



Commerce Act (Electricity Distribution Thresholds)

Notice 2004

Threshold Compliance Statement

For the assessment period:

1 April 2009 to 31 March 2010

19 May 2010

1 Summary of Compliance

-  Price path threshold 5(1)(a)
-  Price path threshold 5(1)(b)
-  Price path threshold 5(2)
-  Quality threshold 6(1)(a)
-  Quality threshold 6(1)(b)
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3 Introduction

This Threshold Compliance Statement is submitted by Eastland Network Ltd pursuant to clause 7(1) of the Commerce Act (Electricity Distribution Thresholds) Notice 2004 (“the Notice”). This Statement is also submitted under the amendments which were made to the Notice under the Commerce Act (Electricity Distribution Thresholds) Amendment Notice 2009. These amendments altered the definition of assessment date, made in the Notice, to include the assessment period ending 31 March 2010.

This statement provides threshold compliance information applicable to the assessment date of 31 March 2010 (the assessment period being 1 April 2009 to 31 March 2010).

4 Price path threshold 5(1)(a), (b) and 5(2)

4.1 Introduction

As required under the Notice s7(1)(a)(i), this statement provides evidence in the form of revenue, notional revenues, prices, base quantities, pass-through costs, units of measurement associated with all numeric data, list of excluded services (and the reasons and supporting evidence for excluding these services), and other data, information, and calculations, that states Eastland Network's position with respect to the price path threshold.

4.2 Compliance with price path threshold 5(1)(a)

Eastland Network does not comply with clause 5(1)(a) of the Notice.

The price path threshold for a distribution business's notional revenue at each assessment date is as follows:

Defined Calculation Methodology:	Notional revenue for the period of 1 April 2009 to 31 March 2010	Is not to exceed	The allowable notional revenue under the CPI-X price path for the period of 1 April 2009 to 31 March 2010
	$\sum P_{i,31 \text{ March } 2010} Q_{i,31 \text{ March } 2010} - K_{2010}$	\leq	$R_{2009}(1+\Delta\text{CPI}_{2010})(1-X)$
Eastland Network's Result	\$18,913,634	$>$	\$14,909,952

- **LHS¹ of 5(1)(a) – Notional revenue from 1 April 2009 to 31 March 2010**

Under the definition of price, the prices are those that applied on the assessment date, 31 March 2010. Eastland Network restructured and applied new tariffs on 31 March 2010. As these prices were implemented on the assessment date, they are the prices that are used to calculate notional revenue. Notional annual revenue is copied from 9.1.1 below.

- **RHS² of 5(1)(a) – Allowable notional revenue for the period of 1 April 2009 to 31 March 2010**

The allowable notional revenue as at 31 March 2009 was \$14,899,025, copied from 9.1.2 below. This can be inflated based on the CPI-X price path, using a CPI factor of 2.12% and an X factor for Eastland Network of 2%, to the allowable notional revenue as at 31 March 2010 of \$14,909,952.

¹ LHS= Left-Hand-Side

² RHS= Right-Hand-Side

4.3 Compliance with price path threshold 5(1)(b)

Eastland Network does not comply with clause 5(1)(b) of the Notice.

The price path threshold for a distribution business's notional revenue during each assessment period is as follows:

Defined Calculation Methodology:	Notional revenue at any time during the period from 1 April 2009 to 31 March 2010	Is not to exceed	The greater of the allowable notional revenue at 31 March 2010 and the allowable notional revenue at 31 March 2009
	$\text{MAX}(\text{NR}_{\text{Pre-31 March 2010}}, \text{NR}_{\text{31 March 2010}})$	\leq	$\text{MAX}(\text{R}_{2010}, \text{R}_{2009})$
Eastland Network's Result	\$18,913,634	$>$	\$14,909,952

- LHS of 5(1)(b) – Notional revenue at anytime during the period from 1 April 2009 to 31 March 2010**

Eastland Network restructured and applied new tariffs on 31 March 2010. These tariffs result in notional revenue that is higher than the notional revenue from tariffs that applied from 1 April 2009 to 30 March 2010. These notional revenues are copied from 9.1.1 below and are shown below:

Notional Revenue	Notation	Amount
Notional revenue between 1 April 2009 to 30 March 2010	$\text{NR}_{\text{Pre-31 March 2010}}$	\$17,296,593
Notional revenue for 31 March 2010	$\text{NR}_{\text{31 March 2010}}$	\$18,913,634
	$\text{MAX}(\text{NR}_{\text{Pre-31 March 2010}}, \text{NR}_{\text{31 March 2010}})$	\$18,913,634

- RHS of 5(1)(b) – Greater of the allowable notional revenue at 31 March 2009 and the notional revenue at 31 March 2010**

Allowable notional annual revenue is copied from 9.1.2 below.

Allowable notional revenue for the period 1 April 2008 to 31 March 2009 is copied from Eastland Network Limited's Threshold Compliance Statement for that period. The maximum allowable notional revenue is determined as shown below:

Allowable Notional Revenue	Notation	Amount
Allowable Notional revenue at 31 March 2009	R_{2009}	\$14,899,025
Allowable Notional revenue at 31 March 2010	R_{2010}	\$14,909,952
	$\text{MAX}(\text{R}_{2009}, \text{R}_{2010})$	\$14,909,952

4.4 Compliance with price path threshold 5(2)

Eastland Network restructured and applied new tariffs on 31 March 2010. This restructuring does not comply with clause 5(2) of the Notice. This is shown below:

$\sum P_{i,31 \text{ March } 2010} Q_{i,31 \text{ March } 2010}$	\leq	$\sum P_{i,\text{Pre-31 March } 2010} Q_{i,\text{Pre-31 March } 2010}$
\$28,003,316	$>$	\$26,386,275

- **LHS – Sum of Price x Regulated Quantities that applied on 31 March 2010**
Determination of this figure is shown in 9.1 below.
- **RHS – Sum of Price x Regulated Quantities that applied on Pre-31 March 2010**
Determination of this figure is shown in 9.1 below.

4.5 Notional Revenue compared with Allowable Notional Revenue

Eastland Network's notional revenue at all times during the assessment period was higher than the allowable notional revenue at the beginning (1 April 2009) and at the end (31 March 2010) dates of the assessment period. This is shown in the table below:

Defined Calculation Methodology:	Notional revenue at all times during the period from 1 April 2009 to 31 March 2010	Is not to exceed	The allowable notional revenue under the CPI-X price path at:
		$\text{MAX}(\text{NR}_{\text{Pre-31 March } 2010}, \text{NR}_{31 \text{ March } 2010})$	\leq
Eastland Network's Result	\$18,913,634	$>$	the beginning of the period, 1 April 2009.
			\$14,909,952
		$>$	the end of the period, 31 March 2010.
			\$14,909,952

- **LHS – Notional revenue at all times during the period from 1 April 2009 to 31 March 2010**
Eastland Network restructured and applied new tariffs on 31 March 2010. These tariffs result in notional revenue that is higher than the notional revenue from tariffs that applied from 1 April 2009 to 30 March 2010. These notional revenues are copied from paragraph 4.3 above.
- **RHS – Allowable notional revenue at the beginning or at the end of the assessment period**

The allowable notional revenue for the period from 1 April 2009 to 31 March 2010 did not change during the period and is the figure as shown in paragraph 4.2 above.

4.6 Specified Services, Excluded Services and Pass-Through Costs

The following revenue and costs are included as specified services, excluded services or pass-through costs.

4.6.1 Specified Services

- Line Charge Revenue.
- Other non-contestable revenue which includes the provision of ripple relays and the connection of customers to existing Eastland Network owned reticulation.

4.6.2 Excluded Services

- Transpower Loss Rental Rebates. For the period of 1 April 2007 to 31 March 2008 these are excluded from the line charge revenue and the pass-through costs on the basis that the amounts received are passed on transparently and in full to Eastland Network's customers in accordance with the definition of 'specified services' (g).
- Customer Contributions. Eastland Network receives income from customer and developer contributions which reflect the residual cost of any network extensions or upgrades required to supply their development. The customer or developer selects the contractor to construct the works and hence there is effective competition for the provision of those services in accordance with the definition of 'specified services' (d).

4.6.3 Pass-Through Costs

- Transpower connection and interconnection charges as well as the new investment charge for upgrade work at Transpower's Massey Road Substation.
- Avoided transmission costs. The company has undertaken generation and other activities that substitute for the use of the transmission system. Avoided transmission costs include the following costs in relation to hydro, diesel generation and load control assets and operations of the company:
 - Direct operating costs;
 - Maintenance costs;
 - Depreciation;
 - Indirect costs related to Avoided transmission; and
 - Cost of capital.
- Rates paid to the territorial local authorities during the assessment period (relating to network assets).
- Electricity Commission levies paid during the assessment period.

5 Quality thresholds 6(1)(a) and 6(1)(b)

5.1 Introduction

As required under the Notice s7(1)(a)(ii), this statement provides evidence of Eastland Network's compliance with the quality threshold, and includes evidence to this effect in the form of SAIDI and SAIFI statistics, relevant information from asset management plans, and other data, information, and calculations, that fully supports and explains the confirmation.

On 1 September 2008, Eastland Network wrote to the Commerce Commission regarding alterations to Network Reliability Performance Information, advising of errors in the calculation of quality threshold data. This letter explained the cause of the errors and the affect that corrected data had on the quality SAIDI and SAIFI quality thresholds. No reply has been received to this letter, and Eastland Network, in the absence of notice to the contrary from the Commerce Commission is adopting the corrected as its SAIDI and SAIFI quality thresholds.

5.2 Compliance with quality thresholds 6(1)(a) and 6(1)(b)

Eastland Network complies with clause 6(1)(a) of the Notice.

The SAIDI quality threshold for distribution businesses is as follows:

Defined Calculation Methodology	SAIDI for the period of 1 April 2009 to 31 March 2010	Is not to exceed	The five year average SAIDI to 31 March 2003
	SAIDI ₂₀₁₀	≤	$\left(\frac{\text{SAIDI}_{1999} + \text{SAIDI}_{2000} + \text{SAIDI}_{2001} + \text{SAIDI}_{2002} + \text{SAIDI}_{2003}}{5} \right)$
Eastland Network's Result	314.94	≤	377.59

Eastland Network complies with clause 6(1)(b) of the Notice.

The SAIFI quality threshold for distribution businesses is as follows:

Defined Calculation Methodology:	SAIFI for the period of 1 April 2009 to 31 March 2010	Is not to exceed	The five year average SAIFI to 31 March 2003
	SAIFI ₂₀₁₀	≤	$\left(\frac{\text{SAIFI}_{1999} + \text{SAIFI}_{2000} + \text{SAIFI}_{2001} + \text{SAIFI}_{2002} + \text{SAIFI}_{2003}}{5} \right)$
Eastland Network's Result	3.68	≤	4.08

The supporting statistics are given in 10 Quality Threshold – Supporting Statistics.

5.3 Policies and procedures for recording SAIDI and SAIFI

As required under the Notice s7(1)(a)(iii), the following explanation is provided on the policies and procedures used by Eastland Network for recording the SAIDI and SAIFI statistics for the assessment period.

5.3.1 Procedures

Connection Conductivity:

- Individual network connections are linked to a specific distribution transformer via GIS and ICP Billing system data outputs.
- Connection information and network conductivity is updated in GIS and ICP Billing systems from Network Alteration Application forms and/or as built Network Alteration data returns.
- GIS connection counts per network segment are updated and reviewed against ICP Billing system data six monthly.
- The process of Outage Notification to energy retailers provides an audit of connection and conductivity data accuracy.
- **Responsibility:** Project Engineers and Information Manager.

Interruption Data Capture:

- A Supply Interruption Data Input Form is completed for all notifiable outages. Data is captured in accordance with the definitions and requirements of the Electricity Disclosure Requirements 2004 and Reliability Performance Measurement Manual 1994.
- **Responsibility:** System Operator

Interruption Data Analysis and Reporting:

- Interruption data entered into Outage Database and used for internal and external reporting.
- **Responsibility:** GM Electricity Operations

5.3.2 Policies

- Collection and analysis of interruption data is to be completed in accordance with Electricity Disclosure Requirements 2004 and Reliability Performance Measurement Manual 1994.
- Monthly comparison of actual interruption performance with Asset Management Plan and Statement of Corporate Intent targets reported to and reviewed by the Board of Directors.
- Annual audits are undertaken on Conductivity, Interruption data capture and reporting processes to determine the accuracy and compliance of deliverables.

6 Consumer consultation activity

6.1 Specific requirements

The consumer consultation requirements are defined in Section 6(1)(c) of the Notice, and broadly require a lines company to:

- a. Properly advise (or ensure that another person properly advises on its behalf) its consumers (or another person that accurately reflects the interests of those consumers) about the price and quality trade-offs available to them in relation to the goods and services provided by the distribution business.
- b. Consult (or ensure that another person consults on its behalf) with those consumers (or another person that accurately reflects the interests of those consumers) about the quality of goods and services that they require, with reference to the price of those goods and services.
- c. Properly consider the views expressed by consumers during and after that consultation.
- d. Adequately take these views into account when making asset management decisions.

6.2 Definition of quality

As part of both the large consumer survey and the mass market survey Eastland Network has asked consumers to identify what is the most important aspect of electricity supply, the second most important, and the third most important from the following list of lines service attributes:

- Answering the phone quickly when they called Eastland Network.
- Keeping the power on all the time ("continuity").
- Quick processing of applications for new connections.
- Getting advice on technical matters.
- Getting the power back on quickly ("restoration").
- No voltage flicker or surge.
- Sufficient notice of planned shutdowns.

Consumer responses revealed the following:

- A clear majority of consumers considered continuity to be the most important attribute.
- A reasonable majority considered restoration to be second most important.

Eastland Network therefore believes interpreting "quality" as continuity and restoration is well justified, and uses the term "reliability" to embody both of these attributes.

6.3 Definitions of large & small consumers

In its Consumer Consultations for the periods ending 31 March 2004, 31 March 2006 and 31 March 2008 Eastland Network consulted with its 25 largest consumers by kWh consumption. This definition of "large" was accepted by the Commerce Commission in 2004, 2006 and 2008 hence Eastland Network adopted this definition again for the 2 year period ending 31 March 2010 when, this time, it consulted its 26 largest consumers.

For the two year period ending 31st March 2010 Eastland Network also commissioned an independent call bureau to conduct a survey to a random sample of 485, (2.4%) of its mass market Domestic consumers. This survey asked similar questions to the large survey, and also included a question on brand identity. Notwithstanding this representative survey, Eastland Network has also consulted the following five representative groups:

- GreyPower (representing older people, often on fixed incomes).
- Gisborne District Council and Wairoa District Council economic development units (representing the interests of businesses that may establish in the East Cape or northern Hawkes Bay areas).
- Chamber Of Commerce (representing existing businesses).
- Federated Farmers (representing consumers in rural locations)
- Electricity retailers operating on Eastland Network's network (representing consumers at large).

6.4 Summary of compliance

This section provides supporting evidence that the requirements of bullet points (a) to (d) in Section 6.1 of this document have been complied with.

Compliance requirement	Large consumer activities	Mass-market activities
<p>Properly advise (or ensure that another person properly advises on its behalf) its consumers (or another person that accurately reflects the interests of those consumers) about the price and quality trade-offs available to them in relation to the goods and services provided by the distribution business.</p>	<ul style="list-style-type: none"> • Consultation with all new physical connections (or their representative) on issues such as location of assets, configuration of assets and pricing plans. • During casual discussions and site visits with individual large consumers' staff. • During regular formal meetings with large consumers. • Through the asset management plan. • During the specific engagement process for the 2 year period ending 31 March 2010 in which it was put to large consumers that they could: <ul style="list-style-type: none"> ○ Pay less to have less reliability. ○ Pay about the same to have about the same reliability. ○ Pay a bit more to have a bit more reliability. ○ Pay a lot more to have a lot more reliability. 	<ul style="list-style-type: none"> • Eastland Network's schedule of charges, (available on the website) offers an Economy Pricing Code (Low Capacity Price category 0-3KVA), and Low Fixed Pricing Codes in accordance with Electricity- (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004. • Consultation with electricity retailers as proxies for consumers (noting the very poor response from retailers). • Consultation with all new physical connections (or their representative) on issues such as location of assets, configuration of assets and pricing plans which forms the basis of negotiation with the consumer. • Engagement with GreyPower as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010. • Engagement with Federated Farmers as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010. • Engagement with the Chamber Of Commerce as a proxy for specific classes of mass-market consumers during the

Compliance requirement	Large consumer activities	Mass-market activities
		<p>engagement process for the 2 year period ending 31 March 2010.</p> <ul style="list-style-type: none"> • Engagement with the GDC economic development unit as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010. • Attempted engagement with the WDC economic development unit as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010.
<p>Consult (or ensure that another person consults on its behalf) with those consumers (or another person that accurately reflects the interests of those consumers) about the quality of goods and services that they require, with reference to the price of those goods and services.</p>	<ul style="list-style-type: none"> • During regular meetings and site visits with large consumers staff. • During the specific engagement process for the 2 year period ending 31 March 2008 in which it was put to large consumers that they could: <ul style="list-style-type: none"> ○ Pay less to have less reliability. ○ Pay about the same to have about the same reliability. ○ Pay a bit more to have a bit more reliability. ○ Pay a lot more to have a lot more reliability. 	<ul style="list-style-type: none"> • Consultation with electricity retailers as proxies for consumers. • Consultation with all new physical connections (or their representative) on issues such as location of assets, configuration of assets and pricing plans which forms the basis of negotiation with the consumer. • Engagement with GreyPower as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010. • Engagement with Federated Farmers as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010. • Engagement with the Chamber Of Commerce as a proxy for specific classes of mass-market consumers during the

Compliance requirement	Large consumer activities	Mass-market activities
		<p>engagement process for the 2 year period ending 31 March 2010.</p> <ul style="list-style-type: none"> • Engagement with the GDC economic development unit as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010. • Attempted engagement with the WDC economic development unit as a proxy for specific classes of mass-market consumers during the engagement process for the 2 year period ending 31 March 2010.
<p>Properly consider the views expressed by consumers during and after that consultation.</p>	<p>The views obtained by the large consumer survey, the representative groups survey and the mass-market survey have been compiled into reports that are considered at General Manager level, (as applicable) during strategic, business, pricing and customer management planning rounds.. General required outcome sand/or required actions are incorporated into appropriate plans.</p>	
<p>Adequately take these views into account when making asset management decisions.</p>	<p>The primary means of taking those views into account when making asset management decisions is through the "Setting the service levels" section in the AMP. It must be noted that the common nature of public electricity supply, and the service levels set by regulatory and technical constraints do not always permit individual consumers preferences to be implemented.</p>	

6.5 Narrative descriptions of compliance

6.5.1 Consultation with all new consumers

Eastland Network's process of connecting up a new consumer or upgrading supply to an existing consumer includes:

- A formal process where the consumer or their agent advises ENL on such matters as the location of the connection relative to the existing network, the size of the load to be supplied, physical configuration of assets required
- Where applicable ENL prepares a written proposal which includes a physical description of work to be done, commercial details and any capital contribution required. This "scope" becomes the basis of consultation and negotiation between the consumer and ENL.
- Acceptance, modification or rejection of the proposal by the consumer.

Where the consumer is very large, a number of physical and commercial options are often available.

Reference

- ENL 9 Operational Procedures Manual; Section 2 Connections Procedure V2 2008.

6.5.2 Eastland Network's schedule of charges

For all non- TOU consumers ENL offers Controlled and Uncontrolled variable charges. The Controlled tariff provides for ENL to interrupt supply (ie. a lower level of continuity) in return for a lower variable charge.

For TOU consumers ENL offers variable charges as determined by four time based pricing bands, (Evening Peak, Morning Peak, Off Peak & Night). This gives consumers the option to benefit economically by regulating their energy consumption.

Reference

- <http://www.eastland.co.nz>

6.5.3 Consumer discussions and meetings

As part of the general business of the Eastland Group, meetings are held with major customers to discuss matters of common interest. One outcome of these meetings is the opportunity to consult with consumers on network price and quality matters.

Further, as and when required meetings are held with consumers to discuss specific network price and/or quality matters.

6.5.4 Asset management plan

The asset management plan (AMP) is the point where all of Eastland Network's consumer engagement consolidates into a range of strategies, policies and plans that reflect consumers'

expectations of price and quality subject to other drivers and constraints. In particular Section 3.0 of the AMP states a range of expected service levels derived from consumer engagement.

Reference

- Eastland Network Asset Management Plan 2009 – 2019.

6.5.5 Large consumer engagement

Eastland Network used an independent consultant to survey its 25 largest consumers by kWh consumption during the 2 year period ending 31 March 2010. This was largely a repeat of the 2004, 2006 and 2008 engagement processes in which these consumers were consulted. However the 2006, 2008 and 2010 engagements were more detailed than the 2004 engagement in that a wider range of questions were asked to gain a deeper understanding of consumers needs and impressions of Eastland Network's performance.

The engagement process also revealed a very high level of satisfaction with the current price-quality combination with only one respondent indicating a possible interest in "paying a bit more to have a bit more".

Reference

- "Consumer survey conclusions for the period ending 31 March 2010".

6.5.6 Consultation with retailers

In order to obtain further proxies for the views of the mass-market, retailers operating on Eastland Network's network were consulted by an independent consultant and asked how well their interests were being served by Eastland Network. No responses were achieved with any retailer and a subsequent follow up consultation, (April 2010) obtained responses from Contact Energy and TrustPower only.

Reference

- Energy Retailer & Federated farmers Consultation Feedback 07/05/2010.

6.5.7 Consultation with GreyPower

Response received from Wairoa Greypower chapter only.

Reference

- "Consumer survey conclusions for the period ending 31 March 2010".

6.5.8 Consultation with GDC and WDC

The GDC economic development unit indicated that although industry doesn't seem to be coming to Gisborne, this cannot be conclusively attributed to Eastland's pricing or reliability.

Reference

- "Consumer survey conclusions for the period ending 31 March 2010".

6.5.9 Consultation with Chamber Of Commerce

The Gisborne Chamber Of Commerce had no complaints about ENL's pricing or reliability.

Reference

- "Consumer survey conclusions for the period ending 31 March 2010".

6.5.10 Consultation with Federated Farmers

Federated Farmers consultation achieved April 2010.

Reference

Energy Retailer & Federated farmers Consultation Feedback 07/05/2010

AUDITOR'S REPORT ON EASTLAND NETWORK LIMITED'S THRESHOLD COMPLIANCE STATEMENT

To the readers of the threshold compliance statement of Eastland Network Limited for the assessment period ended on 31 March 2010.

We have examined the attached statement, which is a threshold compliance statement in respect of the price path threshold and the quality threshold prepared by Eastland Network Limited ("Eastland Network") for assessment as at 31 March 2010 and dated 19 May 2010 for the purposes of information requirements set out in clause 7 of the Commerce Act (Electricity Distribution Thresholds) Notice 2004 ("the Notice") as amended by the Commerce Act (Electricity Distribution Thresholds) Amendment Notice 2006 ("the Amendment Notice 2006") and as extended by the Commerce Act (Electricity Distribution Thresholds) Amendment Notice 2009 ("the Amendment Notice 2009"). In this report the attached statement is called "the threshold compliance statement".

Director's Responsibilities

Directors of Eastland Network are responsible for the certification of the threshold compliance statement in accordance with the Notice, the Amendment Notice 2006 and the Amendment Notice 2009.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the threshold compliance statement in accordance with the Notice, the Amendment Notice 2006 and the Amendment Notice 2009 and report our opinion to you.

We conducted our audit in accordance with the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand.

Basis of Opinion

Price Path Threshold; Quality Threshold: SAIDI and SAIFI Statistics for the Assessment Period ended 31 March 2010; and Quality Threshold

Our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures contained in the threshold compliance statement and which relate to:

- The price path threshold set out in clause 5 of the Notice as amended by clause 3 of the Amendment Notice 2006;
- The SAIDI and SAIFI statistics for the assessment period ended on 31 March 2010 which are relevant to those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice; and
- The customer communication part of the quality threshold set out in clause 6(1)(c) of the Notice.

It also included assessment of the significant estimates and judgements, if any, made by Eastland Network in the preparation of the threshold compliance statement and assessment of whether the basis of preparation has been adequately disclosed.

We planned and performed our audit of the threshold compliance statement so as to obtain all the information and explanations which we considered necessary, including for the purpose of obtaining sufficient evidence to give reasonable assurance that the threshold compliance statement is free from material misstatements (whether caused by fraud or error). In forming our opinion we also evaluated the overall adequacy of the presentation of information in the threshold compliance statement.

Basis of Opinion

Quality Threshold: SAIDI and SAIFI Statistics for the years ended 31 March 1999, 2000, 2001, 2002 and 2003

In relation to the SAIDI and SAIFI statistics for the years ended 31 March 1999, 2000, 2001, 2002 and 2003 which are relevant to those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice, we have undertaken procedures to provide reasonable assurance that:

- The amounts and disclosures in the threshold compliance statement relating to those statistics have been correctly taken from the information disclosed by Eastland Network in accordance with the Electricity (Information Disclosure) Regulations 1999; and
- Those statistics have been calculated based on the source data provided to us. We have not performed audit procedures on the source data.

Relationship and Interests

We have no other relationship with or interests in Eastland Network other than in our capacity as auditors.

Opinions

We have obtained all the information and explanations we have required.

Price Path Threshold

In our opinion, having made all reasonable enquiry, to the best of our knowledge, the amounts or details set out in the threshold compliance statement relating to the price path threshold set out in clause 5 of the Notice as amended by clause 3 of the Amendment Notice 2006, and the related information have been prepared in accordance with the Notice, and give a true and fair view of the performance of Eastland Network against that threshold for the assessment period ended on 31 March 2010.

Quality Threshold: SAIDI and SAIFI Statistics

In our opinion, having made all reasonable enquiry, to the best of our knowledge:

- a) The SAIDI and SAIFI statistics for the assessment period ended on 31 March 2010 which are relevant to those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice and related information have been calculated or prepared in accordance with the Notice and in accordance with Eastland Network's policies and procedures for recording SAIDI and SAIFI statistics as disclosed in the threshold compliance statement, and fairly represent the performance of Eastland Network for the assessment period ended on 31 March 2010.
- b) The SAIDI and SAIFI statistics for the years ended 31 March 1999, 2000, 2001, 2002 and 2003, which are relevant to those parts of the quality threshold that are set out on clauses 6(1)(a) and 6(1)(b) of the Notice, have been correctly taken from the information disclosed by Eastland Network in accordance with the Electricity (Information Disclosure) Regulations 1999. Those statistics have been properly calculated based on the unaudited source data provided to us by Eastland Network.
- c) The SAIDI and SAIFI statistics for the assessment period ended on 31 March 2010, together with the SAIDI and SAIFI statistics for the years ended 31 March 1999, 2000, 2001, 2002 and 2003, give a true and fair view of the performance of Eastland Network against those parts of the quality threshold that are set out in clauses 6(1)(a) and 6(1)(b) of the Notice for the assessment period ended on 31 March 2010.

Quality Threshold: Customer Communication

In our opinion, having made all reasonable enquiry, to the best of our knowledge the information set out in the threshold compliance statement relating to that part of the quality threshold that is set out in clause 6(1)(c) of the Notice has been prepared in accordance with the Notice, and gives a true and fair view of the performance of Eastland Network against that part of the quality threshold for the assessment period ended on 31 March 2010.

Our audit was completed on 19 May 2010 and our opinion is expressed as at that date.



Graham Naylor
Deloitte
Hamilton
On behalf of the Auditor-General
19 May 2010

This audit report relates to the threshold compliance statement of Eastland Network Limited for the assessment period ended 31 March 2010 included on Eastland Network Limited's website. Eastland Network Limited's Board of Directors is responsible for the maintenance and integrity of Eastland Network Limited's website. We have not been engaged to report on the integrity of Eastland Network Limited's website. We accept no responsibility for any changes that may have occurred to the threshold compliance statement since they were initially presented on the website. The audit report refers only to the threshold compliance statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the threshold compliance statement. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited threshold compliance statement and related audit report dated 19 May 2010 to confirm the information included in the audited threshold compliance statement presented on this website. Legislation in New Zealand governing the preparation and dissemination of threshold compliance statements may differ from legislation in other jurisdictions.

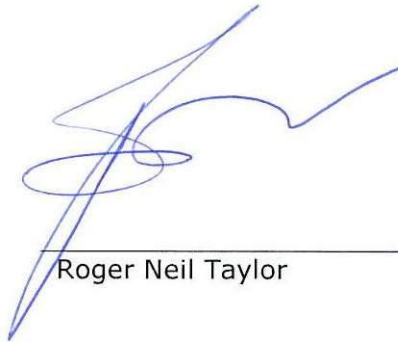
8 Directors' certificate

DIRECTORS' CERTIFICATE ON THRESHOLD COMPLIANCE STATEMENT

We, Trevor William Taylor and Roger Neil Taylor, being directors of Eastland Network Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached threshold compliance statement of Eastland Network Limited, and the related information, prepared for the purposes of the Commerce Act (Electricity Lines Thresholds) Notice 2004 complies with the requirements of that notice.



Shaan Winiata Stevens



Roger Neil Taylor

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding \$10,000 in the case of an individual or \$30,000 in the case of a body corporate.

9 Price Path Threshold

9.1 Supporting Calculations for Price Path Threshold

9.1.1 Notional Revenue for the Period 1 April 2009 to 31 March 2010

Notional revenue for the period from 1 April 2009 to 31 March 2010 is calculated in accordance with the following formula:

$$NR_{2010} = \sum P_{i,X} Q_{i,X} - K_{2010}$$

Definitions:

- $P_{i,X}$ = As noted above, Eastland Network implemented new prices on 31 March 2010 for a single day, therefore Prices (tariffs, fees or charges) are those in place between either 1 April 2009 to 30 March 2010 ($P_{i,Pre-31\ March\ 2010}$) or on 31 March 2010 ($P_{i,1\ March\ 2010}$).
- $Q_{i,X}$ = As Eastland Network restructured and introduced new prices on 31 March 2010 base quantities have been stated in the tariff format that applied between 1 April 2009 and 30 March 2010 ($Q_{i,Pre-31\ March\ 2010}$) and these have been allocated into the 31 March 2010 ($Q_{i,31\ March\ 2010}$) tariff format by using apportionment factors derived from actual quantities and ICPs mapping for the period 1 April 2009 to 31 March 2010.
- K_{2010} = the sum of all pass-through costs for the period of 1 April 2009 to 31 March 2010.

The calculation can be shown as follows:

		Revenue/Cost	
		Notional revenue between 1 April 2009 to 30 March 2010	Notional revenue for 31 March 2010
		NR _{Pre-31 March 2010}	NR _{31 March 2010}
$\sum P_{i,X} Q_{i,X}$	Line Charge Revenue	\$26,386,275	\$28,003,316
	Other Non-Contestable Revenue	\$76,967	\$76,967
	TOTAL	\$26,463,242	\$28,080,283
K_{2010}	Transpower Charges	\$6,646,423	
	Avoided Transmission	\$2,370,991	
	Territorial Rates	\$108,516	
	Electricity Commission	\$40,719	
	TOTAL	\$9,166,648	
Notional revenue for the period 1 April 2009 to 31 March 2010 $NR_{2010} = \sum P_{i,X} Q_{i,X} - K_{2010}$		\$17,296,593	\$18,913,634

The supporting tariffs and volumes are given in 9.2 Supporting Tariffs, Volumes and Notional Revenue below.

9.1.2 Allowable Notional Revenue for the period 1 April 2009 to 31 March 2010

The allowable notional revenue under the CPI-X price path for the period from 1 April 2009 to 31 March 2010 is calculated in accordance with the following formula:

$$R_{2010} = R_{2009}(1+\Delta\text{CPI}_{2010})(1-X)$$

Definitions:

$$R_{2009} = \$14,899,025$$

The allowable notional revenue for the period between 1 April 2008 to 31 March 2009 as shown in Eastland Network's Threshold Compliance Statement for that period.

$$\begin{aligned}\Delta\text{CPI}_{2010} &= \frac{(\Sigma \text{CPI for 4 quarters of 2009})}{(\Sigma \text{CPI for 4 quarters of 2008})} - 1 \\ &= \frac{(1075+1081+1095+1093)}{(1044+1061+1077+1072)} - 1 \\ &= 2.12\%\end{aligned}$$

X = X factor assigned to Eastland Network, which is 2%

The calculation can be shown as follows:

Allowable notional revenue for the period from 1 April 2009 to 31 March 2010 $R_{2010} = R_{2009}(1+\Delta\text{CPI}_{2010})(1-X)$	\$14,909,952
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9.2 Supporting Tariffs, Volumes and Notional Revenue

P_{Pre-31 March 2010}

Prices are EXCLUSIVE of GST

				Non-TOU Metering				TOU Metering					
				Daily Charge \$/day	Un-controlled \$/kWh	Controlled \$/kWh	Night \$/kWh	Daily Charge \$/day	Evening Peak \$/kWh	Morning Peak \$/kWh	Off Peak \$/kWh	Night \$/kWh	
Domestic	High Density	DHD0030	Distribution	0.1127	0.0939	0.0510	0.0084						
			Transmission	0.0373	0.0273	0.0156	0.0027						
			Total	0.1500	0.1212	0.0666	0.0111						
	Medium Density	DMD0030	Distribution	0.1127	0.1072	0.0579	0.0095						
			Transmission	0.0373	0.0313	0.0182	0.0030						
			Total	0.1500	0.1385	0.0761	0.0125						
	Low Density	DLD0030	Distribution	0.1127	0.1196	0.0666	0.0105						
			Transmission	0.0373	0.0347	0.0211	0.0033						
			Total	0.1500	0.1543	0.0877	0.0138						
Non-Domestic	High Density	Low Capacity (0 to 2.5kVA)	NHD0003	Distribution	0.1772	0.1011	0.0568	0.0090					
				Transmission	0.0545	0.0305	0.0181	0.0029					
				Total	0.2317	0.1316	0.0749	0.0119					
		Assessed Demand (2.5 to 30kVA)	NHD0030	NHD0100	Distribution	0.9738	0.0710	0.0451	0.0091				
					Transmission	0.2911	0.0217	0.0135	0.0029				
					Total	1.2649	0.0927	0.0586	0.0120				
		Assessed Demand (31 to 100kVA)	NHD0100	NHD0300	Distribution	3.5068	0.0461	0.0161	0.0090				
					Transmission	0.7943	0.0121	0.0038	0.0029				
					Total	4.3011	0.0582	0.0199	0.0119				
		Assessed Demand (101 to 300kVA)	NHD0300	NHD0500	Distribution	5.2607	0.0389	0.0115	0.0090				
					Transmission	1.6187	0.0113	0.0036	0.0029				
					Total	6.8794	0.0502	0.0151	0.0119				
	Assessed Demand (301 to 500kVA)	NHD0500	NHD1000	Distribution					9.6958	0.0366	0.0350	0.0280	0.0115
				Transmission					3.0016	0.0110	0.0104	0.0078	0.0036
				Total					12.6974	0.0476	0.0454	0.0358	0.0151
	Assessed Demand (501 to 1000kVA)	NHD1000	NHD4500	Distribution					14.8737	0.0366	0.0350	0.0280	0.0115
				Transmission					4.5121	0.0110	0.0104	0.0078	0.0036
				Total					19.3858	0.0476	0.0454	0.0358	0.0151
	Assessed Demand (1001 to 4500kVA)	NHD4500	NHD6500	Distribution					38.0620	0.0366	0.0350	0.0280	0.0115
				Transmission					11.8541	0.0110	0.0104	0.0078	0.0036
				Total					49.9161	0.0476	0.0454	0.0358	0.0151
	Assessed Demand (4501 to 6500kVA)	NHD6500		Distribution					44.3792	0.0366	0.0350	0.0280	0.0115
				Transmission					14.0941	0.0110	0.0104	0.0078	0.0036
				Total					58.4733	0.0476	0.0454	0.0358	0.0151
	Medium Density	Low Capacity (0 to 2.5kVA)	NMD0003	Distribution	0.1772	0.1122	0.0718	0.0108					
				Transmission	0.0545	0.0340	0.0228	0.0034					
				Total	0.2317	0.1462	0.0946	0.0142					
		Assessed Demand (2.5 to 30kVA)	NMD0030	NMD0100	Distribution	0.9738	0.0800	0.0502	0.0108				
					Transmission	0.2911	0.0244	0.0149	0.0034				
					Total	1.2649	0.1044	0.0651	0.0142				
		Assessed Demand (31 to 100kVA)	NMD0100	NMD0300	Distribution	3.5068	0.0557	0.0208	0.0110				
					Transmission	0.7943	0.0155	0.0056	0.0034				
					Total	4.3011	0.0712	0.0264	0.0144				
		Assessed Demand (101 to 300kVA)	NMD0300	NMD0500	Distribution	5.2607	0.0458	0.0133	0.0108				
					Transmission	1.6187	0.0138	0.0042	0.0034				
					Total	6.8794	0.0596	0.0175	0.0142				
	Assessed Demand (301 to 500kVA)	NMD0500	NMD1000	Distribution					9.6958	0.0389	0.0371	0.0283	0.0127
				Transmission					3.0016	0.0119	0.0106	0.0083	0.0041
				Total					12.6974	0.0508	0.0477	0.0366	0.0168
	Assessed Demand (501 to 1000kVA)	NMD1000	NMD4500	Distribution					14.8737	0.0389	0.0371	0.0283	0.0127
				Transmission					4.5121	0.0119	0.0106	0.0083	0.0041
				Total					19.3858	0.0508	0.0477	0.0366	0.0168
	Assessed Demand (1001 to 4500kVA)	NMD4500	NMD6500	Distribution					38.0620	0.0389	0.0371	0.0283	0.0127
				Transmission					11.8541	0.0119	0.0106	0.0083	0.0041
				Total					49.9161	0.0508	0.0477	0.0366	0.0168
	Assessed Demand (4501 to 6500kVA)	NMD6500		Distribution					44.3792	0.0389	0.0371	0.0283	0.0127
				Transmission					14.0941	0.0119	0.0106	0.0083	0.0041
				Total					58.4733	0.0508	0.0477	0.0366	0.0168
Low Density	Low Capacity (0 to 2.5kVA)	NLD0003	Distribution	0.1772	0.1280	0.0866	0.0122						
			Transmission	0.0545	0.0386	0.0275	0.0039						
			Total	0.2317	0.1666	0.1141	0.0161						
	Assessed Demand (2.5 to 30kVA)	NLD0030	NLD0100	Distribution	0.9738	0.0914	0.0550	0.0123					
				Transmission	0.2911	0.0278	0.0167	0.0039					
				Total	1.2649	0.1192	0.0717	0.0162					
	Assessed Demand (31 to 100kVA)	NLD0100	NLD0300	Distribution	3.5068	0.0668	0.0265	0.0125					
				Transmission	0.7943	0.0186	0.0075	0.0039					
				Total	4.3011	0.0854	0.0340	0.0164					
	Assessed Demand (101 to 300kVA)	NLD0300	NLD0500	Distribution	5.2607	0.0549	0.0182	0.0122					
				Transmission	1.6187	0.0164	0.0058	0.0039					
				Total	6.8794	0.0713	0.0240	0.0161					
Assessed Demand (301 to 500kVA)	NLD0500	NLD1000	Distribution					9.6958	0.0410	0.0396	0.0285	0.0139	
			Transmission					3.0016	0.0123	0.0107	0.0084	0.0044	
			Total					12.6974	0.0533	0.0503	0.0369	0.0183	
Assessed Demand (501 to 1000kVA)	NLD1000	NLD4500	Distribution					14.8737	0.0410	0.0396	0.0285	0.0139	
			Transmission					4.5121	0.0123	0.0107	0.0084	0.0044	
			Total					19.3858	0.0533	0.0503	0.0369	0.0183	
Assessed Demand (1001 to 4500kVA)	NLD4500	NLD6500	Distribution					38.0620	0.0410	0.0396	0.0285	0.0139	
			Transmission					11.8541	0.0123	0.0107	0.0084	0.0044	
			Total					49.9161	0.0533	0.0503	0.0369	0.0183	
Assessed Demand (4501 to 6500kVA)	NLD6500		Distribution					44.3792	0.0410	0.0396	0.0285	0.0139	
			Transmission					14.0941	0.0123	0.0107	0.0084	0.0044	
			Total					58.4733	0.0533	0.0503	0.0369	0.0183	

Prices are EXCLUSIVE of GST

				Non-TOU Metering				TOU Metering					
				Daily Charge	Un-controlled	Controlled	Night	Daily Charge	Evening Peak	Morning Peak	Off Peak	Night	
				\$/day	\$/kWh	\$/kWh	\$/kWh	\$/day	\$/kWh	\$/kWh	\$/kWh	\$/kWh	
Domestic	High Density	PDH0030	Distribution	0.1125	0.1040	0.0541	0.0104						
			Transmission	0.0375	0.0275	0.0143	0.0027						
			Total	0.1500	0.1315	0.0684	0.0131						
	Low Density	PDL0030	Distribution	0.1125	0.1212	0.0655	0.0121						
Transmission			0.0375	0.0322	0.0174	0.0032							
Total			0.1500	0.1534	0.0829	0.0153							
Non-Domestic	High Density	PNH0003	Distribution	0.2005	0.0998	0.0648	0.0101						
			Transmission	0.0591	0.0288	0.0187	0.0029						
			Total	0.2596	0.1286	0.0835	0.0130						
		Assessed Demand (2.5 to 30kVA)	PNH0030	Distribution	1.2028	0.0748	0.0486	0.0101					
				Transmission	0.3545	0.0216	0.0140	0.0029					
				Total	1.5573	0.0964	0.0626	0.0130					
		Assessed Demand (31 to 100kVA)	PNH0100	Distribution	3.6485	0.0489	0.0318	0.0101					
				Transmission	1.0755	0.0141	0.0092	0.0029					
				Total	4.7240	0.0630	0.0410	0.0130					
	Assessed Demand (101 to 300kVA)	PNH0300	Distribution	7.0163	0.0399	0.0259	0.0101						
			Transmission	2.0682	0.0115	0.0075	0.0029						
			Total	9.0845	0.0514	0.0334	0.0130						
	Assessed Demand (301 to 500kVA)	PNH0500	Distribution					13.0303	0.0377	0.0358	0.0275	0.0124	
			Transmission					3.8409	0.0102	0.0097	0.0074	0.0034	
			Total					16.8712	0.0479	0.0455	0.0349	0.0158	
	Assessed Demand (501 to 1000kVA)	PNH1000	Distribution					20.0467	0.0377	0.0358	0.0275	0.0124	
			Transmission					5.9091	0.0102	0.0097	0.0074	0.0034	
			Total					25.9558	0.0479	0.0455	0.0349	0.0158	
	Assessed Demand (1001 to 4500kVA)	PNH4500	Distribution					46.1074	0.0377	0.0358	0.0275	0.0124	
			Transmission					13.5909	0.0102	0.0097	0.0074	0.0034	
			Total					59.6983	0.0479	0.0455	0.0349	0.0158	
	Assessed Demand (4501 to 6500kVA)	PNH6500	Distribution					70.1634	0.0377	0.0358	0.0275	0.0124	
			Transmission					20.6818	0.0102	0.0097	0.0074	0.0034	
			Total					90.8452	0.0479	0.0455	0.0349	0.0158	
Low Density	Low Capacity (0 to 2.5kVA)	PNL0003	Distribution	0.2005	0.1151	0.0806	0.0117						
			Transmission	0.0591	0.0332	0.0232	0.0034						
			Total	0.2596	0.1483	0.1038	0.0151						
	Assessed Demand (2.5 to 30kVA)	PNL0030	Distribution	1.2028	0.0863	0.0561	0.0117						
			Transmission	0.3545	0.0249	0.0162	0.0034						
			Total	1.5573	0.1112	0.0723	0.0151						
	Assessed Demand (31 to 100kVA)	PNL0100	Distribution	3.6485	0.0576	0.0345	0.0117						
			Transmission	1.0755	0.0166	0.0100	0.0034						
			Total	4.7240	0.0742	0.0445	0.0151						
	Assessed Demand (101 to 300kVA)	PNL0300	Distribution	7.0163	0.0461	0.0276	0.0117						
			Transmission	2.0682	0.0133	0.0080	0.0034						
			Total	9.0845	0.0594	0.0356	0.0151						
	Assessed Demand (301 to 500kVA)	PNL0500	Distribution					13.0303	0.0396	0.0376	0.0289	0.0131	
			Transmission					3.8409	0.0107	0.0102	0.0078	0.0035	
			Total					16.8712	0.0503	0.0478	0.0367	0.0166	
	Assessed Demand (501 to 1000kVA)	PNL1000	Distribution					20.0467	0.0396	0.0376	0.0289	0.0131	
			Transmission					5.9091	0.0107	0.0102	0.0078	0.0035	
			Total					25.9558	0.0503	0.0478	0.0367	0.0166	
Assessed Demand (1001 to 4500kVA)	PNL4500	Distribution					46.1074	0.0396	0.0376	0.0289	0.0131		
		Transmission					13.5909	0.0107	0.0102	0.0078	0.0035		
		Total					59.6983	0.0503	0.0478	0.0367	0.0166		
Assessed Demand (4501 to 6500kVA)	PNL6500	Distribution					70.1634	0.0396	0.0376	0.0289	0.0131		
		Transmission					20.6818	0.0107	0.0102	0.0078	0.0035		
		Total					90.8452	0.0503	0.0478	0.0367	0.0166		

Q Pre-31 March 2010 Tariffs

			Num ICPs	Non-Time of Use Tariffs			Time of Use Tariffs				Total kWh	
				Uncontrolled	Controlled	Night	Evening Peak	Morning Peak	Off Peak	Night		
Domestic	High Density	DHD0030	12,861	54,941,818	29,934,486	41,421	0	0	0	0	84,917,724	
	Medium Density	DMD0030	3,214	16,434,792	6,760,602	22,737	0	0	0	0	23,218,131	
	Low Density	DLD0030	3,236	15,778,087	8,198,346	38,428	0	0	0	0	24,014,861	
Non-Domestic	High Density	Low Capacity (0 to 2.5kVA)	NHD0003	86	301,498	22,613	5,461	0	0	0	0	329,572
		Assessed Demand (2.5 to 30kVA)	NHD0030	1,315	17,503,151	933,317	144,655	0	0	0	0	18,581,123
		Assessed Demand (31 to 100kVA)	NHD0100	204	15,777,167	1,254,184	302,716	0	0	0	0	17,334,067
		Assessed Demand (101 to 300kVA)	NHD0300	38	3,845,759	311,978	75,349	0	0	0	0	4,233,086
		Assessed Demand (301 to 500kVA)	NHD0500	19	0	0	0	2,964,419	4,104,310	5,378,519	3,589,293	16,036,540
		Assessed Demand (501 to 1000kVA)	NHD1000	14	0	0	0	3,779,426	5,851,174	7,543,345	6,125,524	23,299,469
		Assessed Demand (1001 to 4500kVA)	NHD4500	2	0	0	0	1,382,714	1,086,458	1,707,754	1,876,112	6,053,037
		Assessed Demand (4501 to 6500kVA)	NHD6500	2	0	0	0	5,561,977	4,283,640	6,513,470	7,819,431	24,178,518
	Medium Density	Low Capacity (0 to 2.5kVA)	NMD0003	45	87,851	5,075	1,226	0	0	0	0	94,152
		Assessed Demand (2.5 to 30kVA)	NMD0030	1,179	6,159,472	569,565	29,520	0	0	0	0	6,758,556
		Assessed Demand (31 to 100kVA)	NMD0100	35	2,324,051	187,173	45,206	0	0	0	0	2,556,430
		Assessed Demand (101 to 300kVA)	NMD0300	2	375,893	30,493	7,365	0	0	0	0	413,751
		Assessed Demand (301 to 500kVA)	NMD0500	1	0	0	0	106,339	194,485	278,533	202,406	781,763
		Assessed Demand (501 to 1000kVA)	NMD1000	1	0	0	0	102,950	185,930	230,617	171,146	690,644
		Assessed Demand (1001 to 4500kVA)	NMD4500	1	0	0	0	2,278,231	3,244,506	4,252,971	3,833,798	13,609,506
		Assessed Demand (4501 to 6500kVA)	NMD6500	0	0	0	0	0	0	0	0	0
	Low Density	Low Capacity (0 to 2.5kVA)	NLD0003	45	106,477	7,229	1,746	0	0	0	0	115,452
		Assessed Demand (2.5 to 30kVA)	NLD0030	1,936	7,350,457	910,456	186,064	0	0	0	0	8,446,977
		Assessed Demand (31 to 100kVA)	NLD0100	25	1,180,463	100,963	22,784	0	0	0	0	1,304,210
		Assessed Demand (101 to 300kVA)	NLD0300	5	593,245	48,126	11,623	0	0	0	0	652,994
		Assessed Demand (301 to 500kVA)	NLD0500	2	0	0	0	144,517	170,689	274,334	252,282	841,822
Assessed Demand (501 to 1000kVA)		NLD1000	0	0	0	0	0	0	0	0	0	
Assessed Demand (1001 to 4500kVA)		NLD4500	0	0	0	0	0	0	0	0	0	
Assessed Demand (4501 to 6500kVA)		NLD6500	0	0	0	0	0	0	0	0	0	
Total			24,268	142,760,181	49,274,605	936,301	16,320,573	19,121,193	26,179,543	23,869,991	278,462,386	

P_{Pre-31 March 2010} Q_{Pre-31 March 2010} Tariffs

			Non-Time of Use Tariffs				Time of Use Tariffs				Total Revenue	
			Fixed	Uncontrolled	Controlled	Night	Evening Peak	Morning Peak	Off Peak	Night		
Domestic	High Density	DHD0030	704,140	6,658,948	1,993,637	460	0	0	0	0	9,357,185	
	Medium Density	DMD0030	175,967	2,276,219	514,482	284	0	0	0	0	2,966,951	
	Low Density	DLD0030	177,171	2,434,559	718,995	530	0	0	0	0	3,331,255	
Non-Domestic	High Density	Low Capacity (0 to 2.5kVA)	NHD0003	7,273	39,677	1,694	65	0	0	0	0	48,709
		Assessed Demand (2.5 to 30kVA)	NHD0030	607,120	1,622,542	54,692	1,736	0	0	0	0	2,286,091
		Assessed Demand (31 to 100kVA)	NHD0100	320,260	918,231	24,958	3,602	0	0	0	0	1,267,052
		Assessed Demand (101 to 300kVA)	NHD0300	95,417	193,057	4,711	897	0	0	0	0	294,082
		Assessed Demand (301 to 500kVA)	NHD0500	88,056	0	0	0	141,106	186,336	192,551	54,198	662,248
		Assessed Demand (501 to 1000kVA)	NHD1000	99,061	0	0	0	179,901	265,643	270,052	92,495	907,153
		Assessed Demand (1001 to 4500kVA)	NHD4500	36,439	0	0	0	65,817	49,325	61,138	28,329	241,048
		Assessed Demand (4501 to 6500kVA)	NHD6500	42,686	0	0	0	264,750	194,477	233,182	118,073	853,168
	Medium Density	Low Capacity (0 to 2.5kVA)	NMD0003	3,806	12,844	480	17	0	0	0	0	17,147
		Assessed Demand (2.5 to 30kVA)	NMD0030	544,331	643,049	37,079	419	0	0	0	0	1,224,877
		Assessed Demand (31 to 100kVA)	NMD0100	54,947	165,472	4,941	651	0	0	0	0	226,011
		Assessed Demand (101 to 300kVA)	NMD0300	5,022	22,403	534	105	0	0	0	0	28,063
		Assessed Demand (301 to 500kVA)	NMD0500	4,635	0	0	0	5,402	9,277	10,194	3,400	32,908
		Assessed Demand (501 to 1000kVA)	NMD1000	7,076	0	0	0	5,230	8,869	8,441	2,875	32,490
		Assessed Demand (1001 to 4500kVA)	NMD4500	18,219	0	0	0	115,734	154,763	155,659	64,408	508,783
		Assessed Demand (4501 to 6500kVA)	NMD6500	0	0	0	0	0	0	0	0	0
	Low Density	Low Capacity (0 to 2.5kVA)	NLD0003	3,806	17,739	825	28	0	0	0	0	22,398
		Assessed Demand (2.5 to 30kVA)	NLD0030	893,829	876,174	65,280	3,014	0	0	0	0	1,838,297
		Assessed Demand (31 to 100kVA)	NLD0100	39,248	100,812	3,433	374	0	0	0	0	143,865
		Assessed Demand (101 to 300kVA)	NLD0300	12,555	42,298	1,155	187	0	0	0	0	56,195
		Assessed Demand (301 to 500kVA)	NLD0500	9,269	0	0	0	7,703	8,586	10,123	4,617	40,297
Assessed Demand (501 to 1000kVA)		NLD1000	0	0	0	0	0	0	0	0	0	
Assessed Demand (1001 to 4500kVA)		NLD4500	0	0	0	0	0	0	0	0	0	
Assessed Demand (4501 to 6500kVA)		NLD6500	0	0	0	0	0	0	0	0	0	
Total			3,950,331	16,024,025	3,426,895	12,369	785,643	877,276	941,339	368,397	26,386,275	

Q31 March 2010 Tariffs

			Num ICPs	Non-Time of Use Tariffs			Time of Use Tariffs				Total kWh	
				Uncontrolled	Controlled	Night	Evening Peak	Morning Peak	Off Peak	Night		
Domestic	High Density	PDH0030	13,226	56,578,644	30,840,372	41,421	0	0	0	0	87,460,437	
	Low Density	PDL0030	6,086	30,581,635	14,055,252	61,165	0	0	0	0	44,698,052	
Non-domestic	High Density	Low Capacity (0 to 2.5kVA)	PNH0003	88	316,494	23,479	5,670	0	0	0	0	345,643
		Assessed Demand (2.5 to 30kVA)	PNH0030	1,333	17,597,118	940,571	144,655	0	0	0	0	18,682,344
		Assessed Demand (31 to 100kVA)	PNH0100	206	15,843,821	1,260,059	304,078	0	0	0	0	17,407,958
		Assessed Demand (101 to 300kVA)	PNH0300	39	3,870,655	317,690	76,277	0	0	0	0	4,264,622
		Assessed Demand (301 to 500kVA)	PNH0500	19	0	0	0	2,964,419	4,104,310	5,378,519	3,589,293	16,036,540
		Assessed Demand (501 to 1000kVA)	PNH1000	15	0	0	0	3,840,281	5,936,579	7,657,696	6,223,515	23,658,070
		Assessed Demand (1001 to 4500kVA)	PNH4500	2	0	0	0	1,382,714	1,086,458	1,707,754	1,876,112	6,053,037
		Assessed Demand (4501 to 6500kVA)	PNH6500	2	0	0	0	5,561,977	4,283,640	6,513,470	7,819,431	24,178,518
	Low Density	Low Capacity (0 to 2.5kVA)	PNL0003	88	179,333	11,438	2,763	0	0	0	0	193,533
		Assessed Demand (2.5 to 30kVA)	PNL0030	3,095	13,410,379	1,470,576	215,583	0	0	0	0	15,096,539
		Assessed Demand (31 to 100kVA)	PNL0100	58	3,412,964	276,549	65,700	0	0	0	0	3,755,213
		Assessed Demand (101 to 300kVA)	PNL0300	7	969,138	78,619	18,988	0	0	0	0	1,066,745
		Assessed Demand (301 to 500kVA)	PNL0500	3	0	0	0	250,856	365,174	552,867	454,687	1,623,585
		Assessed Demand (501 to 1000kVA)	PNL1000	1	0	0	0	42,096	100,526	116,266	73,155	332,043
	Assessed Demand (1001 to 4500kVA)	PNL4500	1	0	0	0	2,278,231	3,244,506	4,252,971	3,833,798	13,609,506	
	Assessed Demand (4501 to 6500kVA)	PNL6500	0	0	0	0	0	0	0	0	0	
Total			24,268	142,760,181	49,274,605	936,301	16,320,573	19,121,193	26,179,543	23,869,991	278,462,386	

P₃₁ March 2010 Q₃₁ March 2010 Tariffs

			Fixed	Non-Time of Use Tariffs			Time of Use Tariffs				Total Revenue	
				Uncontrolled	Controlled	Night	Evening Peak	Morning Peak	Off Peak	Night		
Domestic	High Density	PDH0030	724,143	7,440,092	2,109,481	543	0	0	0	0	10,274,259	
	Low Density	PDL0030	333,220	4,691,223	1,165,180	936	0	0	0	0	6,190,559	
Non-domestic	High Density	Low Capacity (0 to 2.5kVA)	PNH0003	8,369	40,701	1,961	74	0	0	0	0	51,105
		Assessed Demand (2.5 to 30kVA)	PNH0030	757,980	1,696,362	58,880	1,881	0	0	0	0	2,515,103
		Assessed Demand (31 to 100kVA)	PNH0100	354,365	998,161	51,662	3,953	0	0	0	0	1,408,141
		Assessed Demand (101 to 300kVA)	PNH0300	128,708	198,952	10,611	992	0	0	0	0	339,262
		Assessed Demand (301 to 500kVA)	PNH0500	117,002	0	0	0	141,996	186,746	187,710	56,711	690,165
		Assessed Demand (501 to 1000kVA)	PNH1000	137,371	0	0	0	183,949	270,114	267,254	98,332	957,020
		Assessed Demand (1001 to 4500kVA)	PNH4500	43,580	0	0	0	66,232	49,434	59,601	29,643	248,489
		Assessed Demand (4501 to 6500kVA)	PNH6500	66,317	0	0	0	266,419	194,906	227,320	123,547	878,508
	Low Density	Low Capacity (0 to 2.5kVA)	PNL0003	8,307	26,595	1,187	42	0	0	0	0	36,131
		Assessed Demand (2.5 to 30kVA)	PNL0030	1,759,202	1,491,234	106,323	3,255	0	0	0	0	3,360,014
		Assessed Demand (31 to 100kVA)	PNL0100	99,432	253,242	12,306	992	0	0	0	0	365,973
		Assessed Demand (101 to 300kVA)	PNL0300	23,211	57,567	2,799	287	0	0	0	0	83,863
		Assessed Demand (301 to 500kVA)	PNL0500	18,474	0	0	0	12,618	17,455	20,290	7,548	76,385
		Assessed Demand (501 to 1000kVA)	PNL1000	4,737	0	0	0	2,117	4,805	4,267	1,214	17,141
		Assessed Demand (1001 to 4500kVA)	PNL4500	21,790	0	0	0	114,595	155,087	156,084	63,641	511,197
		Assessed Demand (4501 to 6500kVA)	PNL6500	0	0	0	0	0	0	0	0	0
Total			4,606,209	16,894,128	3,520,391	12,953	787,926	878,548	922,526	380,635	28,003,316	

10 Quality Threshold – Supporting Statistics

10.1 SAIDI

The five year average SAIDI to 31 March 2003:

	Class B	Class C	Total (B+C)	Comment
SAIDI ₁₉₉₉	164.23	268.87	433.1	As per our letter dated 1 September 2008
SAIDI ₂₀₀₀	61.26	194.31	255.57	
SAIDI ₂₀₀₁	23.94	643.05	666.99	
SAIDI ₂₀₀₂	78.44	112.31	190.75	
SAIDI ₂₀₀₃	57.79	283.79	341.58	
Total	385.66	1502.33	1,887.99	
Divide by 5	77.13	300.47	377.59	

The SAIDI for the period of 1 April 2009 to 31 March 2010:

	Class B	Class C	Total (B+C)
SAIDI ₂₀₁₀	73.61	241.33	314.94

10.2 SAIFI

The five year average SAIFI to 31 March 2003:

	Class B	Class C	Total (B+C)	Comment
SAIFI ₁₉₉₉	1.21	3.08	4.29	As per our letter dated 1 September 2008
SAIFI ₂₀₀₀	0.56	2.65	3.21	
SAIFI ₂₀₀₁	0.50	4.81	5.31	
SAIFI ₂₀₀₂	0.41	3.07	3.48	
SAIFI ₂₀₀₃	0.53	3.60	4.13	
Total	3.21	17.21	20.42	
Divide by 5	0.64	3.44	4.08	

The SAIFI for the period of 1 April 2009 to 31 March 2010:

	Class B	Class C	Total (B+C)
SAIFI ₂₀₁₀	0.51	3.17	3.68