

THE POWER COMPANY 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)**

The Power Company Limited (TPCL) does not comply 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:	\$27,603,127 / \$21,098,331	> 1
Result:	1.3083	> 1
Result:	Threshold is breached by \$6,504,796	

The Power Company Limited increased its line charges on 1 April 2005, 1 April 2006, 1 April 2007 and 1 April 2008. The price increases on 1 April 2008 are those in effect on the assessment date 31 March 2009. The price increases have resulted in breaches in excess of \$2,600,000, \$4,000,000, \$5,600,000 and \$6,500,000 in the 31 March 2006, 31 March 2007, 31 March 2008 and 31 March 2009 assessment dates.

The high level reasons for The Power Company Limited increasing its prices which resulted in the price path breach for the assessment period ended 31 March 2009 are:

- The need to reinvest in the network assets in the long term interest of the stakeholders.
- The past levels of Return on Investment and prices were unsustainably low and could result in the revenue streams being insufficient to sustain the value of the network.

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:	$\frac{NR_{Max}}{Max(R_{2008}, R_{2009})} \leq 1$	
Result:	\$27,603,127 / \$21,098,331	> 1
Result:	1.3083	> 1
Result:	Threshold is breached by	\$6,504,796

Supporting evidence is presented in Appendix C.

NOTIONAL REVENUE

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

1. GOODS AND SERVICES

Goods and services included in the calculation of notional revenue of TPCL 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: TPCL obtains no revenue from these services as other parties perform them.
- (b) “Non conveyance” goods and services: TPCL 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: TPCL 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: TPCL 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 and embedded generator avoided transmission 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)

TPCL 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:	$SAIDI_{2009} \leq \left(\frac{SAIDI_{1999} + SAIDI_{2000} + SAIDI_{2001} + SAIDI_{2002} + SAIDI_{2003}}{5} \right)$
	212.42 minutes < 240.28 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 27.86 minutes. The Threshold is not breached.

Supporting evidence is presented in Appendix D.

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

TEST:	$SAIFI_{2009} \leq \left(\frac{SAIFI_{1999} + SAIFI_{2000} + SAIFI_{2001} + SAIFI_{2002} + SAIFI_{2003}}{5} \right)$
	4.11 times < 4.32 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 0.21 times. The Threshold is not breached.

Supporting evidence is presented in Appendix D.

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

TPCL 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 The Power Company Limited expressly disclaims any liability to any other party who may rely on this statement for any other purpose.

AUDITORS' REPORT ON THRESHOLD COMPLIANCE STATEMENT

To the readers of the threshold compliance statement of The Power Company Limited for the assessment period ended on 31 March 2009

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 The Power Company Limited for assessment as at 31 March 2009 and dated 19 May 2009 for the purposes of information requirements set out in clause 7 of the Commerce Act (Electricity Lines Thresholds) Notice 2004 ("the Notice"). In this report the attached statement is called "the threshold compliance statement".

Directors' Responsibilities

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

Auditors' Responsibilities

It is our responsibility to express an independent opinion (in the form prescribed in the Notice) on the threshold compliance statement 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 and Quality Threshold: SAIDI and SAIFI Statistics for the Assessment Period ended 31 March 2009; and Quality Threshold: Customer Communication

Our audit included examination, on a test basis, of 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 The Power Company 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.

AUDITORS' REPORT ON THRESHOLD COMPLIANCE STATEMENT

The Power Company 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 The Power Company 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

We have no relationship with or interests in The Power Company Limited other than in our capacities as auditors of the threshold compliance statements and in the provision of other professional advisory services. We are not aware of any relationships between our firm and The Power Company Limited that, in our professional judgment, may reasonably be thought to impair our independence.

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 The Power Company 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 The Power Company Limited's policies and procedures for recording SAIDI and SAIFI statistics as disclosed in the threshold compliance statement, and fairly represent the performance of The Power Company 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 The Power Company 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 The Power Company Limited.

AUDITORS' REPORT ON THRESHOLD COMPLIANCE STATEMENT

The Power Company 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 The Power Company 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.



PricewaterhouseCoopers
Christchurch
19 May 2009

5. CERTIFICATION OF THRESHOLD COMPLIANCE STATEMENT

We, Maryann Louise Macpherson and Cameron Andrew McCulloch, being Directors of The Power Company Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached threshold compliance statement of The Power Company 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, except in respect of Clauses 5(1)(a) and 5(1)(b).



Maryann Louise Macpherson



Cameron Andrew McCulloch

19 May 2009

Appendix A

Clause 5 (1) (a)

Notional Revenue at Assessment Date (31 March 2009):

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

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.

$\sum P_{i,t} Q_i$:

Contract Capacity Group	Code	Number of Consumers	Fixed Charge per day	Annual Fixed Charge	Annual Day kWh	Variable Rate c/daykWh	Annual Variable Charge
TPCL Urban Domestic		31-Mar-03					
Small Domestic (8kVA 1 Phase) - All Peak	UD08P	31	\$ 0.6420	\$ 7,264	112,542	5.866	\$ 6,602
Small Domestic (8kVA 1 Phase) - With Off Peak	UD08Q	374	\$ 0.4201	\$ 57,348	1,357,760	5.866	\$ 79,646
Standard Domestic (20kVA 1 Phase) - All Peak	UD20P	984	\$ 1.1553	\$ 414,938	7,644,698	5.866	\$ 448,438
Standard Domestic (20kVA 1 Phase) - With Off Peak	UD20Q	12712	\$ 0.8054	\$ 3,736,959	98,759,560	5.866	\$ 5,793,236
10% Fixed Charge Option - All Peak	UDL20P	69	\$ 0.1500	\$ 3,778	225,446	10.132	\$ 22,842
10% Fixed Charge Option - With Off Peak	UDL20Q	292	\$ -	\$ -	954,063	10.132	\$ 96,666
Non-Domestic Single Phase							
Street Lights (1 Phase)	US001L	12	\$ 0.0933	\$ 409	-	5.866	\$ -
1 kVA 1 Phase - All Peak	US001P	24	\$ 0.4551	\$ 3,987	8,713	5.866	\$ 511
8 kVA 1 Phase - All Peak	US008P	171	\$ 0.6420	\$ 40,070	124,159	5.866	\$ 7,283
8 kVA 1 Phase - With Off Peak	US008Q	36	\$ 0.4201	\$ 5,520	26,139	5.866	\$ 1,533
20 kVA 1 Phase - All Peak	US020P	383	\$ 1.1553	\$ 161,505	2,502,781	5.866	\$ 146,813
20 kVA 1 Phase - With Off Peak	US020Q	154	\$ 0.8054	\$ 45,272	1,006,340	5.866	\$ 59,032
Non-Domestic Three Phase							
15 kVA 3 Phase - All Peak	UT015P	42	\$ 0.9570	\$ 14,671	182,971	5.866	\$ 10,733
15 kVA 3 Phase - With Off Peak	UT015Q	19	\$ 0.6302	\$ 4,370	82,773	5.866	\$ 4,855
30 kVA 3 Phase - All Peak	UT030P	579	\$ 1.6221	\$ 342,807	5,044,769	5.866	\$ 295,926
30 kVA 3 Phase - With Off Peak	UT030Q	121	\$ 1.0854	\$ 47,937	1,054,261	5.866	\$ 61,843
50 kVA 3 Phase - All Peak	UT050P	276	\$ 3.2910	\$ 331,535	11,422,612	5.866	\$ 670,050
50 kVA 3 Phase - With Off Peak	UT050Q	102	\$ 2.2407	\$ 83,421	4,221,400	5.866	\$ 247,627
75 kVA 3 Phase - All Peak	UT075P	99	\$ 7.9824	\$ 288,444	5,247,344	5.866	\$ 307,809
75 kVA 3 Phase - With Off Peak	UT075Q	26	\$ 5.3800	\$ 51,056	1,378,090	5.866	\$ 80,839
100 kVA 3 Phase - All Peak	UT100P	8	\$ 14.7861	\$ 43,175	865,481	5.866	\$ 50,769
100 kVA 3 Phase - With Off Peak	UT100Q	2	\$ 10.2698	\$ 7,497	214,918	5.866	\$ 12,607
TPCL Rural Domestic							
Small Domestic (8kVA 1 Phase) - All Peak	RD08P	43	\$ 0.7236	\$ 11,357	156,106	5.866	\$ 9,157
Small Domestic (8kVA 1 Phase) - With Off Peak	RD08Q	304	\$ 0.4902	\$ 54,393	1,103,634	5.866	\$ 64,739
Standard Domestic (20kVA 1 Phase) - All Peak	RD20P	969	\$ 1.3304	\$ 470,543	7,528,163	5.866	\$ 441,602
Standard Domestic (20kVA 1 Phase) - With Off Peak	RD20Q	6601	\$ 0.9103	\$ 2,193,245	51,283,186	5.866	\$ 3,008,272
10% Fixed Charge Option - All Peak	RDL20P	68	\$ 0.1500	\$ 3,723	222,179	10.132	\$ 22,511
10% Fixed Charge Option - With Off Peak	RDL20Q	104	\$ 0.0500	\$ 1,898	339,803	10.132	\$ 34,429
Non-Domestic Single Phase							
Street Lights (1 Phase)	RS001L	11	\$ 0.1050	\$ 422	-	5.866	\$ -
1 kVA 1 Phase - All Peak	RS001P	119	\$ 0.4551	\$ 19,767	43,201	5.866	\$ 2,534
8 kVA 1 Phase - All Peak	RS008P	729	\$ 0.7236	\$ 192,539	529,309	5.866	\$ 31,049
8 kVA 1 Phase - With Off Peak	RS008Q	103	\$ 0.4902	\$ 18,429	74,786	5.866	\$ 4,387
20 kVA 1 Phase - All Peak	RS020P	2174	\$ 1.3304	\$ 1,055,686	13,486,593	5.866	\$ 791,124
20 kVA 1 Phase - With Off Peak	RS020Q	267	\$ 0.9103	\$ 88,713	1,656,357	5.866	\$ 97,162
Non-Domestic Three Phase							
15 kVA 3 Phase - All Peak	RT015P	144	\$ 1.0854	\$ 57,049	627,329	5.866	\$ 36,799
15 kVA 3 Phase - With Off Peak	RT015Q	22	\$ 0.7353	\$ 5,904	95,842	5.866	\$ 5,622
30 kVA 3 Phase - All Peak	RT030P	2507	\$ 1.8555	\$ 1,697,885	22,753,375	5.866	\$ 1,334,713
30 kVA 3 Phase - With Off Peak	RT030Q	369	\$ 1.2604	\$ 169,757	3,349,021	5.866	\$ 196,454
50 kVA 3 Phase - All Peak	RT050P	347	\$ 3.7695	\$ 477,426	14,361,037	5.866	\$ 842,418
50 kVA 3 Phase - With Off Peak	RT050Q	443	\$ 2.5791	\$ 417,028	18,334,120	5.866	\$ 1,075,479
75 kVA 3 Phase - All Peak	RT075P	56	\$ 9.5812	\$ 195,840	2,968,195	5.866	\$ 174,114
75 kVA 3 Phase - With Off Peak	RT075Q	12	\$ 6.4536	\$ 28,267	636,042	5.866	\$ 37,310

100 kVA 3 Phase - All Peak	RT100P	17	\$ 17,7620	\$ 110,213	1,851,491	5,866	\$ 108,608	
100 kVA 3 Phase - With Off Peak	RT100Q	0	\$ 12,3237	\$ -	-	5,866	\$ -	
Total		31925		\$ 12,962,045	283,836,588		\$ 16,724,146	
Total Group Customers Fixed & Variable Charges								\$ 29,686,191
Individual Line Charge Customers								
		186						
ICP Number					Annual Line Charge			
396516TP-CB8					\$ 21,916.72			
396517TP-0FD					\$ 26,047.60			
800105TP-315					\$ 785,862.98			
800116TP-578					\$ 162,680.40			
800134TP-8A8					\$ 494,946.97			
8001365TP-9E5					\$ 44,082.44			
800127TP-EC5					\$ 16,652.44			
800139TP-7F3					\$ 13,896.62			
800107TP-390					\$ 11,714.65			
800118TP-6E3					\$ 9,527.53			
800128TP-11B					\$ 9,720.50			
8001281TP-B51					\$ 6,466.85			
8001275TP-A4C					\$ 13,099.46			
118447TP-ECC					\$ 14,634.35			
800146TP-D70					\$ 702,685.20			
502013TP-4D1					\$ 5,245.09			
304798TP-4EA					\$ 13,306.03			
800186TP-A9F					\$ 38,485.45			
8001708TP-54F					\$ 26,696.88			
1819183TP-528					\$ 5,982.23			
482021TP-8E5					\$ 9,122.56			
100109TP-F16					\$ 8,559.77			
800158TP-446					\$ 468,929.10			
8001315TP-CB8					\$ 68,949.58			
437074TP-48B					\$ 88,210.21			
437078TP-795					\$ 146,215.57			
4370715TP-029					\$ 26,356.92			
437077TP-84B					\$ 11,068.55			
800155TP-B1D					\$ 26,697.31			
8001875TP-046					\$ 2,884.07			
5678995TP-502					\$ 6,928.58			
800133TP-562					\$ 7,630.30			
141326TP-DAF					\$ 16,182.16			
800163TP-D6A					\$ 25,319.74			
444030TP-F7D					\$ 13,682.85			
549615TP-72D					\$ 5,159.06			
800124TP-205					\$ 71,144.98			
556470TP-E14					\$ 17,702.44			
556472TP-E91					\$ 5,846.44			
240526TP-6BD					\$ 7,863.29			
8001505TP-013					\$ 8,926.22			
5290993TP-D4F					\$ 5,082.63			
221318TP-720					\$ 7,600.02			
5791954TP-B19					\$ 3,037.03			
8001815TP-FB6					\$ 98,132.09			
8001801TP-411					\$ 71,893.88			
800181TP-755					\$ 20,731.01			
579155TP-BA6					\$ 6,932.09			
314914TP-C54					\$ 24,151.14			
4004001TP-401					\$ 6,212.56			
5672985TP-1EF					\$ 5,064.56			
313732TP-2E5					\$ 13,513.70			
362484TP-9C2					\$ 25,005.77			
404955TP-F5E					\$ 5,355.60			
405545TP-85F					\$ 25,625.06			
405508TP-5A1					\$ 18,737.91			
405350TP-9BB					\$ 9,735.52			
800153TP-A92					\$ 7,230.49			
8001305TP-615					\$ 5,739.14			
116195TP-ECE					\$ 10,000.88			
5791985TP-A1E					\$ 5,994.76			
110146TP-A8C					\$ 6,345.40			
241126TP-B1C					\$ 8,956.79			
166724TP-C86					\$ 11,641.24			
690224TP-CD4					\$ 6,468.74			
250351TP-0CD					\$ 13,163.21			
177096TP-8F2					\$ 9,700.63			
800151TP-A17					\$ 5,281.31			
181105TP-28D					\$ 7,011.96			
240375TP-473					\$ 9,205.69			
8001245TP-DB4					\$ 36,400.41			
517704TP-375					\$ 5,670.25			
637250TP-A0B					\$ 13,476.21			
1819179TP-7AE					\$ 9,412.14			
625837TP-99A					\$ 8,628.88			
800114TP-5FD					\$ 18,499.62			
556467TP-973					\$ 19,384.24			
800103TP-29A					\$ 3,102.36			
569640TP-BA7					\$ 3,807.20			
800130TP-9A2					\$ 17,988.33			
568791TP-204					\$ 6,438.21			
521003TP-551					\$ 6,069.76			
564570TP-57C					\$ 2,344.60			
5791016TP-030					\$ 2,988.17			
181975TP-7DD					\$ 8,719.66			

400440TP-B34					\$	3,902.35		
418284TP-E36					\$	49,632.35		
4182832TP-IBD					\$	30,985.98		
4182836TP-0B7					\$	30,477.04		
530906TP-856					\$	21,419.37		
800164TP-0A0					\$	38,870.33		
405190TP-453					\$	8,109.93		
180710TP-2C9					\$	7,614.11		
8001695TP-CF7					\$	26,740.36		
800147TP-135					\$	8,038.66		
800150TP-652					\$	7,355.00		
142817TP-7FC					\$	7,345.17		
589190TP-49A					\$	7,242.61		
116167TP-E5C					\$	6,889.47		
118468TP-C47					\$	7,973.57		
1015827TP-5C5					\$	9,228.39		
190101TP-AC6					\$	9,280.50		
800169TP-FFB					\$	8,036.63		
249945TP-521					\$	12,272.39		
364828TP-B0F					\$	8,762.30		
110197TP-B8B					\$	9,064.79		
426599TP-D2E					\$	17,587.03		
192544TP-A6D					\$	15,422.36		
192519TP-D3E					\$	5,738.39		
1186119TP-9E7					\$	14,093.58		
118615TP-C46					\$	15,605.36		
1186118TP-5A2					\$	13,674.70		
543645TP-165					\$	10,694.75		
6204408TP-3FB					\$	39,640.75		
8001318TP-3E3					\$	1,928.21		
6204407TP-C25					\$	25,623.55		
6204405TP-CA0					\$	9,392.14		
6204404TP-0E5					\$	42,972.01		
204735TP-7C2					\$	6,302.66		
190184TP-2C3					\$	6,441.48		
525441TP-DF0					\$	5,745.93		
633604TP-988					\$	5,683.77		
615269TP-92F					\$	24,943.00		
181972TP-A17					\$	6,309.46		
800152TP-6D7					\$	41,360.10		
800170TP-B07					\$	108,796.10		
642956TP-513					\$	9,784.31		
625880TP-6E2					\$	9,320.64		
800104TP-F50					\$	22,018.83		
8001045TP-7B3					\$	18,357.43		
5791226TP-DCF					\$	8,999.48		
549325TP-5D0					\$	10,316.65		
643847TP-B5F					\$	23,860.27		
6438485TP-221					\$	4,810.76		
6438465TP-89B					\$	27,785.65		
157641TP-7B1					\$	6,192.31		
800132TP-927					\$	3,777.08		
632751TP-46B					\$	4,126.88		
800113TP-837					\$	10,040.75		
579184TP-AA1					\$	3,212.61		
568266TP-ADC					\$	23,768.41		
5682737TP-04F					\$	12,690.77		
300360TP-C68					\$	1,031.91		
405769TP-C13					\$	17,820.93		
617670TP-292					\$	36,959.72		
112267TP-BDF					\$	7,288.93		
800171TP-742					\$	201,994.97		
632798TP-DD5					\$	4,166.43		
634528TP-0A0					\$	2,300.38		
176643TP-F59					\$	5,782.47		
800121TP-F4A					\$	55,489.72		
482074TP-DA2					\$	9,819.82		
800125TP-E40					\$	174,153.97		
8001011TP-EB1					\$	12,638.59		
400495TP-B39					\$	15,052.45		
800120TP-30F					\$	2,509.47		
595728TP-15B					\$	13,778.86		
184621TP-6F0					\$	3,112.89		
5791154TP-B14					\$	7,429.11		
482070TP-CA8					\$	15,311.77		
656382TP-D30					\$	2,299.61		
800131TP-5E7					\$	69,832.63		
520373TP-2AF					\$	25,162.15		
184687TP-F60					\$	7,322.53		
150931TP-983					\$	21,405.68		
150925TP-224					\$	18,165.70		
3860754TP-8CD					\$	109,084.88		
389997TP-83A					\$	9,613.74		
389990TP-5F0					\$	9,059.09		
389999TP-BA1					\$	17,319.52		
800167TP-C60					\$	17,672.95		
800161TP-DEF					\$	29,137.55		
8001611TP-8B7					\$	2,392.63		
143131TP-38F					\$	12,011.71		
181911TP-927					\$	7,836.07		
235545TP-814					\$	8,169.21		

150910TP-893				\$	47,208.79		
150912TP-816				\$	35,085.49		
624649TP-8F7				\$	6,154.23		
800166TP-025				\$	19,572.83		
416731TP-C0E				\$	14,506.52		
624606TP-58C				\$	6,516.76		
1164012TP-00A				\$	14,702.56		
424510TP-575				\$	21,982.84		
800149TP-2AE				\$	20,812.14		
8001015TP-FBB				\$	13,660.52		
Total Individual Line Chagres						\$	6,173,101
$\Sigma P_{2009} Q_i$		32111				\$	35,859,292

K₂₀₀₉

Transmission (31 March 2009)	\$8,079,994.83
Rates (31 March 2009)	\$ 107,472.75
Electricity Commission Levies (31 March 2009)	\$ 68,697.22
NR₂₀₀₉ = $\Sigma P_{2009} Q_i$ - K₂₀₀₉	27,603,127

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 $Rt-1 (1+CPI) (1-X)$, 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 caused 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)

Contract Capacity Group	Code	Number of Consumers	Fixed Charge per day	Annual Fixed Charge	Annual Day kWh's	Variable Rate c/daykWh	Annual Variable Charge
TPCL Urban Domestic		31-Mar-03					
Small Domestic (8kVA 1 Phase) - All Peak	UD08P	31	\$ 0.41	\$ 4,639	112542	3.998	\$ 4,499
Small Domestic (8kVA 1 Phase) - With Off Peak	UD08Q	374	\$ 0.28	\$ 38,223	1357760	3.998	\$ 54,283
Standard Domestic (20kVA 1 Phase) - All Peak	UD20P	984	\$ 0.76	\$ 272,962	7644698	3.998	\$ 305,635
Standard Domestic (20kVA 1 Phase) - With Off Peak	UD20Q	12712	\$ 0.52	\$ 2,412,738	98759560	3.998	\$ 3,948,407
10% Fixed Charge Option - All Peak	UDL20P	69	\$ 0.21	\$ 5,289	225446	6.832	\$ 15,402
10% Fixed Charge Option - With Off Peak	UDL20Q	292	\$ -	\$ -	954063	6.832	\$ 65,182
Non-Domestic Single Phase							
Street Lights (1 Phase)	US001L	12	\$ 0.06	\$ 263	0	3.998	\$ -
1 kVA 1 Phase - All Peak	US001P	24	\$ 0.30	\$ 2,628	8713	3.998	\$ 348
8 kVA 1 Phase - All Peak	US008P	171	\$ 0.41	\$ 25,590	124159	3.998	\$ 4,964
8 kVA 1 Phase - With Off Peak	US008Q	36	\$ 0.28	\$ 3,679	26139	3.998	\$ 1,045
20 kVA 1 Phase - All Peak	US020P	383	\$ 0.76	\$ 106,244	2502781	3.998	\$ 100,061
20 kVA 1 Phase - With Off Peak	US020Q	154	\$ 0.52	\$ 29,229	1006340	3.998	\$ 40,233
Non-Domestic Three Phase							
15 kVA 3 Phase - All Peak	UT015P	42	\$ 0.63	\$ 9,658	182971	3.998	\$ 7,315
15 kVA 3 Phase - With Off Peak	UT015Q	19	\$ 0.42	\$ 2,913	82773	3.998	\$ 3,309
30 kVA 3 Phase - All Peak	UT030P	579	\$ 1.07	\$ 226,128	5044769	3.998	\$ 201,690
30 kVA 3 Phase - With Off Peak	UT030Q	121	\$ 0.72	\$ 31,799	1054261	3.998	\$ 42,149
50 kVA 3 Phase - All Peak	UT050P	276	\$ 2.17	\$ 218,606	11422612	3.998	\$ 456,676
50 kVA 3 Phase - With Off Peak	UT050Q	102	\$ 1.48	\$ 55,100	4221400	3.998	\$ 168,772
75 kVA 3 Phase - All Peak	UT075P	99	\$ 5.27	\$ 190,431	5247344	3.998	\$ 209,789
75 kVA 3 Phase - With Off Peak	UT075Q	26	\$ 3.55	\$ 33,690	1378090	3.998	\$ 55,096
100 kVA 3 Phase - All Peak	UT100P	8	\$ 9.77	\$ 28,528	865481	3.998	\$ 34,602
100 kVA 3 Phase - With Off Peak	UT100Q	2	\$ 6.78	\$ 4,949	214918	3.998	\$ 8,592
TPCL Rural Domestic							
Small Domestic (8kVA 1 Phase) - All Peak	RD08P	43	\$ 0.47	\$ 7,377	156106	3.998	\$ 6,241
Small Domestic (8kVA 1 Phase) - With Off Peak	RD08Q	304	\$ 0.32	\$ 35,507	1103634	3.998	\$ 44,123
Standard Domestic (20kVA 1 Phase) - All Peak	RD20P	969	\$ 0.88	\$ 311,243	7528163	3.998	\$ 300,976
Standard Domestic (20kVA 1 Phase) - With Off Peak	RD20Q	6601	\$ 0.60	\$ 1,445,619	51283186	3.998	\$ 2,050,302
10% Fixed Charge Option - All Peak	RDL20P	68	\$ 0.25	\$ 6,205	222179	6.832	\$ 15,179
10% Fixed Charge Option - With Off Peak	RDL20Q	104	\$ 0.05	\$ 1,898	339803	6.832	\$ 23,215
Non-Domestic Single Phase							
Street Lights (1 Phase)	RS001L	11	\$ 0.07	\$ 281	0	3.998	\$ -
1 kVA 1 Phase - All Peak	RS001P	119	\$ 0.30	\$ 13,031	43201	3.998	\$ 1,727
8 kVA 1 Phase - All Peak	RS008P	729	\$ 0.47	\$ 125,060	529309	3.998	\$ 21,162
8 kVA 1 Phase - With Off Peak	RS008Q	103	\$ 0.32	\$ 12,030	74786	3.998	\$ 2,990
20 kVA 1 Phase - All Peak	RS020P	2174	\$ 0.88	\$ 698,289	13486593	3.998	\$ 539,194
20 kVA 1 Phase - With Off Peak	RS020Q	267	\$ 0.60	\$ 58,473	1656357	3.998	\$ 66,221
Non-Domestic Three Phase							
15 kVA 3 Phase - All Peak	RT015P	144	\$ 0.72	\$ 37,843	627329	3.998	\$ 25,081
15 kVA 3 Phase - With Off Peak	RT015Q	22	\$ 0.48	\$ 3,854	95842	3.998	\$ 3,832
30 kVA 3 Phase - All Peak	RT030P	2507	\$ 1.23	\$ 1,125,518	22753375	3.998	\$ 909,680
30 kVA 3 Phase - With Off Peak	RT030Q	369	\$ 0.83	\$ 111,789	3349021	3.998	\$ 133,894
50 kVA 3 Phase - All Peak	RT050P	347	\$ 2.49	\$ 315,371	14361037	3.998	\$ 574,154
50 kVA 3 Phase - With Off Peak	RT050Q	443	\$ 1.70	\$ 274,882	18334120	3.998	\$ 732,998
75 kVA 3 Phase - All Peak	RT075P	56	\$ 6.32	\$ 129,181	2968195	3.998	\$ 118,668
75 kVA 3 Phase - With Off Peak	RT075Q	12	\$ 4.26	\$ 18,659	636042	3.998	\$ 25,429
100 kVA 3 Phase - All Peak	RT100P	17	\$ 11.72	\$ 72,723	1851491	3.998	\$ 74,023
100 kVA 3 Phase - With Off Peak	RT100Q	0	\$ 8.14	\$ -	0	3.998	\$ -
Total		31925		\$ 8,508,117	283836588		\$ 11,397,141
Total Group Customers Fixed & Variable Charges							\$ 19,905,258
Individual Line Charge Customers		186					
ICP Number				Annual Line Charge			
396516TP-CB8				\$ 15,495			
396517TP-0FD				\$ 18,823			
800105TP-315				\$ 688,171			
800116TP-578				\$ 132,525			
800134TP-8A8				\$ 373,677			
8001365TP-9E5				\$ 33,312			
800127TP-EC5				\$ 12,158			
800139TP-7F3				\$ 10,377			
800107TP-390				\$ 9,420			
800118TP-6E3				\$ 7,497			
800128TP-11B				\$ 7,386			
8001281TP-B51				\$ 4,833			
8001275TP-A4C				\$ 9,978			
118447TP-ECC				\$ 6,996			
800146TP-D70				\$ 1,408,660			
502013TP-4D1				\$ 4,502			
304798TP-4EA				\$ 8,959			
800186TP-A9F				\$ 25,229			
8001708TP-54F				\$ 20,182			
1819183TP-528				\$ 4,828			
482021TP-8E5				\$ 6,646			

100109TP-F16				\$	6,890			
800158TP-446				\$	339,224			
8001315TP-CB8				\$	90,219			
437074TP-48B				\$	67,495			
437078TP-795				\$	89,371			
4370715TP-029				\$	19,890			
437077TP-84B				\$	8,122			
800155TP-B1D				\$	21,247			
8001875TP-046				\$	2,210			
5678995TP-502				\$	5,800			
800133TP-562				\$	6,145			
141326TP-DAF				\$	11,565			
800163TP-D6A				\$	14,765			
444030TP-F7D				\$	9,308			
549615TP-72D				\$	4,341			
800124TP-205				\$	61,147			
556470TP-E14				\$	14,999			
556472TP-E91				\$	4,639			
240526TP-6BD				\$	6,127			
8001505TP-013				\$	7,117			
5290993TP-D4F				\$	4,264			
221318TP-720				\$	5,586			
5791954TP-B19				\$	2,453			
8001815TP-FB6				\$	66,043			
8001801TP-411				\$	49,331			
800181TP-755				\$	14,192			
579155TP-BA6				\$	5,773			
514914TP-CS4				\$	17,459			
4004001TP-401				\$	3,961			
5672985TP-1EF				\$	3,881			
313732TP-2E5				\$	10,037			
362484TP-9C2				\$	10,113			
404955TP-F5E				\$	4,208			
405545TP-85F				\$	14,618			
405508TP-5A1				\$	11,171			
405350TP-9BB				\$	6,193			
800153TP-A92				\$	5,860			
8001305TP-615				\$	4,241			
116195TP-ECE				\$	7,272			
5791985TP-A1E				\$	5,090			
110146TP-A8C				\$	4,926			
241126TP-B1C				\$	7,107			
166724TP-C86				\$	8,878			
690224TP-CD4				\$	4,523			
250351TP-0CD				\$	9,721			
177096TP-8F2				\$	7,528			
800151TP-A17				\$	4,229			
181105TP-28D				\$	5,197			
240375TP-473				\$	7,198			
8001245TP-DB4				\$	26,326			
517704TP-375				\$	4,812			
637250TP-A0B				\$	16,161			
1819179TP-7AE				\$	7,204			
625837TP-99A				\$	6,785			
800114TP-5FD				\$	15,553			
556467TP-973				\$	15,982			
800103TP-29A				\$	2,834			
569640TP-BA7				\$	3,440			
800130TP-9A2				\$	16,479			
568791TP-204				\$	5,022			
521003TP-551				\$	4,770			
564570TP-57C				\$	1,829			
5791016TP-030				\$	2,330			
181975TP-7DD				\$	6,883			
400440TP-B34				\$	3,082			
418284TP-E36				\$	35,318			
4182832TP-1BD				\$	21,854			
4182836TP-0B7				\$	22,416			
530906TP-856				\$	16,059			
800164TP-0A0				\$	20,712			
405190TP-453				\$	5,119			
180710TP-2C9				\$	5,871			
8001695TP-CF7				\$	22,546			
800147TP-135				\$	5,789			
800150TP-652				\$	5,535			
142817TP-7FC				\$	5,678			
589190TP-49A				\$	8,917			
116167TP-ESC				\$	4,876			
118468TP-C47				\$	6,273			
1015827TP-5C5				\$	6,640			
190101TP-AC6				\$	6,821			
800169TP-FFB				\$	6,649			
249945TP-531				\$	8,947			
364828TP-B0F				\$	6,048			
110197TP-B8B				\$	6,954			
426599TP-D2E				\$	12,401			
192544TP-A6D				\$	11,345			
192519TP-D3E				\$	4,572			
1186119TP-9E7				\$	10,700			
118615TP-C46				\$	11,587			
1186118TP-5A2				\$	10,288			
543645TP-165				\$	7,657			
6204408TP-3FB				\$	33,906			
8001318TP-3E3				\$	1,246			
6204407TP-C25				\$	21,826			
6204405TP-CA0				\$	7,927			
6204404TP-0E5				\$	37,509			
204735TP-7C2				\$	5,035			
190184TP-2C3				\$	4,687			
525441TP-DF0				\$	4,412			
633604TP-988				\$	9,619			
615269TP-92F				\$	19,944			
181972TP-A17				\$	5,263			
800152TP-6D7				\$	32,600			
800170TP-B07				\$	75,147			
642956TP-513				\$	7,805			
625880TP-6E2				\$	7,426			
800104TP-E50				\$	19,096			
8001045TP-7B3				\$	15,813			

ΔCPI_{2005}			
Numerator		Denominator	
$CPI_{Q1,2004}$	928	$CPI_{Q1,2003}$	913
$CPI_{Q2,2004}$	935	$CPI_{Q2,2003}$	913
$CPI_{Q3,2004}$	941	$CPI_{Q3,2003}$	918
$CPI_{Q4,2004}$	949	$CPI_{Q4,2003}$	924
Total	3753	Total	3669
ΔCPI_{2005}	2.29%		

ΔCPI_{2006}			
Numerator		Denominator	
$CPI_{Q1,2005}$	953	$CPI_{Q1,2004}$	928
$CPI_{Q2,2005}$	962	$CPI_{Q2,2004}$	935
$CPI_{Q3,2005}$	973	$CPI_{Q3,2004}$	941
$CPI_{Q4,2005}$	979	$CPI_{Q4,2004}$	949
Total	3867	Total	3753
ΔCPI_{2006}	3.0376%		

ΔCPI_{2007}			
Numerator		Denominator	
$CPI_{Q1,2006}$	985	$CPI_{Q1,2005}$	953
$CPI_{Q2,2006}$	1000	$CPI_{Q2,2005}$	962
$CPI_{Q3,2006}$	1007	$CPI_{Q3,2005}$	973
$CPI_{Q4,2006}$	1005	$CPI_{Q4,2005}$	979
Total	3997	Total	3867
ΔCPI_{2007}	3.37%		

ΔCPI_{2008}			
Numerator		Denominator	
$CPI_{Q1,2007}$	1010	$CPI_{Q1,2006}$	985
$CPI_{Q2,2007}$	1020	$CPI_{Q2,2006}$	1000
$CPI_{Q3,2007}$	1025	$CPI_{Q3,2006}$	1007
$CPI_{Q4,2007}$	1037	$CPI_{Q4,2006}$	1005
Total	4092	Total	3997
ΔCPI_{2008}	2.38%		

ΔCPI_{2009}			
Numerator		Denominator	
$CPI_{Q1,2008}$	1044	$CPI_{Q1,2007}$	1010
$CPI_{Q2,2008}$	1061	$CPI_{Q2,2007}$	1020
$CPI_{Q3,2008}$	1077	$CPI_{Q3,2007}$	1025
$CPI_{Q4,2008}$	1072	$CPI_{Q4,2007}$	1037
Total	4254	Total	4092
ΔCPI_{2009}	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	(\$)
X	X Factor	0%
R_{2004}	Maximum Revenue at 31 March 2004 that would not have caused a breach under the Initial Notice	18,196,414
$(I + \Delta CPI_{2005})$	Average change in Consumer Price Index over 2004	1.022895
$(I - X)$	1-X Factor	1.00
R_{2005}	Allowable Notional Revenue under the CPI-X Price Path for the year ended 31 March 2005	18,613,012
$(I + \Delta CPI_{2006})$	Average change in Consumer Price Index over 2005	1.0304

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.

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

$\sum P_{max} Q_i$:

Total Group Customers Fixed & Variable Charges	Refer to schedule A for detail	\$	29,686,191
Total Individual Line Charges	Refer to schedule A for detail	\$	6,173,101
$\sum P_{i2009} Q_i$		\$	35,859,292

K_{2009}

Transmission (31 March 2009)	\$	8,079,995
Rates (31 March 2009)	\$	107,473
Electricity Commission Levies (31 March 2009)	\$	68,697
$NR_{2009max} = \sum P_{2009max} Q_i - K_{2009}$		27,603,127

Term	Description	(\$)
$\sum P_{MAX} Q_i$	Maximum Price Between 1 April 2007 and 31 March 2008 multiplied by 31 March 2003 Base Quantities	35,859,292
K_{2009}	Transmission Charges for year ending 31 March 2009	8,079,995
	Rates Charges for year ending 31 March 2009	107,473
	Electricity Commission Levies for year ending 31 March 2009	68,697
R_{MAX}	Maximum Notional Revenue for 01/04/08 to 31/03/09	27,603,127

Term	Description	(\$)
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		
NR_{Max}	Maximum Notional Revenue for 1 April 2008 to 31 March 2009	27,603,127
R_{2008}	Allowable Notional Revenue at 31 March 2008	20,294,868
R_{2009}	Allowable Notional Revenue at 31 March 2009	21,098,331
$Max(R_{2008}, R_{2009})$	Maximum of the Allowable Notional Revenue at 31 March 2008 and the Allowable Notional Revenue at 31 March 2009	21,098,331
$NR_{Max} / Max(R_{2008}, R_{2009})$	If expression is greater than 1, Clause 5 (1) (b) is breached	1.3083
$Max(R_{2008}, R_{2009}) - NR_{Max}$	Value of Compliance or (Breach)	(6,504,797)

Appendix D

The Power Company 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	60.90	276.50	337.40	0.55	5.49	6.04
2000	73.90	339.60	413.50	0.56	5.89	6.45
2001	16.00	130.00	146.00	0.13	2.76	2.89
2002	20.00	117.80	137.80	0.14	2.73	2.87
2003	18.90	147.80	166.70	0.11	3.22	3.33
Five Year Average	37.94	202.34	240.28	0.30	4.02	4.32
2004	11.10	140.70	151.80	0.10	3.42	3.52
2005	7.72	117.68	125.40	0.04	2.96	3.00
2006	14.77	143.56	158.34	0.08	2.91	2.99
2007	42.44	135.11	177.56	0.23	2.80	3.02
2008	41.22	255.47	296.69	0.27	3.50	3.77
2009	45.67	166.75	212.42	0.24	3.87	4.11