
Ongarue	FPONLUT		167	27	140	20.07	240.84	216.76	$ 36,849	20.41	244.92	220.43	$ 37,473
Tokaanu	FPTKLUT		39	6	33	18.46	221.52	199.37	$ 7,908	18.72	224.64	202.18	$ 8,020
Whakamaru	FPWKLUT		31	5	26	24.97	299.64	269.68	$ 8,510	25.52	306.24	275.62	$ 8,697
High Voltage/Low Density													
Hangatiki	FPHTLRT		0	0	0	23.06	276.72	249.05	$ -	23.26	279.12	251.21	$ -
National Park	FPNPLRT		0	0	0	23.14	277.68	249.91	$ -	23.39	280.68	252.61	$ -
Ohakune	FPOKLRT		0	0	0	18.21	218.52	196.67	$ -	18.32	219.84	197.86	$ -
Ongarue	FPONLRT		4	1	3	23.90	286.80	258.12	$ 1,061	24.16	289.92	260.93	$ 1,073
Tokaanu	FPTKLRT		0	0	0	22.29	267.48	240.73	$ -	22.47	269.64	242.68	$ -
Whakamaru	FPWKLRT		0	0	0	28.19	338.28	304.45	$ -	28.67	344.04	309.64	$ -
Totals			71,289	11,337	59,952				$ 14,160,800				$ 14,730,761

Standard Tranmission		31-Mar-13			31-Mar-14				31-Mar-15			
	Pricing Code	Quantity (Q) kW			Price (P)			Notional Revenue (Q ×P)	Price (P)			Notional Revenue (Q ×P)
Standard		Total Q	PPD not taken up	PPD taken up	monthly (disclosed)	gross	net of PPD		monthly (disclosed)	gross	net of PPD	
Hangatiki	TMHT	23,627	3,757	19,870	7.31	87.72	78.95	$ 1,898,261	7.37	88.44	79.60	$ 1,913,842
National Park	TMNP	3,758	598	3,160	9.41	112.92	101.63	$ 388,671	9.86	118.32	106.49	$ 407,257
Ohakune	TMOK	6,555	1,042	5,513	6.43	77.16	69.44	$ 463,245	6.54	78.48	70.63	$ 471,170
Ongarue	TMON	11,035	1,755	9,280	8.08	96.96	87.26	$ 979,975	8.46	101.52	91.37	$ 1,026,063
Tokaanu	TMTK	10,866	1,728	9,138	5.64	67.68	60.91	$ 673,565	5.75	69.00	62.10	$ 686,702
Whakamaru	TMWK	8,436	1,341	7,095	1.65	19.80	17.82	$ 152,985	1.68	20.16	18.14	$ 155,766
Low Fixed Charge												
Low Voltage/High Density												
Hangatiki	TMHTL	2,448	389	2,059	7.31	87.72	78.95	$ 196,677	7.37	88.44	79.60	$ 198,291
National Park	TMNPL	119	19	100	9.41	112.92	101.63	$ 12,308	9.86	118.32	106.49	$ 12,897
Ohakune	TMOKL	408	65	343	6.43	77.16	69.44	$ 28,835	6.54	78.48	70.63	$ 29,328
Ongarue	TMONL	1,478	235	1,243	8.08	96.96	87.26	$ 131,255	8.46	101.52	91.37	$ 137,428
Tokaanu	TMTKL	1,484	236	1,248	5.64	67.68	60.91	$ 91,991	5.75	69.00	62.10	$ 93,785
Whakamaru	TMWKL	369	59	310	1.65	19.80	17.82	$ 6,692	1.68	20.16	18.14	$ 6,814
Low Voltage/Low Density												
Hangatiki	TMHTLR	0	0	0	7.31	87.72	78.95	$ -	7.37	88.44	79.60	$ -
National Park	TMNPLR	3	0	3	9.41	112.92	101.63	$ 305	9.86	118.32	106.49	$ 319
Ohakune	TMOKLR	0	0	0	6.43	77.16	69.44	$ -	6.54	78.48	70.63	$ -
Ongarue	TMONLR	2	0	2	8.08	96.96	87.26	$ 175	8.46	101.52	91.37	$ 183
Tokaanu	TMTKLR	0	0	0	5.64	67.68	60.91	$ -	5.75	69.00	62.10	$ -
Whakamaru	TMWKLR	16	3	13	1.65	19.80	17.82	$ 291	1.68	20.16	18.14	$ 296
High Voltage/High Density												
Hangatiki	TMHTLUT	353	56	297	7.31	87.72	78.95	$ 28,360	7.37	88.44	79.60	$ 28,593
National Park	TMNPLUT	30	5	25	9.41	112.92	101.63	$ 3,105	9.86	118.32	106.49	$ 3,254
Ohakune	TMOKLUT	61	10	51	6.43	77.16	69.44	$ 4,313	6.54	78.48	70.63	$ 4,387
Ongarue	TMONLUT	167	27	140	8.08	96.96	87.26	$ 14,835	8.46	101.52	91.37	$ 15,533
Tokaanu	TMTKLUT	39	6	33	5.64	67.68	60.91	$ 2,416	5.75	69.00	62.10	$ 2,463
Whakamaru	TMWKLUT	31	5	26	1.65	19.80	17.82	$ 562	1.68	20.16	18.14	$ 573
High Voltage/Low Density												
Hangatiki	TMHTLRT	0	0	0	7.31	87.72	78.95	$ -	7.37	88.44	79.60	$ -
National Park	TMNPLRT	0	0	0	9.41	112.92	101.63	$ -	9.86	118.32	106.49	$ -
Ohakune	TMOKLRT	0	0	0	6.43	77.16	69.44	$ -	6.54	78.48	70.63	$ -
Ongarue	TMONLRT	4	1	3	8.08	96.96	87.26	$ 359	8.46	101.52	91.37	$ 376
Tokaanu	TMTKLRT	0	0	0	5.64	67.68	60.91	$ -	5.75	69.00	62.10	$ -
Whakamaru	TMWKLRT	0	0	0	1.65	19.80	17.82	$ -	1.68	20.16	18.14	$ -
Totals		71,289	11,337	59,952				$ 5,079,181				$ 5,195,320

Transformer	31-Mar-13			31-Mar-14				31-Mar-15			
	Quantity (Q) (kW)			Price (P)			Notional Revenue (Q×P)	Price (P)			Notional Revenue (Q×P)
Transformer Size (kVA)	Total Q	PPD not taken up	PPD taken up	monthly (disclosed)	gross	net of PPD		monthly (disclosed)	gross	net of PPD	
1500	0	0	0	424.14	5,090	4,581	$ -	443.23	5,319	4,787	$ -
1250	0	0	0	376.75	4,521	4,069	$ -	393.70	4,724	4,252	$ -
1000	1	0	1	356.59	4,279	3,851	$ 3,851	372.64	4,472	4,025	$ 4,025
750	10	2	8	316.29	3,795	3,416	$ 34,918	330.52	3,966	3,570	$ 36,489
500	17	3	14	263.48	3,162	2,846	$ 49,323	275.34	3,304	2,974	$ 51,544
300	12	2	10	225.03	2,700	2,430	$ 29,704	235.16	2,822	2,540	$ 31,041
200	25	4	21	186.46	2,238	2,014	$ 51,239	194.85	2,338	2,104	$ 53,545
100	47	7	40	108.19	1,298	1,168	$ 55,826	113.06	1,357	1,221	$ 58,339
75	89	14	75	96.79	1,161	1,045	$ 94,661	101.15	1,214	1,092	$ 98,925
50	184	29	155	79.34	952	857	$ 160,425	82.91	995	895	$ 167,644
30	186	30	156	71.60	859	773	$ 146,408	74.82	898	808	$ 152,992
15	1,623	258	1,365	54.06	649	584	$ 964,322	56.49	678	610	$ 1,007,669
10	847	135	712	39.46	474	426	$ 367,357	41.24	495	445	$ 383,928
5	2,983	474	2,509	23.78	285	257	$ 779,632	24.85	298	268	$ 814,712
Totals	6,024	958	5,066				$ 2,737,666				$ 2,860,853

Relay Charges	31-Mar-13			31-Mar-14				31-Mar-15			
	Quantity (Q)			Price (P)			Notional Revenue (Q×P)	Price (P)			Notional Revenue (Q×P)
	Total Q	PPD not taken up	PPD taken up	monthly (disclosed)	gross	net of PPD		monthly (disclosed)	gross	net of PPD	
Control fee	16,869	2,682	14,187	1.62	19.44	17.50	$ 300,354	1.62	19.44	17.50	$ 300,354
Totals	16,869	2,682	14,187				$ 300,354				$ 300,354

Streetlights	31-Mar-13	31-Mar-14			31-Mar-15		
	Quantity (Q)	Price (P)		Notional Revenue (QxP)	Price (P)		Notional Revenue (QxP)
		gross	net PPD		gross	net PPD	
Assets				$ 474,133			$ 495,469
Mounting Service							
Taupo	0	51.69	46.52	$ -	54.02	48.62	$ -
Ruapehu	959	53.84	48.46	$ 46,473	56.27	50.64	$ 48,565
Waitomo	553	43.08	38.77	$ 21,439	45.01	40.51	$ 22,403
Otorohanga	313	53.84	48.46	$ 15,168	56.27	50.64	$ 15,851
Network - Streetlights kW							
Taupo	76.50	102.05	91.84	$ 7,026	106.64	95.97	$ 7,342
Ruapehu	165	60.14	54.13	$ 8,931	62.85	56.57	$ 9,333
Waitomo	111	103.52	93.17	$ 10,342	108.18	97.36	$ 10,807
Otorohanga	65.85	103.52	93.17	$ 6,135	108.18	97.36	$ 6,411
Under Veranda kW	10.67	69.42	62.48	$ 667	72.55	65.29	$ 697
Transmission Demand kW							
Taupo	76.50	39.14	35.23	$ 2,695	40.91	36.82	$ 2,816
Ruapehu	165	57.04	51.34	$ 8,471	59.61	53.65	$ 8,852
Waitomo	111	48.44	43.59	$ 4,839	50.62	45.56	$ 5,057
Otorohanga	65.85	48.44	43.59	$ 2,871	50.62	45.56	$ 3,000
Under Veranda kW	10.67	66.61	59.95	$ 640	69.60	62.64	$ 668
Transmission Connection kW							
Taupo	76.50	28.82	25.94	$ 1,984	30.11	27.10	$ 2,073
Ruapehu	165	12.63	11.37	$ 1,876	13.20	11.88	$ 1,960
Waitomo	111	20.26	18.23	$ 2,024	21.17	19.05	$ 2,115
Otorohanga	65.85	20.26	18.23	$ 1,200	21.17	19.05	$ 1,255
Load Plant Operation (Load Shifting)							
Taupo	1,460	2.69	2.42	$ 3,538	2.81	2.53	$ 3,697
Ruapehu	2,190	2.69	2.42	$ 5,306	2.81	2.53	$ 5,545
Waitomo	1,460	2.69	2.42	$ 3,538	2.81	2.53	$ 3,697
Otorohanga	730	2.69	2.42	$ 1,769	2.81	2.53	$ 1,848
Private light residual	400	3.29	2.96	$ 1,186	3.44	3.10	$ 1,239
Totals				**$ 632,249**			**$ 660,700**

Disconnection/Reconnections		31-Mar-13	31-Mar-14		31-Mar-15	
		Quantity (Q)	Price (P) gross	Notional Revenue (Q×P)	Price (P) gross	Notional Revenue (Q×P)
Urban						
1A	***Disconnection/Reconnection:*** *requested by 2:00pm and executed next working day by 4:30pm*	736	46.58	$ 34,283	46.58	$ 34,283
2A	***Reconnection:*** *requested after 2:00pm executed next working day by 4:30pm*	81	52.40	$ 4,244	52.40	$ 4,244
3A	***Disconnection/Reconnection*** *: Requested for same working day before 3:00pm and executed that day*	296	69.86	$ 20,679	69.86	$ 20,679
4A	***Reconnection:*** *from 3:00pm onwards. on any given weekday, weekend or public holiday before 10pm*	63	116.44	$ 7,336	116.44	$ 7,336
5A	***Reconnection*** *: from 10:00pm requested for completion after 10pm on any given day including public holidays*	0	232.88	$ -	232.88	$ -
7A	***Late cancellation fee:*** *Charged if payment is not received until after 2.00pm the day before disconnection or the site has been processed for disconnection (includes the day of disconnection)*	35	36.23	$ 1,268	36.23	$ 1,268
				$ -		$ -
Rural				$ -		$ -
1B	***Disconnection/Reconnection:*** *requested by 2:00pm and executed next working day by 4:30pm*	236	58.22	$ 13,740	58.22	$ 13,740
2B	***Reconnection*** *: requested after 2:00pm executed next working day by 4:30pm*	17	64.05	$ 1,089	64.05	$ 1,089
3B	***Disconnection/Reconnection*** *: Requested for same working day before 3:00pm and executed that day*	77	81.51	$ 6,276	81.51	$ 6,276
4B	***Reconnection:*** *from 3:00pm onwards. on any given weekday, weekend or public holiday before 10pm*	19	174.66	$ 3,319	174.66	$ 3,319
5B	***Reconnection:*** *from 10:00pm requested for completion after 10pm on any given day including public holidays*	0	291.09	$ -	291.09	$ -
7B	***Late cancellation fee:*** *Charged if payment is not received until after 2.00pm the day before disconnection or the site has been processed for disconnection (includes the day of disconnection)*	3	47.87	$ 144	47.87	$ 144
				$ -		$ -
Remote				$ -		$ -
1C	***Disconnection/Reconnection:*** *requested by 2:00pm and executed next working day by 4:30pm*	341	174.66	$ 59,559	174.66	$ 59,559
2C	***Reconnection:*** *requested after 2:00pm executed next working day by 4:30pm*	22	203.77	$ 4,483	203.77	$ 4,483
3C	***Disconnection/Reconnection*** *: Requested for same working day before 3:00pm and executed that day*	94	261.99	$ 24,627	261.99	$ 24,627
4C	***Reconnection:*** *from 3:00pm onwards. on any given weekday, weekend or public holiday before 10pm*	14	349.31	$ 4,890	349.31	$ 4,890
5C	***Reconnection*** *: from 10:00pm requested for completion after 10pm on any given day including public holidays*	0	523.97	$ -	523.97	$ -
7C	***Late cancellation fee:*** *Charged if payment is not received until after 2.00pm the day before disconnection or the site has been processed for disconnection (includes the day of disconnection)*	4	164.31	$ 657	164.31	$ 657
		2,038		$ 186,594		$ 186,594

Generators	31-Mar-13	31-Mar-14				31-Mar-15			
	Quantity (Q)	Price (P) annual (disclosed)	Price (P) gross	Price (P) net PPD	Revenue (Q x P)	Price (P) annual (disclosed)	Price (P) gross	Price (P) net PPD	Revenue (Q x P)
Generation Common Cost Charge	14,000	3.87	3.87	3.48	$ 48,720		0.00	0.00	$ -
Transpower Injection									
National Park	1		0.00		$ -		130		$ 130
Ongarue	1		31,995		$ 31,995		30,358		$ 30,358
Tokaanu	1		27,203		$ 27,203		4,079		$ 4,079
Network Injection									
33kV	12,500	21.15	21.15	19.03	$ 237,875		0.00	0.00	$ -
11kV	1,500	31.50	31.50	28.35	$ 42,525		0.00	0.00	$ -
Totals					$ 388,318				$ 34,567

Appendix C – Pass Through & Recoverable Costs (Clause 11.3(b - e))

Electricity Distribution Default Price-Quality Path
Determination 2012
Pass-through Costs
for the Assessment Date 31 March 2015 for
The Lines Company Limited

Pass-through Costs for year ending March 2015				
$K_{2014/15}$	Actual ($)	Forecast ($)	Variance ($)	Variance (%)
Rates on system fixed assets	189,348	177,996	11,352	6.4%
Commerce Act levies	119,952	50,000	69,952	139.9%
Electricity Authority levies	70,612	50,000	20,612	41.2%
EGCC levies	36,930	50,000	(13,070)	(26.1%)
Total Pass-through Costs	416,842	327,996	88,846	27.1%

Electricity Distribution Default Price-Quality Path
Determination 2012
Recoverable Costs
for the Assessment Date 31 March 2015 for
The Lines Company Limited

Recoverable Costs for year ending March 2015				
$V_{2014/15}$	Actual ($)	Forecast ($)	Variance ($)	Variance (%)
Transpower transmission charges	5,485,366	5,495,000	(9,634)	(0.2%)
New investment contract charges	-	-	-	0.0%
Avoided transmission charges - distributed generation	1,584,872	1,590,000	(5,128)	(0.3%)
Clawback	-	-	-	0.0%
Total Recoverable Costs	7,070,238	7,085,000	(14,762)	(0.2%)

A variance exists between actual and forecast Commerce Act levies, which arises from a reconciliation which was undertaken on Commerce Act levies resulting in the balance of a previous year's levy being paid during this Assessment Year. In addition, the Electricity Authority, without notification, altered its allocation method for 2015, resulting in an increase in the proportion of its costs borne by electricity distributors.

Appendix D – Restructuring of Prices and Transactions involving Non-Exempt EDBs (Clause 11.3((f) – (g), (j) and(k))

Clauses 11.3 ((f) – (g)) – The Lines Company Limited did restructure its Prices that applied during the Assessment Period and therefore clauses 8.5 and 8.6 do apply during the Assessment Period.

On 31 March 2014, The Lines Company Limited entered into an interim arrangement with a generation business that operates on TLC's network.

The arrangement provided for the existing agreement and tariff/charging structure to be replaced, effective 1 April 2014, with an administration fee of $13,000 per month plus the charges TLC is required to pay to Transpower as a result of the generation businesses' injection into the National Grid.

As the fee of $13,000 per month ($156,000 per year) replaces the existing payment arrangements for connection of the generation businesses' assets, this change is a price restructure.

This restructure has not increased TLC's allowable notional revenue. The restructure has changed TLC's notional revenue but has no effect on allowable notional revenue.

Allowable notional revenue is not affected by this restructure as allowable notional revenue for the Fifth Assessment Period is calculated on the basis of prices that applied in the Fourth Assessment Period, multiplied by quantities that apply to those prices from the Third Assessment Period, adjusted for pass-through and recoverable costs from the Fourth Assessment Period and changes in CPI. The restructure changed the price that was applied in the Fifth Assessment Period, but this has no effect on the calculation of allowable notional revenue for that period.

The effect of the restructure on notional revenue can be assessed. This impact is set out in Appendix B[1], but summarised here for clarity:

[1] The new charge is included under "Dedicated Network" included in the Major Customers – Standard and Non Standard data. The old charges are included as "Generation Common Cost Charge" in the Generators data and the Major Customers – Standard and Non Standard data.

Charge	Structure	Quantity (2013)	Price (2014)	Notional Revenue (2014)	Price (2015)	Notional Revenue (2015)
Generation Common Cost Charge	Old	14,000 kVA	$3.48	$48,720	$0	$0
Network Injection 33 kV	Old	12,500 kVA	$19.03	$237,875	$0	$0
Network Injection 11 kV	Old	1,500 kVA	$28.35	$42,525	$0	$0
Network Charge 33 kV Hangatiki	Old	200 kVA	$94.05	$18,810	$0	$0
Network 11 kV National Park	Old	200 kVA	$137.11	$27,421	$0	$0
Transpower Connection 33 kV Hangatiki	Old	200 kVA	$17.71	$3,542	$0	$0
Transpower Connection 11 kV National Park	Old	200 kVA	$45.86	$9,171	$0	$0
Transpower Demand 33 kV Hangatiki	Old	200 kVA	$64.89	$12,978	$0	$0
Transpower Demand 11 kV National Park	Old	100 kVA	$58.32	$5,832	$0	$0
Dedicated Network charge (new structure)	New	1 year	$$0	$0	$156,000	$156,000
Total				$406,874.00		$156,000.00

This restructure did not increase TLC's revenue for the Fifth Assessment Period. TLC has complied with the price path as notional revenue remains below allowable notional revenue even after taking account of the effect of the restructure.

The arrangement also provided for TLC and the other party to update the existing agreement and to negotiate a new agreement for the connection of the generation stations to the network.

Once the new connection contract is signed, it will be retrospectively applied to 1 April 2014 where the parties will calculate a wash-up payment for the period from 1 April 2014 to the commencement date of the new connection contract. If any additional revenue results to TLC, this will be disclosed in a future DPP Compliance Statement.

As the other party was the only customer on the disclosed generation tariffs, these tariffs have been expired.

Clauses 11.3 ((j) & (k)) – The Lines Company Limited did not enter into transactions resulting in an amalgamation or Merger and did not enter into transactions resulting in Consumers being supplied by a different EDB. Clause 10 therefore did not apply for the Assessment Period.

Appendix E – Quality Standard Compliance Calculations (Clause 11.3(h))

Reliability Data (Before Normalisation)

Year	SAIDI (Interruption Duration)			SAIFI (Interruption Frequency)		
	Class B	Class C	Total	Class B	Class C	Total
2005	92.61	171.93	264.54	0.50	2.97	3.47
2006	97.51	180.01	277.52	0.60	3.16	3.76
2007	101.24	232.60	333.84	0.52	2.73	3.25
2008	81.34	165.38	246.72	0.34	2.57	2.91
2009	57.71	237.41	295.12	0.81	3.88	4.69
	Reference Period Total SAIDI		**1,417.74**	Reference Period Total SAIFI		**18.08**
	Reference Period Average SAIDI		**283.55**	Reference Period Average SAIFI		**3.62**
2011	63.58	228.85	292.43	0.48	2.99	3.47
2012	71.70	252.83	324.53	0.51	3.48	3.99
2013	83.01	116.55	199.57	0.54	1.78	2.32
2014	83.61	186.84	270.46	0.46	3.67	4.13
2015	75.07	203.94	279.02	0.42	3.64	4.06

Reliability Limit Calculations (using Reference Period Dataset)

SAIDI Boundary Calculations

a_{SAIDI}	-1.2985	The average of the natural logarithm (ln) of each daily SAIDI Value in the non-zero data set
b_{SAIDI}	1.7497	The standard deviation of the natural logarithm (ln) of each daily SAIDI Value in the non-zero data set
$B_{SAIDI} = e^{(aSAIDI + 2.5 * bSAIDI)}$	21.6659	SAIDI Boundary Value

SAIFI Boundary Calculations

a_{SAIFI}	-5.7677	The average of the natural logarithm (ln) of each daily SAIFI Value in the non-zero data set
b_{SAIFI}	1.7797	The standard deviation of the natural logarithm (ln) of each daily SAIFI Value in the non-zero data set
$B_{SAIFI} = e^{(aSAIFI + 2.5 * bSAIFI)}$	0.2676	SAIFI Boundary Value

Event Days exceeding SAIDI Boundary Value within the Reference Dataset

Date	Pre-Normalised SAIDI	Pre-Normalised SAIFI	Normalised SAIDI	Normalised SAIFI
12-Aug-04	24.1446	0.0331	21.6659	0.0331
24-Mar-06	28.4171	0.0572	21.6659	0.0572
12-Jun-06	75.9652	0.1585	21.6659	0.1585
14-Mar-07	24.6937	0.2821	21.6659	0.2676
26-Jul-08	38.9216	0.2352	21.6659	0.2352
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

SAIDI Limit

m_{SAIDI}	270.1898	The average annual SAIDI Value in the Normalised Reference Dataset
s_{SAIDI}	37.5023	The standard deviation of daily SAIDI Values in the Normalised Reference Dataset multiplied by √365
$SAIDI_{Limit} = m_{SAIDI} + s_{SAIDI}$	307.69	SAIDI Limit Value

SAIFI Limit

m_{SAIFI}	3.6722	The average annual SAIFI Value in the Normalised Reference Dataset
s_{SAIFI}	0.4825	The standard deviation of daily SAIFI Values in the Normalised Reference Dataset multiplied by √365
$SAIFI_{Limit} = m_{SAIFI} + s_{SAIFI}$	4.15	SAIFI Limit Value

Reliability Assessment Calculations (2015 Assessment Period)

Event Days exceeding SAIDI Boundary Value within the 2014/15 Assessment Dataset

Date	Pre-Normalised SAIDI	Pre-Normalised SAIFI	Normalised SAIDI	Normalised SAIFI
17-Apr-14	67.1391	0.5870	21.6659	0.2676
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Assessed SAIDI Value 2014/15

$SAIDI_{2014/15}$	233.5435	The sum of daily SAIDI Values in the 1 April 2014 - 31 March 2015 Normalised Assessment Dataset

Assessed SAIFI Value 2014/15

$SAIFI_{2014/15}$	3.7429	The sum of daily SAIFI Values in the 1 April 2014 - 31 March 2015 Normalised Assessment Dataset

Prior Period Assessed Values

Assessed SAIDI Value 2013/14

$SAIDI_{2013/14}$	270.4555	The sum of daily SAIDI Values in the 1 April 2013 - 31 March 2014 Normalised Assessment Dataset

Assessed SAIFI Value 2013/14

$SAIFI_{2013/14}$	4.1306	The sum of daily SAIFI Values in the 1 April 2013 - 31 March 2014 Normalised Assessment Dataset

Assessed SAIDI Value 2012/13

$SAIDI_{2012/13}$	199.5700	The sum of daily SAIDI Values in the 1 April 2012 - 31 March 2013 Normalised Assessment Dataset

Assessed SAIFI Value 2012/13

$SAIFI_{2012/13}$	2.3170	The sum of daily SAIFI Values in the 1 April 2012 - 31 March 2013 Normalised Assessment Dataset

Appendix F – Policies and Procedures for Recording SAIDI and SAIFI (Clause 11.3(i))

TLC uses the BASIX computer programme which has a connectivity model for outage and performance recording and reporting. This includes SAIDI and SAIFI reports. The module connects various assets together and then runs a calculation that produces the regulatory performance indications. Customer numbers are transferred automatically from the billing system on a regular basis. The use of BASIX outage calculator has allowed TLC to collect more accurate outage data.

TLC has taken a conservative approach and where uncertain, has chosen to include rather than exclude events. This same approach has been undertaken historically, although over time the processes for recording outages have improved as intellectual understanding and systems have been developed. Listed below is more explanation regarding the judgements which have been made.

1. Single 11kV fuse operations (often supplying individual customers) have been included. These faults are often caused by low voltage events (faults not being cleared by LV fusing or no existing LV fuses) that force the 11kV fuse/s to operate.
2. Single phase HV outages have been included; given customers will experience low voltage during these events that would generally not allow their equipment to operate. The causes of these faults vary widely and often the effects are widespread. Individual customer loadings at the time and the sizes of the distribution transformers in the areas affected will often impact on the voltages individual customers see. Determining the voltages individual ICPs will see is not possible at this time with the modelling tools available.
3. Included in the calculation are outages which have been requested by customers that result in network isolations.
4. The time of a recorded circuit breaker tripping or the initial customer call to TLC call centre is taken as the time a fault occurred. The SCADA stamping of the tripping or the time the customer call was taken is used for the outage calculations.
5. The evolution of Electricity legislation over time defines the sections of line which are customer and network owned. The boundary between customer ownership and network ownership is not consistent between network companies, and has been rolled forward in Electricity legislation in a way that adds complexity with many "shades of grey". TLC's terms and conditions of supply define the 'Point of Connection' that emanates from this legislation evolution. The implication is that customers are responsible for long lengths of HV lines that are often directly connected to TLC's lines and when these lines fault, they cause network outages. The cause of many faults from the control room and faultman's perspective is often unknown. Segregating between interruption classes therefore is often subjective. TLC has managed this uncertainty by including all such outages in Class C data.
6. TLC deals directly with its customers and landowners. As a consequence, it maintains both a detailed customer and landowner database for the purpose of sending accounts. The charge structure includes dedicated asset charges (mostly for dedicated transformers and earthing systems). An implication of the dedicated asset charge is that TLC must maintain an accurate and detailed knowledge of the ICP connected to specific transformers. This has resulted in TLC having the information and data to use monthly customer numbers for the calculation of SAIDI and SAIFI. The system uses these figures, and then sums the monthly results to produce annual figures. This produces more accurate month to month results than an annual, beginning and end of year, average.