

ELECTRICITY INVERCARGILL LIMITED

THRESHOLD COMPLIANCE STATEMENT

FOR THE ASSESSMENT DATE, 31 MARCH 2009

*Pursuant to the Commerce Act (Electricity Distribution Thresholds)
Notice 2004 and Amendment Notice 2006*

19 MAY 2009

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**1. DISCLOSURE OF INFORMATION REQUIRED
(CLAUSE 7(1)(a)(i) - THE PRICE PATH THRESHOLD)**

Electricity Invercargill Limited (EIL) complies with all requirements of the price path threshold at the 31 March 2009 assessment date as specified in the Commerce Act (Electricity Distribution Thresholds) Notice 2004 and Amendment Notice 2006 (The Notice).

Clause 5 (1) (a) notional revenue at each assessment date. The Notional Revenue of a distribution business at each assessment date (calculated in accordance with the numerator of the left-hand side of the following expression) is not to exceed the Allowable Notional Revenue of the distribution business under the CPI-X price path at that assessment date (calculated in accordance with the denominator of the left-hand side of the following expression):

Test:	$\frac{NR_{2009}}{R_{2009}}$	≤ 1
Result:	\$10,322,867 / \$11,008,916	< 1
Result:	0.9377	< 1
Result:	Threshold is not breached	

Supporting evidence is presented in Appendices A and B.

Clause 5 (1) (b) notional revenue during each assessment period. The notional revenue of a distribution business at any time during an assessment period is not to exceed the greater of the Allowable Notional Revenue of the distribution business at the assessment date on which that assessment period ends and the Allowable Notional Revenue of the distribution business at the previous assessment date under this clause (or, if the previous assessment date is the reference date, under clause 5 of the initial Notice).

Test:	$\frac{NR_{Max}}{Max(R_{2008}, R_{2009})}$	≤ 1
Result:	\$10,322,867 / \$11,008,916	< 1
Result:	0.9377	< 1
Result:	Threshold is not breached	

Supporting evidence is presented in Appendix C.

NOTIONAL REVENUE

The following information used in determining the calculation of notional revenue of EIL in accordance with The Notice is disclosed.

1. GOODS AND SERVICES

Goods and services included in the calculation of notional revenue of EIL include charges to electricity retailers or customers for the conveyance of electricity services.

2. EXCLUDED SERVICES

The following are excluded services for the calculation of notional revenue:

- (a) Connection, disconnection, or reconnection services: EIL obtains no revenue from these services as other parties perform them.
- (b) "Non conveyance" goods and services: EIL obtains no revenue from the provision of energy use monitoring, consultancy or the provision of information not directly related to the provision of electricity distribution as it does not carry out such services.
- (c) Electricity meters: EIL owns electricity meters and receives revenue from the provision of such meters. The revenue received is a market-based rental in a competitive market. The revenue is generated from equipment that is used for the measurement of usage of electricity and is non-conveyancing revenue.
- (d) Asset additions that are uneconomic to supply: EIL is required to make additions to the network for newly connected customers. The cost of any uneconomic portion of the network addition is borne by the consumer. In all cases the costs of constructing the network addition for the new connection are incurred using independent contractors in a competitive market.
- (e) Other miscellaneous revenue: miscellaneous revenue such as rent, interest and gain on sale of assets are excluded, as they are non-conveyancing revenue.

3. PASS THROUGH COSTS

The following costs have been included in the calculation of notional revenue:

(a) TRANSMISSION CHARGES

These include Transpower Connection and Interconnection charges.

Loss Constraint Excess Payments have been passed through to the Electricity Retailers.

(b) RATES

Territorial Local Authority rates applying to system fixed assets including lines, cables, equipment and substation land and buildings.

(c) ELECTRICITY COMMISSION LEVIES

2. DISCLOSURE OF INFORMATION REQUIRED (CLAUSE 7(1)(a)(ii) – THE QUALITY THRESHOLD)

EIL complies with all requirements of the quality threshold at the 31 March 2009 assessment date, as specified in The Notice.

a. INTERRUPTION DURATION – SAIDI CLAUSE 6 (1) (a)

TEST:
$$SAIDI_{2009} \leq \left(\frac{SAIDI_{1999} + SAIDI_{2000} + SAIDI_{2001} + SAIDI_{2002} + SAIDI_{2003}}{5} \right)$$

32.98 minutes < 35.44 minutes

RESULT: Class B and Class C SAIDI for the twelve months ending on the Assessment Date, 31 March 2009 is less than the five year average Class B and Class C SAIDI (1999 – 2003) by 2.46 minutes.

The Threshold is not breached.

Supporting evidence is presented in Appendix D.

b. INTERRUPTION FREQUENCY – SAIFI - CLAUSE 6 (1) (b)

TEST:
$$SAIFI_{2009} \leq \left(\frac{SAIFI_{1999} + SAIFI_{2000} + SAIFI_{2001} + SAIFI_{2002} + SAIFI_{2003}}{5} \right)$$

0.85 times ≤ 0.99 times

RESULT: Class B and Class C SAIFI for the twelve months ending on the Assessment Date, 31 March 2009 is less than the five year average Class B and Class C SAIFI (1999 – 2003) by 0.14 times.

The Threshold is not breached.

Supporting evidence is presented in Appendix D.

3. DISCLOSURE OF INFORMATION REQUIRED (CLAUSE 7(1)(a)(iii) - POLICIES AND PROCEDURES FOR RECORDING SAIDI AND SAIFI)

EIL contracts PowerNet to manage its network via a Network Asset Management Agreement.

PowerNet has a number of ISO 9002 procedures that govern the operational processes that surround the interruption, restoration and quality of supply to its customers. These procedures document the process by which managing, recording and reporting of outages is performed by PowerNet. This is carried out by following a series of flow charts, documents, forms and instructions contained within the following procedures:

- PNM 65 – Planned Outages
- PNM 69 – Network Faults, Defects and Supply Complaints
- PNM 71 – Use of Operating Orders

Key items within these procedures that relate to the recording and reporting of SAIDI and SAIFI statistics include:

- Responsibilities for recording faults and outages at the system control operator level through to reviewing and reporting of faults and outages daily by management, weekly at operations meetings and monthly at board meetings.
- Methods by which notification of planned and unplanned outages are identified and captured from various sources such as customers, network equipment, contractors, Transpower, the public or emergency services.
- The use of Operating Orders for planned maintenance and unplanned fault restoration and how the information from these orders flow through to the Outage Reporting System in the form of duration of outages and number of customers affected.
- The recording of all faults and outages, however for the reporting of SAIDI and SAIFI only the inclusion of outages of a duration exceeding one minute or affecting more than three customers is recorded.
- The method of calculating SAIDI and SAIFI for outages which are progressively restored.
- The preparation, retention and archiving of supporting records and data.

Disclaimer

The information presented in this Threshold Compliance Statement has been prepared solely for the purpose of complying with the requirements of the Commerce Act (Electricity Distribution Thresholds) Notice 2004 and Amendment Notice 2006. This statement has not been prepared for any other purpose and Electricity Invercargill Limited expressly disclaims any liability to any other party who may rely on this statement for any other purpose.

REPORT OF THE AUDITOR-GENERAL

To the readers of the threshold compliance statement of Electricity Invercargill Limited for the assessment period ended on 31 March 2009

We have audited the attached statement, prepared by Electricity Invercargill Limited for assessment as at 31 March 2009 and dated 19 May 2009. The attached statement is a Threshold Compliance Statement in respect of the price path threshold and the quality threshold, for the purposes of information requirements set out in clause 7 of the Commerce Act (Electricity Distribution Thresholds) Notice 2004 ("the Notice"). In this report the attached statement is called "the threshold compliance statement".

Directors' Responsibilities

Directors of Electricity Invercargill Limited are responsible for the certification, confirming the compliance or otherwise, of the threshold compliance statement in accordance with the Notice.

Auditors' Responsibilities

Section 15 of the Public Audit Act 2001 and clause 7(1)(b) of the Notice require the Auditor-General to audit the threshold compliance statement. It is the responsibility of the Auditor-General to express an independent opinion on the threshold compliance statement and report the opinion to you.

The Auditor-General has appointed Robert Harris of PricewaterhouseCoopers to undertake the audit.

Basis of Opinion - Price Path Threshold and Quality Threshold: SAIDI and SAIFI Statistics for the Assessment Period ended 31 March 2009; and Quality Threshold: Customer Communication

We conducted the audit in accordance with the Auditor-General's Auditing Standards which include the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand.

The audit included examining, on a test basis, evidence relevant to the amounts and disclosures contained on pages 2 to 6 and Appendices A to D of the threshold compliance statement and which relate to:

- the price path threshold set out in clause 5 of the Notice; and
- the SAIDI and SAIFI statistics for the assessment period ended on 31 March 2009 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.

It also included an assessment of the significant estimates and judgements, if any, made by Electricity Invercargill Limited in the preparation of the threshold compliance statement and an 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 explanation 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), except that our work was limited in respect of the quality threshold: SAIDI and SAIFI statistics as explained below. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the threshold compliance statement.

REPORT OF THE AUDITOR-GENERAL

Electricity Invercargill Limited

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 Electricity Invercargill Limited 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

In addition to the audit of the threshold compliance statement we have carried out other audit assignments for Electricity Invercargill Limited. This involved issuing an audit opinion on the annual financial statements for the year ended 31 March 2009 as well as audit certificates pursuant to the Electricity Information Disclosure Requirements 2004. We have also carried out other professional advisory services. Other than these assignments we have no relationship with or interests in Electricity Invercargill Limited.

Opinions

Unqualified Opinion

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 and related information have been prepared in accordance with the Notice, and give a true and fair view of the performance of Electricity Invercargill Limited against that threshold for the assessment period ended on 31 March 2009.

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 2009 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 Electricity Invercargill Limited's policies and procedures for recording SAIDI and SAIFI statistics as disclosed in the threshold compliance statement, and fairly represent the performance of Electricity Invercargill Limited for the assessment period ended on 31 March 2009;
- 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 in clauses 6(1)(a) and 6(1)(b) of the Notice, have been correctly taken from the information disclosed by Electricity Invercargill Limited 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 Electricity Invercargill Limited.

REPORT OF THE AUDITOR-GENERAL

Electricity Invercargill Limited

Qualified Opinion

Our opinion is qualified as follows:

Quality Threshold: SAIDI and SAIFI statistics

The scope of our audit was subject to the following limitations:

- There is no independent evidence available for the period to support the completeness and accuracy of recorded faults; and
- Control over the completeness and accuracy of ICP data included in the SAIDI and SAIFI calculations is limited throughout the period.

Because of these limitations, there are no practical audit procedures that we could adopt to confirm independently that all outage and ICP data was properly recorded for the purposes of inclusion in the amounts or details set out in the quality threshold: SAIDI and SAIFI statistics.

In these respects alone we have not obtained all the information and explanations that we have required.

Because of the potential effect of the limitations in the evidence available to us, we are unable to form an opinion as to whether the amounts or details set out in the quality threshold: SAIDI and SAIFI statistics for the assessment period ended on 31 March 2009, 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 Electricity Invercargill Limited 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 2009.

Our audit was completed on 19 May 2009 and our qualified and unqualified opinions are expressed as at that date.



Robert Harris
On behalf of the Auditor-General
Christchurch, New Zealand
19 May 2009

PricewaterhouseCoopers

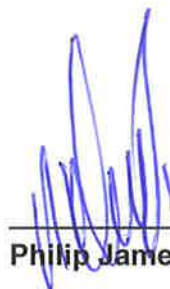
5. CERTIFICATION OF THRESHOLD COMPLIANCE STATEMENT

We, Neil Douglas Boniface and Philip James Mulvey, being Directors of Electricity Invercargill Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached threshold compliance statement of Electricity Invercargill Limited and related information, prepared for the purposes of the Commerce Act (Electricity Distribution Thresholds) Notice 2004 and Amendment Notice 2006 complies with the requirements of that notice.



Neil Douglas Boniface

19 May 2009



Philip James Mulvey

Appendix A

Clause 5 (1) (a)

Notional Revenue at Assessment Date (31 March 2009):

NRT - is the notional revenue for the assessment period ending in calendar year t, being equal to $\sum P_{it}Q_i - K_t$.

Individual Line Charge Customers - These customers generally have contract capacities in excess of 100kVA. These customers have individual profiles which are assessed each year and are used to calculate their individual line charge. There are six profile parameters which the line charges are derived from, these are: The Contract Capacity (kVA), Winter Peak Demand (kVA), Winter Peak Energy (MWh), Winter Day Energy (MWh), Summer Day Energy (MWh), and Total Energy (MWh). Please refer to the Line Pricing Methodology on the PowerNet website for further details. To obtain notional revenue for each of the periods, the individual profile for each customer as at 31 March 2003 was inserted in the pricing model for each of the review years, this allowed us to generate comparable line charges using consistent quantities.

$\sum P_{it}Q_i$:

Customer Name	Capacity Code	Numbers	Fixed Charge per Day	Annual Fixed Charge	Annual Day kWh	Variable Rate c/daykWh	Variable Revenue
EIL City							
Single phase							
1-7.5 kVA (35 amp)	ND08P	6	\$ 0.48	\$ 1,050	21,792	5.138	\$ 1,120
1-7.5 kVA (35 amp)	ND08Q	223	\$ 0.33	\$ 27,137	809,948	5.138	\$ 41,615
7.5-20 kVA (80 amp)	ND20P	346	\$ 0.89	\$ 111,855	2,639,051	5.138	\$ 135,594
7.5-20 kVA (80 amp)	ND20Q	13030	\$ 0.61	\$ 2,923,958	99,383,920	5.138	\$ 5,106,346
20kVA (80 amp) Low	NDL20P	27	\$ 0.15	\$ 1,478	102,616	8.708	\$ 8,936
20kVA (80 amp) Low	NDL20Q	343	\$ -	\$ -	1,303,600	8.708	\$ 113,517
Non-Domestic Single Phase							
0-1 kVA	NS001P	9	\$ 0.34	\$ 1,130	-	5.138	\$ -
0-1 kVA	NS001L	6	\$ 0.07	\$ 160	-	5.138	\$ -
8 kVA 1 Phase - All Peak	NS008P	105	\$ 0.48	\$ 18,369	305,093	5.138	\$ 15,676
8 kVA 1 Phase - With Off Peak	NS008Q	27	\$ 0.33	\$ 3,286	78,452	5.138	\$ 4,031
20 kVA 1 Phase - All Peak	NS020P	362	\$ 0.89	\$ 117,028	2,579,645	5.138	\$ 132,542
20 kVA 1 Phase - With Off Peak	NS020Q	167	\$ 0.61	\$ 37,475	1,190,057	5.138	\$ 61,145
Three phase							
0-15kVA (20 amp)	NT015P	36	\$ 0.74	\$ 9,722	169,980	5.138	\$ 8,734
0-15kVA	NT015Q	12	\$ 0.48	\$ 2,099	56,660	5.138	\$ 2,911
15-30 kVA (45 amp)	NT030P	483	\$ 1.24	\$ 218,606	3,333,137	5.138	\$ 171,257
15-30 kVA	NT030Q	160	\$ 0.84	\$ 49,290	1,098,333	5.138	\$ 56,432
30-50 kVA	NT050P	267	\$ 2.53	\$ 246,766	11,443,152	5.138	\$ 587,949
30-50 kVA	NT050Q	87	\$ 1.72	\$ 54,596	3,728,668	5.138	\$ 191,579
50-75 kVA	NT075P	97	\$ 5.20	\$ 184,092	4,932,331	5.138	\$ 253,423
50-75 kVA	NT075Q	12	\$ 3.78	\$ 16,567	610,185	5.138	\$ 31,351
75-100 kVA	NT100P	46	\$ 6.32	\$ 106,195	5,012,236	5.138	\$ 257,529
75-100 kVA	NT100Q	6	\$ 4.58	\$ 10,041	653,770	5.138	\$ 33,591
Total							
Bluff							
Single Phase							
1-7.5 kVA (35 amp)	BD08P	0	\$ 0.48	\$ -	-	5.138	\$ -
1-7.5 kVA (35 amp)	BD08Q	9	\$ 0.33	\$ 1,095	32,688	5.138	\$ 1,680
7.5-20 kVA (80 amp)	BD20P	140	\$ 0.89	\$ 45,259	1,067,824	5.138	\$ 54,865
7.5-20 kVA (80 amp)	BD20Q	691	\$ 0.61	\$ 155,062	5,270,475	5.138	\$ 270,797
20kVA (80 amp) Low	BDL20P	15	\$ 0.15	\$ 821	59,929	8.708	\$ 5,219
20kVA (80 amp) Low	BDL20Q	17	\$ -	\$ -	67,919	8.708	\$ 5,914
Non-Domestic Single Phase							
0-1 kVA	BS001P	0	\$ 0.34	\$ -	-	5.138	\$ -
0-1 kVA	BS001L	0	\$ 0.07	\$ -	-	5.138	\$ -
8 kVA 1 Phase - All Peak	BS008P	7	\$ 0.48	\$ 1,225	20,340	5.138	\$ 1,045
8 kVA 1 Phase - With Off Peak	BS008Q	2	\$ 0.33	\$ 243	5,811	5.138	\$ 299
20 kVA 1 Phase - All Peak	BS020P	32	\$ 0.89	\$ 10,345	232,452	5.138	\$ 11,943
20 kVA 1 Phase - With Off Peak	BS020Q	6	\$ 0.61	\$ 1,346	43,585	5.138	\$ 2,239
Three phase							
0-15kVA (20 amp)	BT015P	2	\$ 0.74	\$ 540	9,443	5.138	\$ 485
0-15kVA	BT015Q	0	\$ 0.48	\$ -	-	5.138	\$ -
15-30 kVA (45 amp)	BT030P	41	\$ 1.24	\$ 18,557	297,829	5.138	\$ 15,302
15-30 kVA	BT030Q	9	\$ 0.84	\$ 2,773	65,377	5.138	\$ 3,359
30-50 kVA	BT050P	12	\$ 2.53	\$ 11,091	523,016	5.138	\$ 26,873
30-50 kVA	BT050Q	5	\$ 1.72	\$ 3,138	217,923	5.138	\$ 11,197
50-75 kVA	BT075P	9	\$ 5.20	\$ 17,081	457,639	5.138	\$ 23,513
50-75 kVA	BT075Q	3	\$ 3.78	\$ 4,142	152,546	5.138	\$ 7,838
75-100 kVA	BT100P	2	\$ 6.32	\$ 4,617	217,923	5.138	\$ 11,197
75-100 kVA	BT100Q	0	\$ 4.58	\$ -	-	5.138	\$ -
Total		16859		\$ 4,418,234	148,195,346		\$ 7,669,043
Total Group Customers Fixed & Variable Charges							
		172					\$ 12,087,277
Individual Line Charge Customers							
						Annual Line Charge	
ICP Number							
880323NV-EBD						\$	5,171.79
9003081NV-OFF						\$	10,975.31
744600NV-667						\$	5,595.19
740649NV-C13						\$	4,620.68
900390NV-B86						\$	14,627.41
880327NV-FB7						\$	20,079.93
8102959NV-5D5						\$	12,593.49
900350NV-C69						\$	6,562.95
810201NV-DAD						\$	5,008.33

734355NV-C9C						\$	10,497.69
744773NV-6FE						\$	4,242.47
784100NV-DD5						\$	1,641.27
850948NV-9C2						\$	2,075.93
900327NV-4FE						\$	4,151.06
740385NV-DE7						\$	6,574.29
8509005NV-195						\$	5,811.13
900360NV-B91						\$	21,636.61
880344NV-C87						\$	16,783.41
8305374NV-169						\$	9,180.03
8803044NV-797						\$	2,353.29
7433294NV-FC6						\$	6,390.31
743331NV-CBF						\$	6,390.31
900330NV-399						\$	38,548.52
7302788NV-6F7						\$	7,115.55
721862NV-A61						\$	3,951.17
8803601NV-E7B						\$	10,972.56
9003143NV-E91						\$	1,013.41
8548111NV-903						\$	5,243.63
734326NV-501						\$	8,960.69
734325NV-9C1						\$	2,906.18
850920NV-426						\$	2,205.36
9003114NV-B53						\$	959.27
734165NV-163						\$	32,167.08
722703NV-43B						\$	8,388.14
90030815NV-060						\$	11,278.97
734846NV-9FF						\$	1,564.18
900356NV-DE6						\$	14,380.56
8665558NV-6AF						\$	9,799.41
8803767NV-900						\$	4,587.34
880360NV-0D8						\$	10,903.56
740394NV-B0F						\$	9,033.27
9003071NV-0E8						\$	24,043.39
7302277NV-C3B						\$	4,050.20
733379NV-6B7						\$	1,352.69
8509026NV-000						\$	29,616.29
7551948NV-7E0						\$	10,738.40
7301627NV-AD2						\$	5,045.99
9003385NV-2F6						\$	8,826.25
9003117NV-793						\$	13,316.40
7403085NV-205						\$	8,553.17
900305NV-92E						\$	21,169.86
744103NV-5A5						\$	28,761.21
734318NV-162						\$	7,906.66
734470NV-384						\$	9,105.61
754696NV-0EE						\$	7,542.22
831121NV-B96						\$	7,409.32
754690NV-161						\$	5,017.54
9003083NV-07A						\$	27,315.67
900313NV-20C						\$	21,642.07
880314NV-48F						\$	9,260.88
880363NV-C18						\$	8,506.25
880302NV-FAD						\$	13,409.74
8803047NV-B57						\$	7,762.12
73015753NV-A0E						\$	6,684.09
900337NV-E53						\$	3,379.10
8803625NV-224						\$	3,654.35
9003212NV-9DF						\$	4,005.23
7301102NV-5CA						\$	3,607.94
880308NV-D3C						\$	5,862.33
8803164NV-3C6						\$	5,365.80
8803165NV-F83						\$	3,349.17
9003603NV-336						\$	17,435.32
9003051NV-DBD						\$	26,113.82
7757907NV-783						\$	17,139.75
744610NV-CCA						\$	4,972.66
880336NV-95F						\$	25,286.18
880303NV-3E8						\$	9,852.24
880321NV-E38						\$	11,001.41
8665382NV-F7A						\$	14,059.43
721876NV-1C6						\$	8,855.01
750191NV-4A6						\$	7,313.98
880317NV-84F						\$	47,392.67
9003244NV-058						\$	16,621.31
7447592NV-D72						\$	6,413.49
7350104NV-691						\$	3,042.48
743312NV-D2A						\$	8,130.06
8665408NV-7A3						\$	6,452.77
9003243NV-D92						\$	11,047.63
880361NV-C9D						\$	27,886.64
7302979NV-CAE						\$	8,270.76
744655NV-320						\$	5,132.72
880316NV-40A						\$	10,383.87
900325NV-47B						\$	33,709.40
8803034NV-2CA						\$	7,650.40
9003573NV-568						\$	12,381.69
880375NV-73A						\$	13,094.28
880309NV-179						\$	9,514.75
8144266NV-0A8						\$	4,555.42
880329NV-C2C						\$	63,958.96
7205085NV-6A2						\$	5,129.98
8305967NV-D0E						\$	15,255.32
730158NV-F40						\$	3,298.53
7501996NV-A4D						\$	5,025.46
7341792NV-7BE						\$	10,137.62
900381NV-D6E						\$	8,089.25
9003235NV-940						\$	30,146.03
841305NV-777						\$	5,618.53
880397NV-D05						\$	54,375.65
880398NV-2DB						\$	20,507.21
722709NV-6AA						\$	16,510.57
724187NV-3BD						\$	6,578.92

744309NV-D33						\$	7,307.67	
754608NV-C92						\$	2,003.78	
760737NV-A1C						\$	13,288.76	
9003082NV-C3F						\$	8,520.54	
836516NV-9C5						\$	4,682.50	
9003995NV-251						\$	12,229.11	
8803744NV-895						\$	5,656.59	
724195NV-995						\$	5,574.87	
731878NV-ABC						\$	7,612.27	
8305977NV-7A3						\$	11,566.51	
825292NV-886						\$	17,002.56	
900384NV-021						\$	30,772.41	
900383NV-DEB						\$	13,342.53	
730262NV-92A						\$	5,349.27	
7350005NV-3D0						\$	4,867.40	
734360NV-62B						\$	6,956.80	
735249NV-D8B						\$	7,991.79	
9003053NV-D38						\$	17,032.78	
850908NV-B67						\$	37,401.56	
7501257NV-2E9						\$	4,275.68	
7350693NV-BBE						\$	3,124.58	
7447181NV-71E						\$	3,771.47	
900358NV-E7D						\$	8,996.30	
734460NV-929						\$	10,169.45	
8425758NV-FE5						\$	10,335.61	
880330NV-8D0						\$	11,156.18	
900351NV-02C						\$	12,414.60	
7341793NV-BFB						\$	5,181.79	
7406224NV-B78						\$	6,415.23	
734188NV-482						\$	18,060.28	
800449NV-3FB						\$	3,790.27	
9003078NV-EB9						\$	6,501.93	
900308NV-675						\$	39,474.59	
8305981NV-63B						\$	8,449.19	
750123NV-691						\$	11,007.43	
9003165NV-24B						\$	5,882.48	
832431NV-6DE						\$	26,708.16	
900319NV-09D						\$	12,600.60	
740630NV-71F						\$	5,794.20	
9003193NV-3D3						\$	8,384.76	
744586NV-1A1						\$	6,348.48	
744502NV-5E1						\$	6,876.91	
731881NV-4FA						\$	10,413.74	
8509025NV-CC0						\$	32,064.26	
8803032NV-345						\$	6,558.62	
931747NV-783						\$	5,352.52	
933534NV-759						\$	4,333.09	
931777NV-07B						\$	64,081.00	
931775NV-0FE						\$	8,059.79	
930503NV-F8B						\$	12,437.42	
930505NV-E04						\$	2,434.48	
920755NV-4EA						\$	11,459.16	
931776NV-C3E						\$	12,471.11	
930921NV-E57						\$	9,279.27	
931326NV-837						\$	6,418.84	
9406013NV-102						\$	31,550.05	
9406011NV-187						\$	36,681.80	
9408016NV-48D						\$	168,676.19	
931706NV-963						\$	12,593.44	
931760NV-71C						\$	6,673.75	
934525NV-5D1						\$	6,388.23	
Total Individual Line Chagres						\$		2,204,350
ΣP₂₀₀₉Q₁		17031				\$		14,291,627

K₂₀₀₉

Transmission (31 March 2009)						\$		3,895,331
Rates (31 March 2009)						\$		44,009
Electricity Commission Levies (31 March 2009)						\$		29,420
NR₂₀₀₉ = ΣP₂₀₀₉Q₁ - K₂₀₀₉						\$		10,322,867

Appendix B

Clause 5 (1) (a)

Rt - Is the allowable notional revenue under the CPI-X price path at the assessment date occurring in the calendar year t, being equal to Rt-1 (1+CPIt) (1-X), where the initial value for the price path, at the reference date, is R2004.

R2004

Maximum notional revenue at the reference date which would not have cause the distribution business to breach the price path threshold under the initial notice at that date:

Individual Line Charge Customers - These customers generally have contract capacities in excess of 100kVA. These customers have individual profiles which are assessed each year and are used to calculate their individual line charge. There are six profile parameters which the line charges are derived from, these are: The Contract Capacity (kVA), Winter Peak Demand (kVA), Winter Peak Energy (MWh), Winter Day Energy (MWh), Summer Day Energy (MWh), and Total Energy (MWh). Please refer to the Line Pricing Methodology on the PowerNet website for further details. To obtain notional revenue for each of the periods, the individual profile for each customer as at 31 March 2003 was inserted in the pricing model for each of the review years, this allowed us to generate comparable line charges using consistent quantities.

Notional Revenue at the first Assessment Date (6 September 2003)

Customer Name	Capacity Code	Numbers	Fixed Charge per Day	Annual Fixed Charge	Annual Day	Variable Rate c/daykWh	Variable Revenue	
EIL City		31-Mar-03						
Single phase								
1-7.5 kVA (35 amp)	ND08P	6	\$ 0.41	\$ 898	21,792	4.389	\$ 956	
1-7.5 kVA (35 amp)	ND08Q	223	\$ 0.28	\$ 22,791	809,948	4.389	\$ 35,549	
7.5-20 kVA (80 amp)	ND20P	346	\$ 0.76	\$ 95,980	2,639,051	4.389	\$ 115,828	
7.5-20 kVA (80 amp)	ND20Q	13030	\$ 0.52	\$ 2,473,094	99,383,920	4.389	\$ 4,361,960	
20kVA (80 amp) Low	NDL20P	27	\$ 0.21	\$ 2,070	102,616	7.342	\$ 7,534	
20kVA (80 amp) Low	NDL20Q	343	\$ -	\$ -	1,303,600	7.342	\$ 95,710	
Non-Domestic Single Phase								
0-1 kVA	NS001P	9	\$ 0.29	\$ 953	-	4.389	\$ -	
0-1 kVA	NS001L	6	\$ 0.05	\$ 110	-	4.389	\$ -	
8 kVA 1 Phase - All Peak	NS008P	105	\$ 0.41	\$ 15,713	305,093	4.389	\$ 13,391	
8 kVA 1 Phase - With Off Peak	NS008Q	27	\$ 0.28	\$ 2,759	78,452	4.389	\$ 3,443	
20 kVA 1 Phase - All Peak	NS020P	362	\$ 0.76	\$ 100,419	2,579,645	4.389	\$ 113,221	
20 kVA 1 Phase - With Off Peak	NS020Q	167	\$ 0.52	\$ 31,697	1,190,057	4.389	\$ 52,232	
Three phase								
0-15kVA (20 amp)	NT015P	36	\$ 0.62	\$ 8,147	169,980	4.389	\$ 7,460	
0-15kVA	NT015Q	12	\$ 0.41	\$ 1,796	56,660	4.389	\$ 2,487	
15-30 kVA (45 amp)	NT030P	483	\$ 1.06	\$ 186,873	3,333,137	4.389	\$ 146,291	
15-30 kVA	NT030Q	160	\$ 0.72	\$ 42,048	1,098,333	4.389	\$ 48,206	
30-50 kVA	NT050P	267	\$ 2.16	\$ 210,503	11,443,152	4.389	\$ 502,240	
30-50 kVA	NT050Q	87	\$ 1.47	\$ 46,680	3,728,668	4.389	\$ 163,651	
50-75 kVA	NT075P	97	\$ 4.44	\$ 157,198	4,932,331	4.389	\$ 216,480	
50-75 kVA	NT075Q	12	\$ 3.23	\$ 14,147	610,185	4.389	\$ 26,781	
75-100 kVA	NT100P	46	\$ 5.40	\$ 90,666	5,012,236	4.389	\$ 219,987	
75-100 kVA	NT100Q	6	\$ 3.92	\$ 8,585	653,770	4.389	\$ 28,694	
Total								
Bluff								
Single Phase								
1-7.5 kVA (35 amp)	BD08P	0	\$ 0.41	\$ -	-	4.389	\$ -	
1-7.5 kVA (35 amp)	BD08Q	9	\$ 0.28	\$ 920	32,688	4.389	\$ 1,435	
7.5-20 kVA (80 amp)	BD20P	140	\$ 0.76	\$ 38,836	1,067,824	4.389	\$ 46,867	
7.5-20 kVA (80 amp)	BD20Q	691	\$ 0.52	\$ 131,152	5,270,475	4.389	\$ 231,321	
20kVA (80 amp) Low	BDL20P	15	\$ 0.21	\$ 1,150	59,929	7.342	\$ 4,400	
20kVA (80 amp) Low	BDL20Q	17	\$ -	\$ -	67,919	7.342	\$ 4,987	
Non-Domestic Single Phase								
0-1 kVA	BS001P	0	\$ 0.29	\$ -	-	4.389	\$ -	
0-1 kVA	BS001L	0	\$ 0.05	\$ -	-	4.389	\$ -	
8 kVA 1 Phase - All Peak	BS008P	7	\$ 0.41	\$ 1,048	20,340	4.389	\$ 893	
8 kVA 1 Phase - With Off Peak	BS008Q	2	\$ 0.28	\$ 204	5,811	4.389	\$ 255	
20 kVA 1 Phase - All Peak	BS020P	32	\$ 0.76	\$ 8,877	232,452	4.389	\$ 10,202	
20 kVA 1 Phase - With Off Peak	BS020Q	6	\$ 0.52	\$ 1,139	43,585	4.389	\$ 1,913	
Three phase								
0-15kVA (20 amp)	BT015P	2	\$ 0.62	\$ 453	9,443	4.389	\$ 414	
0-15kVA	BT015Q	0	\$ 0.41	\$ -	-	4.389	\$ -	
15-30 kVA (45 amp)	BT030P	41	\$ 1.06	\$ 15,863	297,829	4.389	\$ 13,072	
15-30 kVA	BT030Q	9	\$ 0.72	\$ 2,365	65,377	4.389	\$ 2,869	
30-50 kVA	BT050P	12	\$ 2.16	\$ 9,461	523,016	4.389	\$ 22,955	
30-50 kVA	BT050Q	5	\$ 1.47	\$ 2,683	217,923	4.389	\$ 9,565	
50-75 kVA	BT075P	9	\$ 4.44	\$ 14,585	457,639	4.389	\$ 20,086	
50-75 kVA	BT075Q	3	\$ 3.23	\$ 3,537	152,546	4.389	\$ 6,695	
75-100 kVA	BT100P	2	\$ 5.40	\$ 3,942	217,923	4.389	\$ 9,565	
75-100 kVA	BT100Q	0	\$ 3.92	\$ -	-	4.389	\$ -	
Total		16859		\$ 3,749,338	148,195,346		\$ 6,549,595	
Total Group Customers Fixed & Variable Charges								
								\$ 10,298,933
Individual Line Charge Customers								
		172						
ICP Number							Annual Line Charge	
880323NV-EBD							\$ 4,897	
9003081NV-OFF							\$ 10,197	
744600NV-667							\$ 5,132	
740649NV-C13							\$ 4,433	
900390NV-B86							\$ 13,302	
880327NV-FB7							\$ 18,603	
8102959NV-5D5							\$ 11,735	
900350NV-C69							\$ 6,313	

722709NV-6AA									\$	15,232
724187NV-3BD									\$	6,156
744309NV-D33									\$	6,859
754608NV-C92									\$	1,882
760737NV-A1C									\$	12,140
9003082NV-C3F									\$	5,380
836516NV-9C5									\$	4,396
9003995NV-251									\$	11,216
8803744NV-895									\$	5,211
724195NV-995									\$	5,091
731878NV-ABC									\$	6,946
8305977NV-7A3									\$	10,618
825292NV-886									\$	15,524
900384NV-021									\$	28,217
900383NV-DEB									\$	12,205
730262NV-92A									\$	5,077
7350005NV-3D0									\$	3,343
734360NV-62B									\$	6,796
735249NV-D8B									\$	7,522
9003053NV-D38									\$	15,588
850908NV-B67									\$	34,533
7501257NV-2E9									\$	4,007
7350693NV-BBE									\$	2,989
7447181NV-71E									\$	3,568
900358NV-E7D									\$	8,186
734460NV-929									\$	9,501
8425758NV-FE5									\$	9,574
880330NV-8D0									\$	10,322
900351NV-02C									\$	11,544
7341793NV-BFB									\$	4,905
7406224NV-B78									\$	6,179
734188NV-482									\$	16,639
800449NV-3FB									\$	3,650
9003078NV-EB9									\$	5,887
900308NV-675									\$	39,699
8305981NV-63B									\$	7,798
750123NV-691									\$	10,211
9003165NV-24B									\$	5,646
832431NV-6DE									\$	21,155
900319NV-09D									\$	11,709
740630NV-71F									\$	5,536
9003193NV-3D3									\$	7,603
744586NV-1A1									\$	5,771
744502NV-5E1									\$	6,280
731881NV-4FA									\$	9,538
8509025NV-CC0									\$	29,644
8803032NV-345									\$	6,153
931747NV-783									\$	4,421
933534NV-759									\$	3,962
931777NV-07B									\$	47,632
931775NV-0FE									\$	6,122
930503NV-F8B									\$	9,366
930505NV-E04									\$	2,338
920755NV-4EA									\$	8,672
931776NV-C3E									\$	9,319
930921NV-E57									\$	7,229
931326NV-837									\$	5,050
9406013NV-102									\$	23,730
9406011NV-187									\$	27,601
9408016NV-48D									\$	122,146
931706NV-963									\$	9,883
931760NV-71C									\$	5,141
934525NV-5D1									\$	5,028
Total Individual Line Chagres									\$	1,965,552
EPI2003Qi0			17031						\$	12,264,485

Transmission (Budgeted 31 March 2004)	
CT2003	\$ 2,746,085.86

Rates (Budgeted 31 March 2004)	
CR2003	\$ 23,751.00

EPI2003Qi0 - CT2003 - CR2003	\$ 9,494,648
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ΔCPI_{2005}			
Numerator		Denominator	
<i>CPI</i> _{01,2004}	928	<i>CPI</i> _{01,2005}	913
<i>CPI</i> _{02,2004}	935	<i>CPI</i> _{02,2005}	913
<i>CPI</i> _{03,2004}	941	<i>CPI</i> _{03,2005}	918
<i>CPI</i> _{04,2004}	949	<i>CPI</i> _{04,2005}	924
Total	3753	Total	3669
ΔCPI_{2005}	2.2895%		

ΔCPI_{2006}			
Numerator		Denominator	
<i>CPI</i> _{01,2005}	953	<i>CPI</i> _{01,2006}	928
<i>CPI</i> _{02,2005}	962	<i>CPI</i> _{02,2006}	935
<i>CPI</i> _{03,2005}	973	<i>CPI</i> _{03,2006}	941
<i>CPI</i> _{04,2005}	979	<i>CPI</i> _{04,2006}	949
Total	3867	Total	3753
ΔCPI_{2006}	3.04%		

ΔCPI_{2007}

Numerator		Denominator	
<i>CPI</i> _{Q1,2006}	985	<i>CPI</i> _{Q1,2005}	953
<i>CPI</i> _{Q2,2006}	1000	<i>CPI</i> _{Q2,2005}	962
<i>CPI</i> _{Q3,2006}	1007	<i>CPI</i> _{Q3,2005}	973
<i>CPI</i> _{Q4,2006}	1005	<i>CPI</i> _{Q4,2005}	979
Total	3997	Total	3867
ΔCPI ₂₀₀₇			3.37%

ΔCPI ₂₀₀₈			
Numerator		Denominator	
<i>CPI</i> _{Q1,2007}	1010	<i>CPI</i> _{Q1,2006}	985
<i>CPI</i> _{Q2,2007}	1020	<i>CPI</i> _{Q2,2006}	1000
<i>CPI</i> _{Q3,2007}	1025	<i>CPI</i> _{Q3,2006}	1007
<i>CPI</i> _{Q4,2007}	1037	<i>CPI</i> _{Q4,2006}	1005
Total	4092	Total	3997
ΔCPI ₂₀₀₈			2.38%

ΔCPI ₂₀₀₉			
Numerator		Denominator	
<i>CPI</i> _{Q1,2008}	1044	<i>CPI</i> _{Q1,2007}	1010
<i>CPI</i> _{Q2,2008}	1061	<i>CPI</i> _{Q2,2007}	1020
<i>CPI</i> _{Q3,2008}	1077	<i>CPI</i> _{Q3,2007}	1025
<i>CPI</i> _{Q4,2008}	1072	<i>CPI</i> _{Q4,2007}	1037
Total	4254	Total	4092
ΔCPI ₂₀₀₈			3.96%

For presentation purposes, the CPI Index has been shown to four decimal places, however for the calculation of R2009, the full index (with no rounding) has been applied.

Term	Description	(\$)
<i>X</i>	X Factor Assigned to EIL	0%
<i>R</i> ₂₀₀₄	Maximum Revenue at 31 March 2004 that would not have caused a breach under the Initial Notice	9,494,648
$(1 + \Delta CPI$ ₂₀₀₅ $)$	Average change in Consumer Price Index over 2004	1.0229
$(1-X)$	1-X Factor Assigned	1.00
<i>R</i> ₂₀₀₅	Allowable Notional Revenue under the CPI-X Price Path for the year ended 31 March 2005	9,712,099
$(1 + \Delta CPI$ ₂₀₀₆ $)$	Average change in Consumer Price Index over 2005	1.0304
$(1-X)$	1-X Factor	1.00
<i>R</i> ₂₀₀₆	Allowable Notional Revenue under the CPI-X Price Path for the year ended 31 March 2006	10,007,111
$(1 + \Delta CPI$ ₂₀₀₇ $)$	Average change in Consumer Price Index over 2006	1.0337
$(1-X)$	1-X Factor	1.00
<i>R</i> ₂₀₀₇	Allowable Notional Revenue under the CPI-X Price Path for the year ended 31 March 2007	10,343,891
$(1 + \Delta CPI$ ₂₀₀₈ $)$	Average change in Consumer Price Index over 2007	1.0238
$(1-X)$	1-X Factor	1.00
<i>R</i> ₂₀₀₈	Allowable Notional Revenue under the CPI-X Price Path for the year ended 31 March 2008	10,589,677
$(1 + \Delta CPI$ ₂₀₀₉ $)$	Average change in Consumer Price Index over 2008	1.0396
$(1-X)$	1-X Factor	1.00

Appendix C

Clause 5 (1) (b)

Maximum Notional Revenue for the period 1 April 2008 to 31 March 2009.

The notional revenue of a distribution business at any time during an assessment period is not to exceed the greater of the allowable notional revenue of the distribution business at the assessment date on which that assessment period ends and the notional revenue of the distribution business at the previous assessment date under this clause.

Individual Line Charge Customers - These customers generally have contract capacities in excess of 100kVA. These customers have individual profiles which are assessed each year and are used to calculate their individual line charge. There are six profile parameters which the line charges are derived from, these are: The Contract Capacity (kVA), Winter Peak Demand (kVA), Winter Peak Energy (MWh), Winter Day Energy (MWh), Summer Day Energy (MWh), and Total Energy (MWh). Please refer to the Line Pricing Methodology on the PowerNet website for further details. To obtain notional revenue for each of the periods, the individual profile for each customer as at 31 March 2003 was inserted in the pricing model for each of the review years, this allowed us to generate comparable line charges using consistent quantities.

$$\Sigma P_{MAX} Q_{i-K}$$

$\Sigma P_{max} Q_i$:

Total Group Customers Fixed & Variable Charges	Refer to schedule A for detail	\$	12,087,277
Total Individual Line Charges	Refer to schedule A for detail	\$	2,204,350
$\Sigma P_{12009} Q_i$		\$	14,291,627

K_{2009}

Transmission (31 March 2009)	\$	3,895,331
Rates (31 March 2009)	\$	44,009
Electricity Commission Levies (31 March 2009)	\$	29,420
$NR_{2009max} = \Sigma P_{2009max} Q_i - K_{2009}$	\$	10,322,867

Term	Description	(\$)
$SP_{MAX} Q_i$	Maximum Price Between 1 April 2008 and 31 March 2009 multiplied by 31 March 2003 Base Quantities	14,291,627
K_{2009}	Transmission Charges for year ending 31 March 2009	3,895,331
	Rates Charges for year ending 31 March 2009	44,009
	Electricity Commission Levies for year ending 31 March 2009	29,420
R_{MAX}	Maximum Notional Revenue for 1 April 2008 to 31 March 2009	10,322,867

Notional Revenue during the period is not to exceed the maximum of the Allowable Notional Revenue at the end of the assessment period and the Allowable Notional Revenue at the end of the previous assessment period		
Term	Description	(\$)
NR_{Max}	Maximum Notional Revenue for 1 April 2008 to 31 March 2009	10,322,867
R_{2008}	Allowable Notional Revenue at 31 March 2008	10,589,677
R_{2009}	Allowable Notional Revenue at 31 March 2009	11,008,916
$Max(R_{2008}, R_{2009})$	Maximum of the Allowable Notional Revenue at 31 March 2008 and the Allowable Notional Revenue at 31 March 2009	11,008,916

Appendix D

Electricity Invercargill Limited
Commerce Act (Electricity Distribution Thresholds) Notice 2004 and Amendment Notice 2006
Quality Inputs and Calculations for the
Assessment Date 31 March 2009

Year	SAIDI (Interruption Duration)			SAIFI (Interruption Frequency)		
	Class B	Class C	Total	Class B	Class C	Total
1999	7.70	43.40	51.10	0.07	1.27	1.34
2000	4.70	29.00	33.70	0.11	0.53	0.64
2001	4.00	31.00	35.00	0.05	1.07	1.12
2002	4.00	32.00	36.00	0.04	1.12	1.16
2003	2.00	19.40	21.40	0.01	0.69	0.70
Five Year Average	4.48	30.96	35.44	0.06	0.94	0.99
2004	4.50	45.10	49.60	0.03	1.25	1.28
2005	2.11	13.28	15.39	0.03	0.25	0.28
2006	0.21	18.87	19.08	-	0.54	0.54
2007	0.32	35.33	35.65	-	1.21	1.21
2008	-	54.78	54.78	-	1.15	1.15
2009	0.01	32.98	32.98	0.00	0.85	0.85