Electricity Ashburton Limited, trading as EA Networks

Default Price-Quality Path

Annual Compliance Statement

1 April 2023 – 31 March 2024 Assessment Period

27 June 2024

Default Price-Quality Path Annual Compliance Statement

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Default Price-Quality Path Annual Compliance Statement

1. Introduction

Electricity Ashburton Limited trading as EA Networks provides electricity distribution services predominantly between the Rangitata and Rakaia rivers, an area that covers 3500 km^2. We receive electricity from Transpower's national grid and distribute this electricity to approximately 21,000 homes and businesses that are connected to our network.

We charge electricity retailers on a wholesale basis for this delivery service. Retailers, in turn, include this cost in their retail electricity prices – our delivery charges, including Transpower's charges to us, typically amount to 27% of a household's electricity bill.

As a natural monopoly service provider, we are subject to government regulation under the Commerce Act 1986. Pursuant to the requirements of this Act, the Commerce Commission has set a regulatory framework that includes information disclosure regulations, default price-quality paths (DPP) and the option for distribution businesses to apply for a customised price-quality path (CPP).

EA Networks is subject to the Electricity Distribution Services Default Price-Quality Path Determination 2020 (the Determination) set by the Commerce Commission and applying for the five-year regulatory period from 1 April 2020 to 31 March 2025.

The Determination requires us to issue an 'annual compliance statement' within 5 months after the end of each assessment period, as well as an 'annual price-setting compliance statement' prior to the start of each assessment period to demonstrate compliance, or otherwise, with the requirements of the Determination.

This annual compliance statement covers information requirements detailed in clause 11.4 of the Determination in relation to the wash-up amount calculation, quality standards and quality incentives compliance and transactions for the year ended 31 March 2024, the fourth assessment period of the five-year regulatory period.

2. Date of Completion

This statement was completed on 27 June 2024 and approved for release by EA Networks Directors.

3. Wash-up amount

3.1 Statement of compliance

EA Networks has complied with the requirements of the 2020 DPP Determination in respect of the wash-up amount calculation.

3.2 Wash-up amount calculation

Table 1

Wash-up amount RY24		
Term	Description	Value ($000)
Actual allowable revenue (AAR)	*Sum of actual net allowable revenue, actual pass-through and recoverable costs, pass-through balance and revenue wash-up draw down amount*	52,208
Actual revenue (AR)	*Sum of actual revenue from prices plus other regulated income*	45,723
Revenue foregone (RV)	*Actual net allowable revenue x (revenue reduction percentage - 20%) when revenue reduction percentage is greater than 20%, otherwise nil*	-
Wash-up amount	*AAR - AR - RV*	**6,485**

Further information supporting actual allowable revenue is included in Section 3.2.1.

Further information supporting actual revenue is included in Section 3.2.2.

Further information supporting revenue foregone is included in Section 3.2.3.

3.2.1 Actual allowable revenue

Sections 3.2.1.1 to 3.2.3 shows the calculation of actual allowable revenue.

3.2.1.1 Calculation of net allowable revenue

Table 2 shows the calculation of actual net allowable revenue consistent with Schedule 1.6 of the 2020 DPP Determination.

Table 2

Calculation of actual net allowable revenue		
Term	Description	Value ($000)
Actual net allowable revenue (ANAR) of the previous assessment period	*Amount specified as forecast net allowable revenue for the third assessment period*	37,507
ΔCPI	*The derived change in the CPI to be applied for the assessment period*	5.08%
X	*The annual rate of change as specified in schedule 1.2*	0.00%
Actual net allowable revenue	*ANARprevious*(1+ΔCPIt)*(1-X)*	**39,411**

Further information supporting the calculation of ΔCPI is found in Appendix A.

3.2.1.2 Total actual allowable revenue

Table 3 below shows the actual allowable revenue for the assessment period consistent with Schedule 1.6 of the 2020 DPP Determination.

Table 3

Actual allowable revenue RY24		
Term	Description	Value ($000)
Actual net allowable revenue (ANAR)	*Amount specified as forecast net allowable revenue for the fourth assessment period*	39,411
Actual pass-through costs	*Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period*	539
Actual recoverable costs	*Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period*	11,093
Revenue wash-up draw down amount	*For the third to fifth assessment period, the closing wash-up account balance of previous assessment period*	1,165
Total actual allowable revenue (AAR)	*Actual net allowable revenue + actual pass-through costs + actual recoverable costs + revenue wash-up drawn down amount*	**52,208**

Further information supporting actual pass-through costs, actual recoverable costs and opening wash-up account balance is included in Appendix B.

3.2.2 Actual revenue

Table 4 below shows actual revenue for the assessment period consistent with clause 4.2 of the 2020 DPP Determination.

Table 4

Actual revenue RY24		
Term	Description	Value ($000)
Actual revenue from prices	*Actual prices between 1 April 2023 and 31 March 2024 multiplied by actual quantities for the assessment period*	47,031
Other regulated income	*Other income associated with supply of electricity distribution services*	(1,308)
Total actual revenue (AR)	*Sum of actual revenue from prices plus other regulated income*	**45,723**

Further information supporting actual revenue from prices is included in Appendix C.

3.2.3 Revenue foregone

Table 5 below shows the revenue foregone consistent with clause 4.2 of the 2020 DPP Determination.

Table 5

Revenue foregone RY24		
Term	Description	Value ($000)
Actual revenue from prices	*Actual prices between 1 April 2023 and 31 March 2024 multiplied by actual quantities for the assessment period*	47,031
Forecast revenue from prices	*Amount defined in the price setting compliance statement for the fourth assessment period*	45,901
Revenue reduction percentage (RRP)	*1 - (actual revenue from prices / forecast revenue from prices)*	-2.46%
Actual net allowable revenue (ANAR)	*Amount specified as forecast net allowable revenue for the fourth assessment period*	39,411
Revenue foregone (RV)	*Actual net allowable revenue x (RRP-20%) when RRP is greater than 20%, otherwise nil*	**-**

4. Quality standards

4.1 Statement of compliance with planned interruptions quality standards

EA Networks is subject to a planned accumulated SAIDI limit and a planned accumulated SAIFI limit which are assessed for the DPP regulatory period as stated in clause 9.2 of the 2020 DPP Determination.

Table 6 and Table 7 below show the planned accumulated SAIDI and SAIFI limits for EA Networks for the DPP regulatory period and the planned SAIDI and SAIFI assessed values for the first to the fourth assessment period.

Table 6

Planned interruptions quality standard - SAIDI	
Sum of planned SAIDI assessed values ≤ Planned accumulated SAIDI limit	
Planned accumulated SAIDI limit	**1,376.08**
Planned SAIDI assessed value for the first	100.12
Planned SAIDI assessed value for the second	106.64
Planned SAIDI assessed value for the third	121.45
Planned SAIDI assessed value for the fourth	112.01
Sum of planned SAIDI assessed values	**440.22**
Compliance result	**Compliant**

Table 7

Planned interruptions quality standard - SAIFI	
Sum of planned SAIFI assessed values ≤ Planned accumulated SAIFI limit	
Planned accumulated SAIFI limit	**4.8939**
Planned SAIFI assessed value for the first	0.3162
Planned SAIFI assessed value for the second	0.3635
Planned SAIFI assessed value for the third	0.4587
Planned SAIFI assessed value for the forth	0.4052
Sum of planned SAIFI assessed values	**1.5435**
Compliance result	**Compliant**

Further information supporting planned SAIDI and SAIFI assessed values is included in Section 4.1.1.

4.1.1 Planned SAIDI and SAIFI assessed values

Table 8 and Table 9 below show EA Networks' planned SAIDI and SAIFI assessed values for the assessment period.

Table 8

Planned SAIDI assessed value RY24		
Term	Description	Value
Class B non-notified interruptions		112.01
Class B notified interruptions falling outside window		
$SAIDI_B$	*Sum of Class B non-notified*	**112.01**
Class B notified interruptions falling inside window		
Class B intended interruptions cancelled without notice		
Class B intended interruptions cancelled with notice		-
$SAIDI_N$	*Sum of Class B notified*	**-**
Planned SAIDI assessed value	$SAIDI_B$ + ($SAIDI_N$	**112.01**

Table 9

Planned SAIFI assessed value RY24		
Term	Description	Value
Planned SAIFI assessed value	*Sum of Class B interruptions commencing within the assessment period*	0.4052

4.2 Statement of compliance with unplanned interruptions quality standards

As demonstrated in Table 10 and Table 11 below, and consistent with clause 9.7 of the 2020 DPP Determination, EA Networks has complied with the unplanned interruptions quality standard.

Table 10

Unplanned interruptions quality standard RY24 - SAIDI		
Unplanned SAIDI assessed value ≤ Unplanned SAIDI limit		
Unplanned SAIDI limit		**91.98**
Unplanned SAIDI assessed value	*Sum of normalised SAIDI values for Class C interruptions commencing within the assessment period*	50.57
Compliance result		**Compliant**

Table 11

Unplanned interruptions quality standard RY24 - SAIFI		
Unplanned SAIFI assessed value ≤ Unplanned SAIFI limit		
Unplanned SAIFI limit		**1.2826**
Unplanned SAIFI assessed value	*Sum of normalised SAIFI values for Class C interruptions commencing within the assessment period*	0.8930
Compliance result		**Compliant**

Information about policies, procedures and calculations for measuring planned and unplanned interruptions during the assessment period is in Appendix D.

4.2.1 Major events

Table 12 and Table 13 below show the SAIDI and SAIFI values attributed to major events which occurred during the assessment period.

Further information about major events is included in Appendix E.

Table 12

Unplanned SAIDI major events RY24					
Start	End	Pre-normalised unplanned SAIDI	Normalised unplanned SAIDI	Cause of the event	Event
13/10/2023 15:00	15/10/2023 13:00	9.88	1.17	Adverse Weather	SAIDI 1
Total		**9.88**	**1.17**		

Table 13

Unplanned SAIFI major events RY24					
Start	End	Pre-normalised unplanned SAIFI	Normalised unplanned SAIFI	Cause of the event	Event
18/02/2024 8:30	20/02/2024 7:30	0.2641	0.0015	Human Error	SAIFI 1
Total		**0.2641**	**0.0015**		

4.3 Statement of compliance with extreme event standard

As demonstrated in Table 14 below, and consistent with clause 9.9 of the 2020 DPP Determination EA Networks has complied with the extreme event standard.

Table 14

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

4.4 Quality Incentive Adjustment

Table 15 below shows EA Networks' quality incentive adjustment for the assessment period.

Table 15

Quality Incentive Adjustment RY24		
Term	Description	Value ($000)
SAIDI planned adjustment	$(SAIDI_{planned,\ target} - SAIDI_{planned,\ assessed}) \times 0.5 \times IR$	(55)
SAIDI unplanned adjustment	$(SAIDI_{unplanned,\ target} - SAIDI_{unplanned,\ assessed}) \times IR$	114
Total adjustment	*SAIDI planned adjustment + SAIDI unplanned adjustment*	**59**
Revenue at risk	*0.02 * ANAR*	788
Total (penalty)/reward		59
67th percentile estimate of post-tax WACC		4.23%
Quality incentive adjustment		**64**

Table 16 below shows EA Networks' quality incentive adjustment inputs consistent with Schedule 4 of the 2020 DPP Determination.

Table 16

Quality Incentive Adjustment Inputs RY24					
Term	Units	Value	Term	Units	Value
SAIDI planned interruption cap	minutes	275.22	SAIDI unplanned interruption cap	minutes	91.98
SAIDI planned interruption collar	minutes	-	SAIDI unplanned interruption collar	minutes	-
SAIDI planned interruption target	minutes	91.74	SAIDI unplanned interruption target	minutes	71.65
Planned SAIDI assessed value	minutes	112.01	Unplanned SAIDI assessed value	minutes	50.57
Incentive rate		5,394			
Actual net allowable revenue (ANAR)	$000	39,411			
SAIDI planned interruption target	minutes	92	SAIDI unplanned interruption target	minutes	72
Minimum of the planned SAIDI cap and assessed value	minutes	112	Minimum of the unplanned SAIDI cap and assessed value	minutes	51
Planned SAIDI subject to incentive	minutes	(20)	Unplanned SAIDI subject to incentive	minutes	21
Adjustment (IR x 0.5)	$	2,697	Adjustment (IR)	$	5,394
SAIDI planned adjustment	$000	(55)	SAIDI unplanned adjustment	$000	114

5. Transactions

EA Networks has not entered into any agreements with another EDB or Transpower for an amalgamation, merger, major transaction or transfer in the assessment period.

6. Director's certification

A Director's certificate in the form set out in Schedule 7 of the 2020 DPP Determination is included as Appendix F.

7. Assurance report

An assurance report meeting the requirements of Schedule 8 of the 2020 DPP Determination is included in Appendix G.

Appendix A – Calculation of ΔCPI

Table 17

Calculation of ΔCPI		
Term	Description	
ΔCPI	*is the derived change in the CPI to be applied for the assessment period*	
Actual calculation of ΔCPI		
Month	RY24	RY23
June	*1231*	*1161*
September	*1253*	*1186*
December	*1259*	*1203*
March	*1267*	*1218*
	5010	***4768***
ΔCPI		**5.08%**

Appendix B – Pass-through and recoverable costs

Pass-through costs

Table 18

Actual and forecast pass-through costs RY24				
Actual pass-through costs	Actual ($000)	Forecast ($000)	Forecast variance ($000)	Explanation for variances
Rates on system fixed assets	254	254	(0)	
Commerce Act levies	166	180	(14)	Washup levy credit received
Electricity Authority levies	106	105	1	
Utilities Disputes levies	14	13	1	
Total actual pass-through costs	**539**	**552**	**(13)**	**Actual costs are 2.4% under forecast**

Recoverable costs

Table 19

Actual and forecast recoverable costs RY24				
Actual recoverable costs	Actual ($000)	Forecast ($000)	Forecast variance ($000)	Explanation for variances
IRIS incentive adjustment	137	137	0	
Transpower Connection Charge	304	304	(0)	
Transpower lines services charge	9,981	9,982	(1)	
Transpower New investment contract charges	56	54	2	
Quality incentive adjustment	17	17	-	
Capex wash-up adjustment	532	532	-	
Fire and Emergency NZ levies	66	68	(2)	
Total actual recoverable costs	**11,093**	**11,094**	**(1)**	**Actual cost in line with forecast**

Opening wash-up account balance

Table 20

Calculation of Opening wash-up account balance		
Term	Description	Value ($000)
Wash-up amount of the previous assessment period	*Wash-up amount from the compliance statement dated 19 August 2022*	1,072
Voluntary undercharging amount forgone	*Voluntary undercharge stated in the compliance statement dated 19 August 2022*	-
Wash up amount net of voluntary underchargings	*Total of above*	1,072
67th percentile estimate of post tax WACC	*from the determination*	4.23%
Opening wash-up account balance	*Sum of actual revenue from prices plus other regulated income*	**1,165**

Appendix C – Prices and quantities

Table 21 shows the actual prices and quantities for actual revenue from prices for the fourth assessment period.

Table 21

		Actual Revenue from Prices (ARFP)				
		FY2024 Delivery Prices		FY2024 Actual Quantities	Days applicable	Price x Quantity
General Supply						($000)
Fixed charges						
GS05	General Supply - 8 kVA	0.3353	$/con/day	261.2 cons	366 days	32.1
GS20	General Supply - 20 kVA	0.4500	$/con/day	16,028.4 cons	366 days	2,639.9
GS50	General Supply - 50 kVA	1.0767	$/con/day	1,741.3 cons	366 days	686.2
G100	General Supply - 100 kVA	2.6345	$/con/day	798.3 cons	366 days	769.7
G150	General Supply - 150 kVA	4.6795	$/con/day	298.8 cons	366 days	511.7
Volume charges						
All GS	Uncontrolled	0.0690	$/kWh	236,487.2 MWh		16,317.6
All GS	Controlled 16	0.0200	$/kWh	31,606.7 MWh		632.1
All GS	Night Boost	0.0200	$/kWh	764.9 MWh		15.3
All GS	Night only	0.0150	$/kWh	3,666.5 MWh		55.0
All GS	Weekdays	0.0994	$/kWh	513.2 MWh		51.0
All GS	Nights & weekends	0.0150	$/kWh	505.7 MWh		7.6
All GS	Generation Export	0.0000	$/kWh	2,290.4 MWh		-
Other charges						
All GS	Unmetered Streetlighting	0.1525	$/fitting/day	21.0 fittings	366 days	1.2
All GS	Floodlight - Closed	0.3028	$/fitting/day	5.0 fittings	366 days	0.6
All GS	Under Verandah - Closed	0.2666	$/fitting/day	12.0 fittings	366 days	1.2
Irrigation						
Capacity charges						
ISCH	Irrigation	0.4021	$/kW/day	141,118.7 kW	366 days	20,768.2
ISCF	Irrigation w/out harmonic mitigation	0.5021	$/kW/day	829.0 kW	366 days	152.3
Industrial						
Fixed charges						
ICMD	Industrial	4.6795	$/con/day	42.5 cons	366 days	72.8
ICMH	Industrial HV	4.6795	$/con/day	0.3 cons	366 days	0.5
Booked capacity charges						
ICMD	Industrial	0.2256	$/kVA/day	16,691.4 kVA	366 days	1,378.2
ICMH	Industrial HV	0.2006	$/kVA/day	56.3 kVA	366 days	4.1
Large users						
Fixed charges						
All LU	Fixed charge	10.0000	$/day	8.0 cons	366 days	29.3
Booked Capacity charges						
LUCM	ANZCO Seafield	0.2044	$/kVA/day	8,500.0 kVA	366 days	635.9
LUPP	Talley's Fairfield 11kV	0.1259	$/kVA/day	1,000.0 kVA	366 days	46.1
LUP2	Talley's Ashburton	0.2873	$/kVA/day	5,860.0 kVA	366 days	616.2
LUP3	Talley's Fairfield 22kV	0.0162	$/kVA/day	4,000.0 kVA	366 days	23.7
LUMH	Mt Hutt Ski Area	0.1572	$/kVA/day	3,000.0 kVA	366 days	172.6
LUHP	Highbank Pumps	0.1168	$/kVA/day	9,600.0 kVA	366 days	410.4
LURX	Marley	0.1579	$/kVA/day	4,000.0 kVA	366 days	231.2
Generation						
Fixed charges						
LUHB	Highbank	1,393.0975	$/day	1.0 cons	366 days	509.9
LUMO	Montalto	26.5326	$/day	1.0 cons	366 days	9.7
LUCD	Cleardale	73.4313	$/day	1.0 cons	366 days	26.9
LULN	Lavington	22.3099	$/day	1.0 cons	366 days	8.2
Streetlighting						
MCSL	Street Lighting	0.1525	$/fixture/day	3,823.6 fittings	366 days	213.4
Total						**47,030.6**

Table 22 shows the forecast revenue from prices for the fourth assessment period from the price setting compliance statement.

Table 22

Forecast revenue from prices RY24	
Total forecast revenue from prices	45,901

Appendix D – Policies and procedures for measuring planned and unplanned interruptions

EA Networks' Control Centre is responsible for managing the operation of the electricity network. As such the Control Centre is responsible for recording all interruptions both planned and unplanned. The policies and procedures for carrying out this task are documented in the document labelled "Procedure: Network Interruption Records". During the year EA Networks recorded no 'notified interruptions'.

Unplanned

Outage data is collected primarily from the Advanced Distribution Management System (ADMS) while the number of ICP's affected is obtained from the GIS system.

This information is then entered by the control room into the internal outage database which calculates SAIDI/SAIFI values.

These raw values are exported each month and included within the normalisation workbook supplied by the Commerce Commission which calculates normalised SAIDI/SAIFI for inclusion within the Compliance Statement.

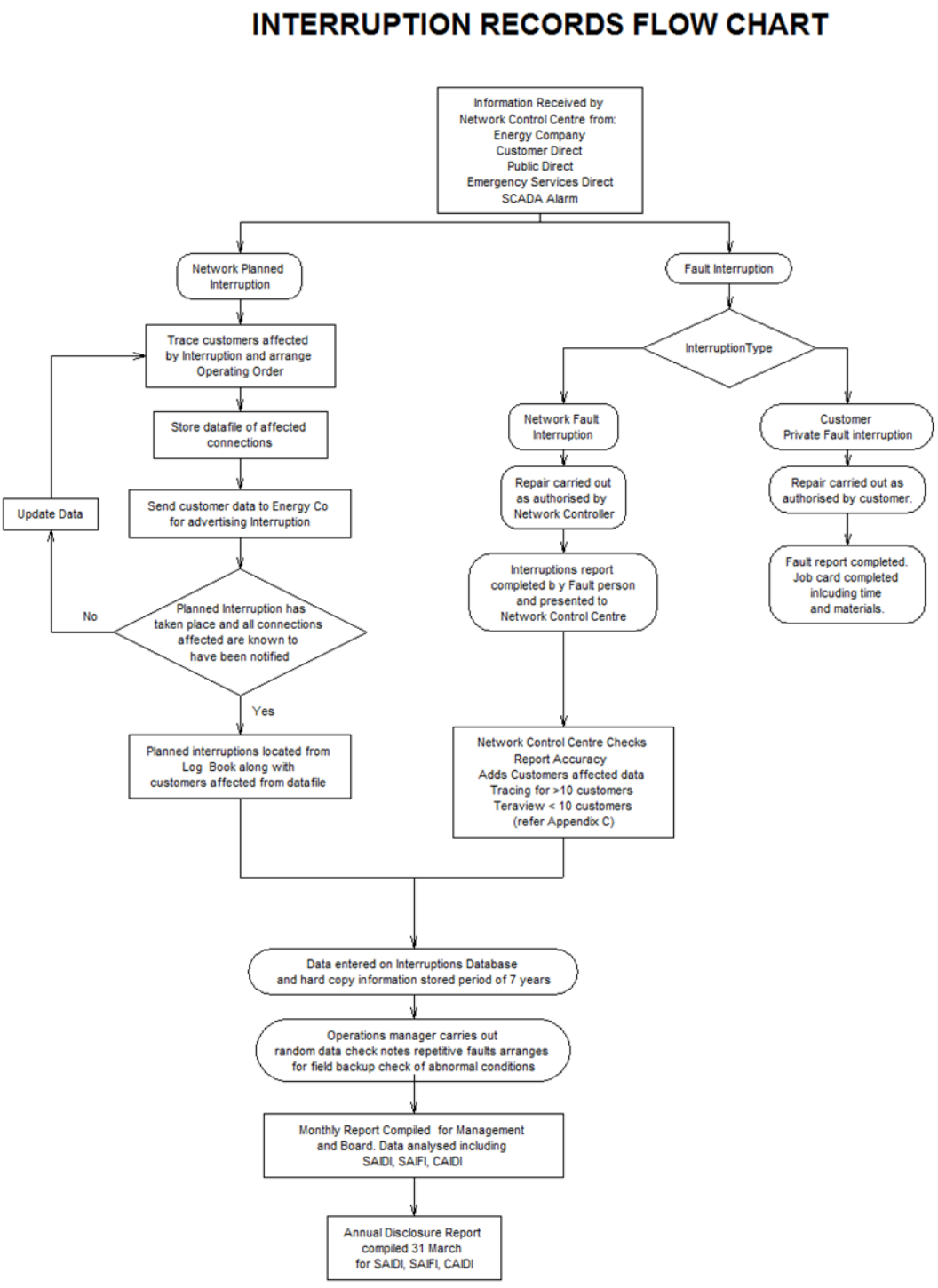
Planned

Requests are made via the internal operation request database with the same interruption details entered as for unplanned.

Retailers are informed by the registry and a notice placed on EA Networks website.

Raw values are exported into an excel workbook each month where monthly SAIDI/SAIFI values are tracked. Annual values are included within the compliance statement.

The procedures are summarised by following flow chart:



Appendix E – SAIDI and SAIFI major events

The tables below show the normalisation of the SAIDI and SAIFI major events that took place during the assessment period, consistent with Schedule 3.2 of the 2020 DPP Determination.

Table 23

Normalisation of unplanned SAIDI major events RY24			
SAIDI unplanned boundary value			6.25
1/48th of the SAIDI unplanned boundary value	13/10/2023 15:00		
	Half hour commencing	Raw SAIDI value for Class C interruption	Normalised SAIDI value for Class C interruption
0.13	03:00 PM	0.00	0.00
0.13	03:30 PM	0.00	0.00
0.13	04:00 PM	0.00	0.00
0.13	04:30 PM	0.00	0.00
0.13	05:00 PM	0.00	0.00
0.13	05:30 PM	0.00	0.00
0.13	06:00 PM	0.00	0.00
0.13	06:30 PM	0.00	0.00
0.13	07:00 PM	0.00	0.00
0.13	07:30 PM	0.00	0.00
0.13	08:00 PM	0.00	0.00
0.13	08:30 PM	0.00	0.00
0.13	09:00 PM	0.00	0.00
0.13	09:30 PM	0.00	0.00
0.13	10:00 PM	0.00	0.00
0.13	10:30 PM	0.00	0.00
0.13	11:00 PM	0.00	0.00
0.13	11:30 PM	0.00	0.00
0.13	12:00 AM	0.00	0.00
0.13	12:30 AM	0.00	0.00
0.13	01:00 AM	0.00	0.00
0.13	01:30 AM	0.00	0.00
0.13	02:00 AM	0.00	0.00
0.13	02:30 AM	0.00	0.00
0.13	03:00 AM	0.00	0.00
0.13	03:30 AM	0.00	0.00
0.13	04:00 AM	0.00	0.00
0.13	04:30 AM	0.00	0.00
0.13	05:00 AM	0.00	0.00
0.13	05:30 AM	0.00	0.00
0.13	06:00 AM	0.00	0.00
0.13	06:30 AM	0.00	0.00
0.13	07:00 AM	0.00	0.00
0.13	07:30 AM	0.00	0.00
0.13	08:00 AM	0.00	0.00
0.13	08:30 AM	0.00	0.00
0.13	09:00 AM	0.00	0.00
0.13	09:30 AM	0.00	0.00
0.13	10:00 AM	0.00	0.00
0.13	10:30 AM	0.00	0.00
0.13	11:00 AM	0.00	0.00

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Normalisation of unplanned SAIDI major events RY24			
SAIDI unplanned boundary value			6.25
1/48th of the SAIDI unplanned boundary value	13/10/2023 15:00		
	Half hour commencing	Raw SAIDI value for Class C interruption	Normalised SAIDI value for Class C interruption
0.13	11:30 AM	0.00	0.00
0.13	12:00 PM	0.17	0.13
0.13	12:30 PM	0.37	0.13
0.13	01:00 PM	0.00	0.00
0.13	01:30 PM	3.70	0.13
0.13	02:00 PM	1.75	0.13
0.13	02:30 PM	0.69	0.13
0.13	03:00 PM	0.00	0.00
0.13	03:30 PM	1.03	0.13
0.13	04:00 PM	0.58	0.13
0.13	04:30 PM	0.00	0.00
0.13	05:00 PM	0.00	0.00
0.13	05:30 PM	0.00	0.00
0.13	06:00 PM	0.57	0.13
0.13	06:30 PM	0.00	0.00
0.13	07:00 PM	0.00	0.00
0.13	07:30 PM	0.00	0.00
0.13	08:00 PM	0.00	0.00
0.13	08:30 PM	0.00	0.00
0.13	09:00 PM	0.00	0.00
0.13	09:30 PM	0.00	0.00
0.13	10:00 PM	0.00	0.00
0.13	10:30 PM	0.00	0.00
0.13	11:00 PM	0.00	0.00
0.13	11:30 PM	0.00	0.00
0.13	12:00 AM	0.00	0.00
0.13	12:30 AM	0.00	0.00
0.13	01:00 AM	0.00	0.00
0.13	01:30 AM	0.00	0.00
0.13	02:00 AM	0.00	0.00
0.13	02:30 AM	0.00	0.00
0.13	03:00 AM	0.00	0.00
0.13	03:30 AM	0.00	0.00
0.13	04:00 AM	0.00	0.00
0.13	04:30 AM	0.00	0.00
0.13	05:00 AM	0.00	0.00
0.13	05:30 AM	0.00	0.00
0.13	06:00 AM	0.00	0.00
0.13	06:30 AM	0.00	0.00
0.13	07:00 AM	0.00	0.00
0.13	07:30 AM	0.00	0.00
0.13	08:00 AM	1.02	0.13
0.13	08:30 AM	0.00	0.00
0.13	09:00 AM	0.00	0.00
0.13	09:30 AM	0.00	0.00
0.13	10:00 AM	0.00	0.00
0.13	10:30 AM	0.00	0.00
0.13	11:00 AM	0.00	0.00
0.13	11:30 AM	0.00	0.00
0.13	12:00 PM	0.00	0.00
0.13	12:30 PM	0.00	0.00
0.13	01:00 PM	0.00	0.00
Total		**9.88**	**1.17**

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Normalisation of unplanned SAIFI major events RY24	
SAIFI unplanned boundary value	**0.0729**

1/48th of the SAIFI unplanned boundary value	18/02/2024 8:30		
	Half hour commencing	Raw SAIFI value for Class C interruption	Normalised SAIFI value for Class C interruption
0.0015	05:00 AM	0.0000	-
0.0015	05:30 AM	0.0000	-
0.0015	06:00 AM	0.0000	-
0.0015	06:30 AM	0.0000	-
0.0015	07:00 AM	0.0000	-
0.0015	07:30 AM	0.0000	-
0.0015	08:00 AM	0.2641	0.0015
0.0015	08:30 AM	0.0000	-
0.0015	09:00 AM	0.0000	-
0.0015	09:30 AM	0.0000	-
0.0015	10:00 AM	0.0000	-
0.0015	10:30 AM	0.0000	-
0.0015	11:00 AM	0.0000	-
0.0015	11:30 AM	0.0000	-
0.0015	12:00 PM	0.0000	-
0.0015	12:30 PM	0.0000	-
0.0015	01:00 PM	0.0000	-
0.0015	01:30 PM	0.0000	-
0.0015	02:00 PM	0.0000	-
0.0015	02:30 PM	0.0000	-
0.0015	03:00 PM	0.0000	-
0.0015	03:30 PM	0.0000	-
0.0015	04:00 PM	0.0000	-
0.0015	04:30 PM	0.0000	-
0.0015	05:00 PM	0.0000	-
0.0015	05:30 PM	0.0000	-
0.0015	06:00 PM	0.0000	-
0.0015	06:30 PM	0.0000	-
0.0015	07:00 PM	0.0000	-
0.0015	07:30 PM	0.0000	-
0.0015	08:00 PM	0.0000	-
0.0015	08:30 PM	0.0000	-
0.0015	09:00 PM	0.0000	-
0.0015	09:30 PM	0.0000	-
0.0015	10:00 PM	0.0000	-
0.0015	10:30 PM	0.0000	-
0.0015	11:00 PM	0.0000	-
0.0015	11:30 PM	0.0000	-
0.0015	12:00 AM	0.0000	-
0.0015	12:30 AM	0.0000	-
0.0015	01:00 AM	0.0000	-
0.0015	01:30 AM	0.0000	-
0.0015	02:00 AM	0.0000	-
0.0015	02:30 AM	0.0000	-
0.0015	03:00 AM	0.0000	-
0.0015	03:30 AM	0.0000	-
0.0015	04:00 AM	0.0000	-
0.0015	04:30 AM	0.0000	-
0.0015	05:00 AM	0.0000	-
0.0015	05:30 AM	0.0000	-
0.0015	06:00 AM	0.0000	-
0.0015	06:30 AM	0.0000	-
0.0015	07:00 AM	0.0000	-
0.0015	07:30 AM	0.0000	-
Total		**0.2641**	**0.0015**

Default Price-Quality Path Annual Compliance Statement

Disclosure required under causes 11.6(g) & 11.6(h) for major interruptions.

SAIDI Event 1 **Strong winds** **13-15 October 2023**	***How the event occurred*** Between 13 and 15 October 2023, all of Canterbury experienced extreme strong winds with gusts in excess of 100km/h. Information concerning this windstorm can be found at: Thousands of Canterbury homes without power after strong winds | RNZ News Weather: Roofs ripped off, trees torn down in Canterbury amid severe wind warnings | Newshub The strong windstorm resulted in widespread damage to the rural overhead HV network, with the root causes being: 1. Adverse Weather – High winds creating forces on our overhead line hardware, resulting in tripping and equipment failure across the network. 2. Vegetation – Trees and bark coming in to contact with our lines, resulting in equipment failure and tripping's across the network. 3. Defective Equipment – Failed connections. ***The main equipment affected by the event*** The main equipment affected by the event were 11 and 22kV lines and associated equipment. The equipment was affected by: • Fall zone trees, growth limit zone trees, bark etc. coming in to contact with the non-insulated/bare conductor on our overhead 11kV and 22kV lines. This caused circuit breakers to operate, turning the power off. • Line splices and other types of connections failed on the bare conductor on our overhead 11kV and 22kV lines. This caused circuit breakers to operate, turning the power off. • Equipment on poles failed due to the high winds. ***How EA Networks responded*** EA Networks responded to this event was as follows: • Resources were allocated to isolate faults and restore power as quickly as possible to upfaulted network. • Line crews were assigned to repair damage to the network and subsequently restore supply. ***Our post event review*** Considering the high winds and looking at the EDBs North of Ashburton it is clear that the program to clear trees is effective and is producing results. The program to identify, evaluate, negotiate, and trim/remove fall zone trees is still underway. Progress is being made to progressively trim or remove trees completely on a risk prioritisation basis. The response from the community regarding this program has been very positive.

Post Event Analysis:

- Our network performed well in the conditions.
- The majority of the vegetation related SAIDI incurred by this event was caused by on property vegetation, which is the responsibility of the landowner.
- Bark from blue gum trees continues to be a problem. These trees tend to be outside the area currently covered under trimming rights provided by the tree regulations. We are proactively engaging with tree owners in question, to identify a way forward.

Mitigating factors

EA Networks' ability to minimise SAIDI and SAIFI caused by wind is affected by the Tree Regulations that do not cover fall zone vegetation that has the potential to interrupt supply.

It is EA Networks prerogative to make the network perform in such a way during these events that most of our customers have power most of the time. We have and will continue to consider increasing sectionalising and protection on the network which would reduce the number of consumers without power during the interruptions. This approach comes at a cost to consumers and as such we need to balance the cost of increased protection with benefit to consumers.

SAIFI Event 1

Human Error

18 February 2024

How the event occurred

On the morning of 18 February EA Networks had a planned outage to do maintenance at our Ashburton zone substation. The maintenance was planned so no customers would be affected due to an additional supply into the substation. When opening one of the points of isolation, it caused the voltage supply to one of the protection relays to go off, which in turn caused the alternative supply into the substation to trip. The alternative supply should not have tripped under this switching arrangement, and it was found that in the protection relay there was an incorrect setting that should have blocked the trip when the voltage signal was lost.

How EA Networks responded

The controller on the desk summed up the situation very quickly and accurately realised what has gone wrong. The controller then reinstated the supply. The outage was short lived, only 2 minutes and 1 second. The planned outage was cancelled until the reason for the tripping was found and fixed. After the setting was fixed, it was tested and proved to not trip again. The maintenance was completed on a later date.

Main Equipment

66kV Circuit breaker TF68 caused the VT7 supply to turn off.

SEL311C-1 relay supply line protection for C.B TE52

Our post event review

An investigation was immediately performed to identify the reason for this tripping, as noted above this was a protection setting that should block a tripping when the voltage signal is lost. Due to the widespread use of these relays there is now a

program in place to confirm that all these relays have this particular setting enabled to prevent this event from occurring elsewhere. (Note: There is a program to standardise the settings in the SEL 311C-1 Line Distance relays as well which will take some time to complete, which will mean some settings need changing).

Mitigating factors

The engineering team was tasked to check the ELOP state for all SEL311C line distance relays as the VT will not always be alive. This is particularly so on 66 kV busbars supplied by only two lines and only one 66 kV VT – when one is open the other becomes radial with no infeed from the 66 kV busbar. The engineering team is also actively pursuing peer review of protection settings.

Appendix F - Director's certificate

Form of director's certificate for annual compliance statement

We, Paul Jason Munro and Andrew David Barlass, being directors of Electricity Ashburton Limited, trading as EA Networks certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached annual compliance statement of EA Networks, and related information, prepared for the purposes of the Electricity Distribution Services Default Price-Quality Path Determination 2020 has been prepared in accordance with all the relevant requirements.

Paul Jason Munro

Andrew David Barlass

27 June 2024

Independent Assurance Report

To the Directors of Electricity Ashburton Limited

Assurance report pursuant to Electricity Distribution Services Default Price-Quality Path Determination 2020

Opinion

We have undertaken a reasonable assurance engagement in respect of the compliance of Electricity Ashburton Limited (the "Company") with the Electricity Distribution Services Default Price-Quality Path Determination 2020 consolidated 20 May 2020 (the "Determination") in preparing the Annual Compliance Statement for the assessment period ended 31 March 2024.

In our opinion, in all material respects:

- as far as appears from an examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, and has been sourced, where appropriate, from its financial and non-financial systems; and
- the Company has complied with clauses 11.5 and 11.6 of the Determination in preparing the Annual Compliance Statement for the assessment period ended 31 March 2024.

Basis for Opinion

We have conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and Standard on Assurance Engagements (SAE) 3100 (Revised) *Compliance Engagements* ("SAE 3100 (Revised)"), issued by the New Zealand Auditing and Assurance Standards Board.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibilities

The Directors are responsible on behalf of the Company for:

- the preparation of the Annual Compliance Statement under clause 11.4 and in accordance with the requirements in clauses 11.5 and 11.6 of the Determination; and
- the identification of risks that may threaten compliance with the Determination and for such internal controls that would mitigate those risks and monitoring the Company's ongoing compliance.

Our Independence and Quality Management

We have complied with the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* or other professional requirements, or requirements in law or regulation, that are at least as demanding, which include independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Company. Our firm carries out other services for the Company in the areas of assurance over compliance with regulatory requirements of the Commerce Act 1986 and our capacity as auditors. The provision of these other services has not impaired our independence.

Assurance Practitioner's responsibilities
Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with clause 11.5(e) and schedule 8(1)(b)(vi) and 8(1)(c) of the Determination and report our opinion to you on whether:

- as far as appears from our examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and
- the Annual Compliance Statement, for the assessment period ended 31 March 2024, has been prepared, in all material respects, in accordance with the requirements in clauses 11.5 and 11.6 of the Determination.

SAE 3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied, in all material respects, with the Determination, in preparing the Annual Compliance Statement for the assessment period ended 31 March 2024. In relation to the wash-up amount set out in clause 8.6 of the Determination, our procedures included recalculation of the wash-up amount in accordance with schedule 1.6 of the Determination and assessing it against the amounts and disclosures contained on pages 3 to 5 and 12 to 16 of the Annual Compliance Statement.

In relation to the quality standards set out in clause 9 of the Determination, our procedures included examination, on a test basis, of evidence relevant to the values and disclosures contained on pages 6 to 11 and 17 to 24 of the Annual Compliance Statement.

An assurance engagement to report on the Company's compliance with the Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance.

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

Use of Report
This report has been prepared for the Directors in accordance with Clause 11.5 (e) of the Determination and is provided solely to assist you in establishing that compliance requirements have been met. Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors of the Company, as a body, or for any purpose other than that for which it was prepared.

PricewaterhouseCoopers.

Chartered Accountants
27 June 2024

Christchurch, New Zealand