



COMPLIANCE STATEMENT

**Gas distribution services:
Default price-quality path compliance**

Year ending 30 September 2019



Introduction

Firstgas operates 2,500 kilometres of gas transmission pipelines (including the Maui pipeline), and more than 4,600 kilometres of gas distribution pipelines across the North Island. These gas infrastructure assets transport gas from Taranaki to major industrial gas users, electricity generators, businesses and homes, and transport around 20 percent of New Zealand's primary energy supply. For further information on Firstgas, please visit our website www.firstgas.co.nz.

Compliance statement

This document is a Compliance Statement prepared pursuant to section 11 of the *Gas Distribution Services Default Price-Quality Path Determination 2017* (DPP Determination) issued by the Commerce Commission on 29 May 2017. This Compliance Statement covers Firstgas' Gas Distribution Business (GDB) for the year ending 30 September 2019.

The following documents are provided with this Compliance Statement:

- Calculations for price path compliance
- Calculations for quality standard compliance
- Director certification
- KPMG assurance report

This Compliance Statement was prepared on 4 December 2019.

Compliance status for year ending 30 September 2019

Compliance with price path	Yes
Compliance with quality standards	Yes

Further information

For further information regarding this compliance statement, please contact:

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Disclaimer

For presentation purposes, some numbers in the Compliance Statement have been rounded. This may cause small discrepancies or rounding inconsistencies when aggregating some of the information presented in the Statement. These discrepancies do not affect the overall compliance calculations which are based on the more detailed information.

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1. Price path compliance

Firstgas is pleased to confirm that we have complied with the price path in clause 8 of the DPP Determination for the assessment period ending 30 September 2019. This is the second Assessment Period in the current DPP period (2017 – 2022).

Firstgas set new distribution prices with effect from 1 October 2018. The prices were notified to all retailers by Firstgas on 4 August 2018. The Pricing Period covered by this Compliance Statement is the same as the Assessment Period, i.e. 1 October 2018 to 30 September 2019.

The Notional Revenue (NR) of \$22,517,974 for this assessment period is less than the Allowable Notional Revenue (ANR) of \$22,520,463.

1.1 Allowable Notional Revenue

The DPP Determination requires Firstgas' Allowable Notional Revenue (ANR) for the second Assessment Period to be calculated as follows:

$$ANR_t = (\sum P_{i,t-1} Q_{i,t-2} - (K_{t-1} + V_{t-1})) + (ANR_{t-1} - NR_{t-1})(1 + \Delta CPI_t) (1 - X)$$

Where:

t	Is the year in which the assessment period ends
i	is each Price relating to a Gas Distribution Service
K_t	is the sum of all Pass-through Costs for the Assessment Period ending in the year prior to t calculated in accordance with schedule 5 of the DPP Determination
V_{2018}	is the sum of all Recoverable Costs for the Assessment Period ending in year prior to t calculated in accordance with schedule 5 of the DPP Determination
$P_{i,t-1}$	is the i^{th} Price for any part of the Assessment Period ending in the year prior to t year
$Q_{i,t-2}$	is the Quantity corresponding to the i^{th} Price during the Assessment Period ending two years prior to year
ΔCPI	.is the derived change in the CPI to be applied for the assessment period ending t , being equal to:
	$\Delta CPI = \frac{CPI_{\text{Jun}, t-2} + CPI_{\text{Sep}, t-2} + CPI_{\text{Dec}, t-2} + CPI_{\text{Mar}, t-1}}{CPI_{\text{Jun}, t-3} + CPI_{\text{Sep}, t-3} + CPI_{\text{Dec}, t-3} + CPI_{\text{Mar}, t-2}}$
X	is the rate of change specified in schedule 2 of the DPP Determination, being zero

The change in CPI calculated in accordance with the prescribed formula was 1.59%. The Assessment Period is 2019 and the components of ANR for this Assessment Period are:

Our $\sum(P_{i,2018}, Q_{i,2017})$ was \$22,828,819 (as set out in **Appendix 1**).

Our total $K_{2018} + V_{2018}$ was \$683,725.

The $ANR_{2018} - NR_{2018}$ was \$23,605.¹

¹ Our compliance statement for the 2018 Assessment period is on our website, <https://firstgas.co.nz/wp-content/uploads/First-Gas-distribution-DPP-compliance-statement-2018.pdf>

As a result, ANR for 2019 was:

$$\begin{aligned}
 ANR_{2019} &= (\sum P_{i,2018} Q_{2017} - (K_{2018} + V_{2018})) + (ANR_{2018} - NR_{2018}) (1 + \Delta CPI_{2019}) (1 - X) \\
 &= (\$22,828,819 - \$683,725 + \$23,605) (1 + 0.0159) (1 - 0) \\
 &= \$22,520,463 \\
 &= \$22,520 \text{ million}
 \end{aligned}$$

1.2 Notional Revenue

Notional Revenues (NR) are not the same as actual revenues or expected revenues. The DPP requires Notional Revenue for an Assessment Period to be calculated as follows:

$$NR_t = \sum_i P_{i,t} Q_{i,t-2} - (K_t + V_t)$$

where:

- NR_t is the Notional Revenue for the Assessment Period.
- t is the year in which the Assessment Period ends.
- i is each Price relating to a Gas Distribution Service.
- $P_{i,t}$ is the i^{th} Price for any part of the Assessment Period ending in year t .
- $Q_{i,t-2}$ is the Quantity corresponding to the i^{th} Price during the Assessment Period ending two years prior to year t .
- K_t is the sum of all Pass-through Costs for the Assessment Period ending in year t .
- V_t is the sum of all Recoverable Costs for the Assessment Period ending in year t .

The $\sum_i P_{i,t} Q_{i,t-2}$ for this Assessment Period is \$23,003,185 (as set out in **Appendix 2**). This is determined by applying prices for the Assessment Period to their associated quantities from the 2017 Assessment Period.

The prices that applied for the 2019 Assessment Period are as follows:

2019 prices		
Price plan	Fixed price (\$/day)	Variable price (\$/kWh)
GN0R	0.346	0.021
GN0V	0	0.05
GN01	0.64	0.0076
GN02	1.12	0.0074
GN03	4.95	0.0068
GN04	14.2	0.0063
GN05	231	0.00147

These prices apply for all customers on the Firstgas distribution network other than the non-standard consumers listed in **Appendix 3**. The non-standard consumers are those on the NG60 price plan.

The price quantities $Q_{i,t-2}$ invoiced by Firstgas:

Price Plan	2017 Quantities (Q_{t-2})	
	Fixed quantity (days)	Variable quantity (kWh)
GN0R	21,221,215	344,564,525
GN0V	0	0
GN01	761,995	501,199,751
GN02	512,391	129,762,328
GN03	182,585	253,040,623
GN04	24,772	222,065,546
GN05	3,285	256,844,631

The Pass-through Costs (K) and Recoverable Costs (V) applied for the 2019 Pricing Period were:

$$\begin{aligned}
 K_{2019} &= \$413,460 \\
 V_{2019} &= \$71,751 \\
 \mathbf{K_{2019} + V_{2019}} &= \mathbf{\$485,211}
 \end{aligned}$$

As a result, Notional Revenue for the second Assessment Period in \$million was:

$$\begin{aligned}
 NR_{2019} &= \sum_i P_{2019} Q_{2017} - (K_{2019} + V_{2019}) \\
 &= \$23,003,185 - \$485,211 \\
 &= \$22,517,974 \\
 &= \$22.518 \text{ million}
 \end{aligned}$$

1.3 Pass-through Costs and Recoverable Costs

Pass-through Costs and Recoverable Costs applicable for Firstgas in the second Assessment Period were those for rates and levies, and the capex washup adjustment. According to the DPP Determination, such costs must:

- Be ascertainable at the time when we set our Prices for an Assessment Period;
- Not have already been passed through or recovered in a previous Assessment Period; and
- Not be recovered other than through prices.

Pass-through Costs applicable for Firstgas were those for:

- Rates on pipeline assets paid or payable to a local authority under the Local Government (Rating) Act 2002; and
- Levies payable:
 - Under regulations made under section 53ZE of the Commerce Act 1986, for activities of the Commerce Commission; and
 - To Utility Disputes Limited. (Previously called the Electricity and Gas Complaints Commissioner Scheme).

The single recoverable cost applicable for Firstgas in this assessment period was the capex wash-up adjustment. This adjustment was calculated in accordance with the Gas Distribution Services Input Methodologies (IMs) 2012 and has been reviewed by the Commerce Commission.

In summary, the Pass-through and Recoverable Costs (rounded) included in pricing for the 2019 Assessment Period are shown in the table below. Costs are shown in the pricing year (PY) they were incurred and paid.

Pass-through and Recoverable Costs	PY2017 (\$000's)	PY2018 (\$000's)	PY2019 (\$000's)	Total costs (000's)
Local Government rates	\$67	\$191		\$258
Commerce Commission levies		\$121		\$121
Utility Disputes Limited levies		\$35		\$35
Capex washup adjustment			\$71	\$71
Total Pass-through and Recoverable Costs	\$67	\$347	\$71	\$485

The DPP Determination also allows (but does not require) Firstgas to make a time-value-of-money adjustment to the amount of Pass-through costs and recoverable costs². This is at a prescribed annual rate of 4.76%. Firstgas chose to apply such an adjustment to our Pass-through Costs calculated in accordance with the equation in Schedule 5 of the DPP Determination.

1.4 Restructuring of prices

Clause 11.4 of the DPP Determination requires that if a GDB has restructured its prices that first applied during the current or preceding assessment period, the Compliance Statement must:

- State the nature of the restructure of prices and identify the consumer groups impacted by the restructure of prices;
- If quantities have been derived for the purposes of calculating notional revenue and/or allowable notional revenue, state the methodology used to derive the quantities, the derived quantities for the assessment period and the actual quantities, and provide an explanation for any differences between the actual and derived quantities; and
- An explanation of the reasons for any difference between forecast and actual quantities for the Pricing Period in which the restructure occurred.

Firstgas introduced a new price plan in the 2018 Assessment Period. The GN0V price plan has been available since 1 October 2017. The GN0V price plan offers a fully variable tariff and is offered to residential consumers. This tariff compliments the existing GN0R tariff. The GN0R tariff is also available to residential consumers and includes a fixed and variable charge.

We have introduced the GN0V tariff in response to feedback from potential low-use consumers indicating they would prefer a fully variable tariff. The GN0V pricing category is only available to new connections or a reconnection of an ICP that has not been connected for at least 12 months. As the GN0V price is only

² The capex adjustment is calculated following the process specified in the Input Methodologies and the result is determined for each year of the DPP period. Effectively no time-value-of-money adjustment is made as the cost is considered recoverable in the year incurred.

available to new connections, no lagged quantities were required to be estimated in calculating the Notional Revenue for the period.

Joining this pricing plan is optional for new consumers and there was no uptake of the GN0V pricing plan in this pricing year. This means that there will be no quantities associated with the new GN0V category until at least FY2020.

No further restructuring of prices took place in this Assessment Period

1.5 Compliance

Compliance with the price path requires that Notional Revenue must not exceed Allowable Notional Revenue for each Assessment Period. As calculated above, NR_{2019} is less than ANR_{2019} .

$$NR_{2019} < ANR_{2019}$$

$$NR_{2019} \text{ \$22.518 million} < ANR_{2019} \text{ \$22.520 million}$$

Therefore, Firstgas has complied with the price path for the second Assessment Period.

2. Quality standards compliance

We are pleased to confirm that Firstgas has complied with the quality standard specified in clause 9 of the DPP Determination during the second Assessment Period.

2.1 Calculations

Clause 9 requires us to provide information on our “response time to emergencies” (‘RTE’), providing detail on all incidents and responses that fall within this clause. The DPP Determination sets out the following quality assessment formula:

A GDB’s RTE values for an Assessment Period must be such that:

- a) Of the total RTEs, the percentage greater than 60 minutes does not exceed 20%; and
- b) The RTE to any emergency does not exceed 180 minutes.

Emergency is defined in the DPP Determination as follows:

Emergency means:

- a) An unplanned escape or ignition of gas that requires the active involvement of any emergency service (e.g., fire service, ambulance);
- b) An unplanned disruption in the supply of gas that affects more than five installation control points (ICPs); or
- c) An evacuation of a premises as the result of escape or ignition of gas.

Firstgas has responded to 95% of all emergencies within 60 minutes and to all emergencies within 180 minutes. Emergency incident data is provided in **Appendix 5**.

The RTE results for 2019 are calculated below:

- a) Number of RTEs where response time is greater than 60 minutes/ total of all RTEs
 - 3 emergencies had a response time greater than 60 minutes, from a total of 57 emergencies
 - $3/57 = 5\%$
 - $5\% \leq 20\%$
 - Firstgas is compliant with quality standard
- b) Number of RTE that exceeded 180 minutes was zero

Firstgas is compliant with quality standard

Exclusion of certain emergencies

Firstgas has not applied to the Commerce Commission to have any emergencies where the RTE exceeds 180 minutes to be treated as having complied with the quality standard in this Assessment Period.



2.2 Policies and procedures

Firstgas maintains several policies relating to emergency response and require all our service providers to always comply with them. These include standards for defect repair, damage protection and public education, gas leak investigation, maintenance of critical spares and equipment, emergency response event guide and a safety and operating plan.

This suite of documents ensures that all of Firstgas' employees, service providers and contractors are equipped to respond to emergencies safely, effectively and efficiently.

Our service providers complete data capture activities for the gas distribution network in accordance with Firstgas' standard *GNS0081 – Gas distribution network performance indicator data capture*. All event activities are recorded. Emergencies form a small subset of these recorded activities.

For response time to emergencies (RTE) calculations, the start time is recorded as the time that Firstgas or one of its representatives is first informed (Service Request creation time) of the emergency event. The end time is the time recorded when the service provider's field staff first arrives on site.

The recorded activity data is reviewed for accuracy by the service provider, as required under our service agreement with them. In some cases, the data review or remediation process identifies that a negative time has been recorded (the job is completed before it is created). A negative time is typically a result of:

- Connectivity issues between the mobile device and data system, including where the data recording system is unavailable; or
- The event is initially recorded as an asset belonging to another party. When the Firstgas contracting personnel reach the site, they discover the event has occurred on Firstgas distribution assets. The Firstgas personnel logs a new case and the system timestamps the new case; or
- The field crew identify an additional fault whilst attending another fault or are called directly by contractors or emergency personnel. The personnel often arrive at the event before the event is raised officially through a call to Firstgas.

Any negative RTE results are investigated by the service provider as part of the remediation process and Firstgas is advised of the correct time to apply. The data is uploaded to the Firstgas system each night. Exception reporting is run over the data to pick up any apparent anomalies and data is reviewed monthly by our Distribution Operations team.

Emergency events in the data set are determined, and RTE results are calculated in line with the definition of RTE in the DPP Determination for each event. The data is retained in the Firstgas Customer Request Management (CRM) database for ongoing reporting and analysis.

RTE performance is monitored monthly and reported to the Firstgas Board of Directors. All RTE events taking longer than 60 minutes to respond to are investigated with the service providers.

2.3 Compliance

As calculated above, Firstgas has complied with the quality standard for the second Assessment Period.

3. Amalgamations, mergers, transfers and major transactions

Firstgas has not completed any amalgamations, mergers, transfers or major transactions in this Assessment Period.

Appendix 1: Summary pricing and quantity information for allowable notional revenue

Summary of $P_{i,2018}$ $Q_{i,2017}$

		<i>P_{i,2018} Q_{i,2017}</i>
Sum	\$	22,828,819

Residential

		<i>P_{i,2018} Q_{i,2017}</i>
North Island standard charges between 1 October 2017 to 30 September 2018	\$	22,326,954
North Island non-standard charges between 1 October 2017 to 30 September 2018	\$	501,865



Standard prices

Standard prices 2018 applied to 2017 quantities

Sum	\$	$P_{i,2018} Q_{i,2017}$
		22,326,954

Residential

Price plan	Code	Description	Units		$P_{i,2018}$	$Q_{i,2017}$	$P_{i,2018} Q_{i,2017}$
GN0R	GN0R-FIXD	Fixed	\$/day	\$	0.3400	21,221,215	\$ 7,215,213
GN0R	GN0R-24UC	Variable	\$/kWh	\$	0.0210	344,564,525	\$ 7,235,855

Business

Price plan	Code	Description	Units		$P_{i,2018}$	$Q_{i,2017}$	$P_{i,2018} Q_{i,2017}$
GN01	GN01-FIXD	Fixed	\$/day	\$	0.6200	761,995	\$ 472,437
GN01	GN01-24UC	Variable	\$/kWh	\$	0.0073	50,199,751	\$ 366,458

Commercial

Price plan	Code	Description	Units		$P_{i,2018}$	$Q_{i,2017}$	$P_{i,2018} Q_{i,2017}$
GN02	GN02-FIXD	Fixed	\$/day	\$	1.0800	512,391	\$ 553,382
GN02	GN02-24UC	Variable	\$/kWh	\$	0.0076	129,762,328	\$ 986,194
GN03	GN03-FIXD	Fixed	\$/day	\$	4.7900	182,585	\$ 874,582
GN03	GN03-24UC	Variable	\$/kWh	\$	0.0070	253,040,623	\$ 1,771,284

Industrial

Price plan	Code	Description	Units		$P_{i,2018}$	$Q_{i,2017}$	$P_{i,2018} Q_{i,2017}$
GN04	GN04-FIXD	Fixed	\$/day	\$	14.0500	24,772	\$ 348,047
GN04	GN04-24UC	Variable	\$/kWh	\$	0.0064	222,065,546	\$ 1,421,219
GN05	GN05-FIXD	Fixed	\$/day	\$	220.0000	3,285	\$ 722,700
GN05	GN05-24UC	Variable	\$/kWh	\$	0.0014	256,844,631	\$ 359,582

Non-standard prices

P_{i,2018} Q_{i,2017}

Sum							\$	501,865
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Non-standard

Price plan	Code	Description	Units		<i>P_{i,2018}</i>	<i>Q_{i,2017}</i>		<i>P_{i,2018} Q_{i,2017}</i>
0008000027NGD9C	0008000027NGD9C-FIXD	Fixed	\$/day	\$	55.19	365	\$	20,144
0008000029NGE07	0008000029NGE07-FIXD	Fixed	\$/day	\$	91.07	365	\$	33,241
0008000033NG63B	0008000033NG63B-FIXD	Fixed	\$/day	\$	26.98	365	\$	9,848
0008000038NG8EF	0008000038NG8EF-FIXD	Fixed	\$/day	\$	171.73	365	\$	62,681
0008000040NGFA6	0008000040NGFA6-FIXD	Fixed	\$/day	\$	164.69	365	\$	60,112
0008000051NG94E	0008000051NG94E-FIXD	Fixed	\$/day	\$	325.60	365	\$	118,844
0008000053NG9CB	0008000053NG9CB-FIXD	Fixed	\$/day	\$	-		\$	-
0008000072NG8DB	0008000072NG8DB-FIXD	Fixed	\$/day	\$	114.56	365	\$	41,814
0008000074NG954	0008000074NG954-FIXD	Fixed	\$/day	\$	51.64	365	\$	18,849
0008000080NG849	0008000080NG849-FIXD	Fixed	\$/day	\$	90.39	365	\$	32,992
0008000147NGB68	0008000147NGB68-FIXD	Fixed	\$/day	\$	63.20	365	\$	23,068
0008000158NGE1B	0008000158NGE1B-FIXD	Fixed	\$/day	\$	-		\$	-
0008000249NGBF0	0008000249NGBF0-FIXD	Fixed	\$/day	\$	68.61	365	\$	25,043
0008000300NGE00	0008000300NGE00-FIXD	Fixed	\$/day	\$	32.61	365	\$	11,903
0009001431NGDA6	0009001431NGDA6-FIXD	Fixed	\$/day	\$	94.55	365	\$	34,511

Price plan	Code	Description	Units		<i>P_{i,2018}</i>	<i>Q_{i,2017}</i>		<i>P_{i,2018} Q_{i,2017}</i>
0008000027NGD9C	0008000027NGD9C-24UC	Variable	\$/kWh	\$	-	121,059,799	\$	-
0008000029NGE07	0008000029NGE07-24UC	Variable	\$/kWh	\$	-	42,074,894	\$	-
0008000033NG63B	0008000033NG63B-24UC	Variable	\$/kWh	\$	-	74,294,092	\$	-
0008000038NG8EF	0008000038NG8EF-24UC	Variable	\$/kWh	\$	-	58,855,526	\$	-
0008000040NGFA6	0008000040NGFA6-24UC	Variable	\$/kWh	\$	-	156,992,108	\$	-
0008000051NG94E	0008000051NG94E-24UC	Variable	\$/kWh	\$	-	46,282,684	\$	-
0008000053NG9CB	0008000053NG9CB-24UC	Variable	\$/kWh	\$	-		\$	-
0008000072NG8DB	0008000072NG8DB-24UC	Variable	\$/kWh	\$	-	212,626,908	\$	-
0008000074NG954	0008000074NG954-24UC	Variable	\$/kWh	\$	-	128,425,119	\$	-
0008000080NG849	0008000080NG849-24UC	Variable	\$/kWh	\$	-	10,658,351	\$	-
0008000147NGB68	0008000147NGB68-24UC	Variable	\$/kWh	\$	-	5,507,208	\$	-
0008000158NGE1B	0008000158NGE1B-24UC	Variable	\$/kWh	\$	-		\$	-
0008000249NGBF0	0008000249NGBF0-24UC	Variable	\$/kWh	\$	0.0000	214,994,498	\$	4,357
0008000300NGE00	0008000300NGE00-24UC	Variable	\$/kWh	\$	-	69,400,285	\$	-
0009001431NGDA6	0009001431NGDA6-24UC	Variable	\$/kWh	\$	0.0006	7,333,742	\$	4,459



Appendix 2: Summary of pricing and quantity information for Notional Revenue

Summary of $P_{i,2019}$ $Q_{i,2017}$

	<i>P_{i,2019} Q_{i,2017}</i>
Sum	\$ 23,003,185
Residential	
	<i>P_{i,2019} Q_{i,2017}</i>
North Island published charges between 1 October 2017 to 30 September 2018	\$ 22,493,353
North Island non-standard charges between 1 October 2017 to 30 September 2018	\$ 509,831

Appendix 3: Standard prices included in notional revenue

Standard prices published for 2019 applied to 2017 quantities

						<i>P_{i,2019} Q_{i,2017}</i>
Sum						\$ 22,493,353

Residential

Price plan	Code	Description	Units		PI,2019	Qi,2017	<i>P_{i,2019} Q_{i,2017}</i>
GN0R	GN0R-FIXD	Fixed	\$/day	\$	0.3460	21,221,215	\$ 7,342,540
GN0R	GN0R-24UC	Variable	\$/kWh	\$	0.0210	344,564,525	\$ 7,235,855

Business

Price plan	Code	Description	Units		PI,2019	Qi,2017	<i>P_{i,2019} Q_{i,2017}</i>
GN01	GN01-FIXD	Fixed	\$/day	\$	0.6400	761,995	\$ 487,677
GN01	GN01-24UC	Variable	\$/kWh	\$	0.0076	50,199,751	\$ 381,518

Commercial

Price plan	Code	Description	Units		PI,2019	Qi,2017	<i>P_{i,2019} Q_{i,2017}</i>
GN02	GN02-FIXD	Fixed	\$/day	\$	1.1200	512,391	\$ 573,878
GN02	GN02-24UC	Variable	\$/kWh	\$	0.0074	129,762,328	\$ 960,241
GN03	GN03-FIXD	Fixed	\$/day	\$	4.9500	182,585	\$ 903,796
GN03	GN03-24UC	Variable	\$/kWh	\$	0.0068	253,040,623	\$ 1,720,676

Industrial

Price plan	Code	Description	Units		PI,2019	Qi,2017	<i>P_{i,2019} Q_{i,2017}</i>
GN04	GN04-FIXD	Fixed	\$/day	\$	14.2000	24,772	\$ 351,762
GN04	GN04-24UC	Variable	\$/kWh	\$	0.0063	222,065,546	\$ 1,399,013
GN05	GN05-FIXD	Fixed	\$/day	\$	231.0000	3,285	\$ 758,835
GN05	GN05-24UC	Variable	\$/kWh	\$	0.0015	256,844,631	\$ 377,562

Appendix 4: Non-standard prices included in notional revenue

Non-standard prices for 2019 applied 2017 quantities

P_{i,2019} Q_{i,2017}

Sum								\$	509,831
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Non-standard

Price plan	Code	Description	Units		Pi,2019	Qi,2017		<i>P_{i,2019} Q_{i,2017}</i>
0008000027NGD9C	0008000027NGD9C-FIXD	Fixed	\$/day	\$	56.07	365	\$	20,467
0008000029NGE07	0008000029NGE07-FIXD	Fixed	\$/day	\$	92.52	365	\$	33,768
0008000033NG63B	0008000033NG63B-FIXD	Fixed	\$/day	\$	27.41	365	\$	10,004
0008000038NG8EF	0008000038NG8EF-FIXD	Fixed	\$/day	\$	174.45	365	\$	63,676
0008000040NGFA6	0008000040NGFA6-FIXD	Fixed	\$/day	\$	167.30	365	\$	61,066
0008000051NG94E	0008000051NG94E-FIXD	Fixed	\$/day	\$	330.77	365	\$	120,730
0008000053NG9CB	0008000053NG9CB-FIXD	Fixed	\$/day	\$	-	-	\$	-
0008000072NG8DB	0008000072NG8DB-FIXD	Fixed	\$/day	\$	116.38	365	\$	42,478
0008000074NG954	0008000074NG954-FIXD	Fixed	\$/day	\$	52.46	365	\$	19,148
0008000080NG849	0008000080NG849-FIXD	Fixed	\$/day	\$	91.82	365	\$	33,516
0008000147NGB68	0008000147NGB68-FIXD	Fixed	\$/day	\$	64.20	365	\$	23,434
0008000158NGE1B	0008000158NGE1B-FIXD	Fixed	\$/day	\$	-	-	\$	-
0008000249NGBF0	0008000249NGBF0-FIXD	Fixed	\$/day	\$	69.70	365	\$	25,440
0008000300NGE00	0008000300NGE00-FIXD	Fixed	\$/day	\$	33.13	365	\$	12,092
0009001431NGDA6	0009001431NGDA6-FIXD	Fixed	\$/day	\$	96.05	365	\$	35,058

Price plan	Code	Description	Units		Pi,2019	Qi,2017		<i>P_{i,2019} Q_{i,2017}</i>
0008000027NGD9C	0008000027NGD9C-24UC	Variable	\$/kWh	\$	-	121,059,799	\$	-
0008000029NGE07	0008000029NGE07-24UC	Variable	\$/kWh	\$	-	42,074,894	\$	-
0008000033NG63B	0008000033NG63B-24UC	Variable	\$/kWh	\$	-	74,294,092	\$	-
0008000038NG8EF	0008000038NG8EF-24UC	Variable	\$/kWh	\$	-	58,855,526	\$	-
0008000040NGFA6	0008000040NGFA6-24UC	Variable	\$/kWh	\$	-	156,992,108	\$	-
0008000051NG94E	0008000051NG94E-24UC	Variable	\$/kWh	\$	-	46,282,684	\$	-
0008000053NG9CB	0008000053NG9CB-24UC	Variable	\$/kWh	\$	-	-	\$	-
0008000072NG8DB	0008000072NG8DB-24UC	Variable	\$/kWh	\$	-	212,626,908	\$	-
0008000074NG954	0008000074NG954-24UC	Variable	\$/kWh	\$	-	128,425,119	\$	-
0008000080NG849	0008000080NG849-24UC	Variable	\$/kWh	\$	-	10,658,351	\$	-
0008000147NGB68	0008000147NGB68-24UC	Variable	\$/kWh	\$	-	5,507,208	\$	-
0008000158NGE1B	0008000158NGE1B-24UC	Variable	\$/kWh	\$	-	-	\$	-
0008000249NGBF0	0008000249NGBF0-24UC	Variable	\$/kWh	\$	0.0000	214,994,498	\$	4,426
0008000300NGE00	0008000300NGE00-24UC	Variable	\$/kWh	\$	-	69,400,285	\$	-
0009001431NGDA6	0009001431NGDA6-24UC	Variable	\$/kWh	\$	0.0006	7,333,742	\$	4,530



Appendix 5: RTE event data

Case Number	Created On	Emergency Services Involved	Building Evacuated	Gas Asset Sub-Type	Gas Failure Mode	Gas Fault Detection	Network Supply Loss To Customer	Network Supply No. Customers Affected	Confirmed Escape	Crew Assign Time	On Site Time	Off Site Time	RTE (minutes)	Responded with in 60 Minutes	Responded with in 180 Minutes
CAS-10194-P1T3X9	28/01/2019 5:29 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	28/01/2019 5:39 PM	28/01/2019 6:05 PM	28/01/2019 7:56 PM	35.47	Y	Y
CAS-12503-Y9M3P0	28/09/2019 9:40 AM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	No	0	Yes	28/09/2019 9:43 AM	28/09/2019 10:12 AM	28/09/2019 10:40 AM	31.87	Y	Y
CAS-12273-W4V9X4	2/09/2019 2:38 PM	No	No	Mains Fitting	TPD - Other Contractor	On Site (FG Contractor)	Yes	6	Yes	2/09/2019 2:40 PM	2/09/2019 2:42 PM	2/09/2019 3:58 PM	3.42	Y	Y
CAS-12251-N5D9Z1	29/08/2019 8:48 AM	Yes	No	Riser Valve	TPD - Other Contractor	Emergency Services	Yes	1	Yes	29/08/2019 8:50 AM	29/08/2019 9:02 AM	29/08/2019 11:08 AM	13.22	Y	Y
CAS-12078-H2S8G6	13/08/2019 9:19 AM	Yes	No	Mains Pipe	TPD - Other Contractor	Customer/General Public	No	0	Yes	13/08/2019 9:26 AM	13/08/2019 10:10 AM	13/08/2019 12:48 PM	50.85	Y	Y
CAS-11779-S7H5H1	13/07/2019 9:10 AM	No	Yes	Service Pipe	TPD - Other Contractor	Third Party Contractor	Yes	1	Yes	13/07/2019 9:14 AM	13/07/2019 9:40 AM	13/07/2019 11:02 AM	29.28	Y	Y
CAS-11606-M4K2M3	22/06/2019 11:57 AM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	22/06/2019 12:05 PM	22/06/2019 12:21 PM	22/06/2019 1:49 PM	23.85	Y	Y
CAS-11577-K6Q4R3	19/06/2019 11:48 AM	Yes	No	Mains Fitting	Equipment Failure	Emergency Services	No	0	Yes	19/06/2019 11:53 AM	19/06/2019 12:12 PM	19/06/2019 4:05 PM	23.38	Y	Y
CAS-11535-D5J8L5	13/06/2019 12:00 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	13/06/2019 12:06 PM	13/06/2019 12:18 PM	13/06/2019 1:01 PM	17.65	Y	Y
CAS-11443-X2L7Z6	6/06/2019 10:56 AM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	No	0	Yes	6/06/2019 10:59 AM	6/06/2019 11:16 AM	6/06/2019 12:01 PM	19.23	Y	Y
CAS-11358-P9C1C4	27/05/2019 11:44 PM	Yes	No	Mains Pipe	Construction Defect	Emergency Services	No	0	Yes	27/05/2019 11:47 PM	28/05/2019 12:16 AM	28/05/2019 5:02 AM	31.38	Y	Y
CAS-11316-B2M4G0	22/05/2019 3:46 PM	Yes	No	Service Pipe	TPD - Other Contractor	Customer/General Public	No	0	Yes	22/05/2019 3:53 PM	22/05/2019 5:00 PM	22/05/2019 6:44 PM	73.88	N	Y
CAS-11185-G9R9B0	9/05/2019 4:19 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	9/05/2019 4:25 PM	9/05/2019 4:35 PM	9/05/2019 5:45 PM	15.18	Y	Y
CAS-11175-K0G6J9	9/05/2019 9:47 AM	No	Yes	Mains Fitting	TPD - FG Contractor	Customer/General Public	No	0	Yes	9/05/2019 9:50 AM	9/05/2019 10:33 AM	9/05/2019 11:53 AM	45.17	Y	Y
CAS-11075-J7F6J8	1/05/2019 11:28 AM	No	Yes	Mains Fitting	Construction Defect	Customer/General Public	No	0	Yes	1/05/2019 11:29 AM	1/05/2019 11:31 AM	1/05/2019 11:57 AM	2.70	Y	Y
CAS-11038-J7T8D0	26/04/2019 12:52 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	No	0	Yes	26/04/2019 12:57 PM	26/04/2019 1:22 PM	26/04/2019 2:15 PM	29.78	Y	Y
CAS-11018-X1F0R6	23/04/2019 2:17 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	23/04/2019 2:20 PM	23/04/2019 2:35 PM	23/04/2019 3:53 PM	17.20	Y	Y
CAS-11011-C8B0P8	18/04/2019 11:05 PM	Yes	No	Mains Pipe	Construction Defect	Emergency Services	No	0	Yes	18/04/2019 11:06 PM	18/04/2019 11:30 PM	19/04/2019 3:56 AM	24.08	Y	Y
CAS-10936-J8M4Q5	10/04/2019 10:33 AM	Yes	No	Mains Fitting	Equipment Failure	Customer/General Public	No	0	Yes	10/04/2019 10:42 AM	10/04/2019 11:08 AM	10/04/2019 1:11 PM	34.88	Y	Y
CAS-10833-S0B2T4	3/04/2019 10:15 AM	Yes	No	Service Pipe	TPD - Other Contractor	Third Party Contractor	Yes	1	Yes	3/04/2019 9:39 AM	3/04/2019 9:39 AM	3/04/2019 12:33 PM	0.00	Y	Y
CAS-10791-Z1Z9N6	31/03/2019 5:26 AM	Yes	Yes	Service Pipe	Unknown	Emergency Services	Yes	1	Yes	31/03/2019 5:29 AM	31/03/2019 6:21 AM	31/03/2019 8:35 AM	54.58	Y	Y
CAS-10709-F2B9V1	26/03/2019 5:24 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	26/03/2019 5:28 PM	26/03/2019 5:45 PM	26/03/2019 7:36 PM	20.67	Y	Y
CAS-10642-N4H7D2	20/03/2019 8:47 AM	Yes	No	Service Pipe	TPD - Other Contractor	Customer/General Public	Yes	1	Yes	20/03/2019 8:49 AM	20/03/2019 8:56 AM	20/03/2019 10:10 AM	8.87	Y	Y
CAS-10608-J5N5D3	16/03/2019 10:44 AM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	16/03/2019 10:49 AM	16/03/2019 11:27 AM	16/03/2019 1:11 PM	42.72	Y	Y
CAS-10541-N4R9W2	11/03/2019 8:26 AM	Yes	No	Service Pipe	TPD - Other Contractor	Third Party Contractor	No	0	Yes	11/03/2019 8:30 AM	11/03/2019 8:53 AM	11/03/2019 10:44 AM	26.22	Y	Y
CAS-10510-F1C8V1	5/03/2019 4:45 PM	No	Yes	Service Pipe	TPD - FG Contractor	Customer/General Public	Yes	1	Yes	5/03/2019 4:48 PM	5/03/2019 4:48 PM	5/03/2019 5:53 PM	2.62	Y	Y
CAS-10424-Q0C9X2	25/02/2019 3:00 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	25/02/2019 3:06 PM	25/02/2019 3:31 PM	25/02/2019 4:14 PM	30.43	Y	Y
CAS-10331-C5D0W5	13/02/2019 1:56 PM	Yes	Yes	Service Pipe	Equipment Failure	Emergency Services	No	0	Yes	13/02/2019 1:57 PM	13/02/2019 1:58 PM	13/02/2019 2:42 PM	1.65	Y	Y
CAS-10329-L1G5B4	13/02/2019 11:14 AM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	13/02/2019 11:25 AM	13/02/2019 11:39 AM	13/02/2019 4:00 PM	24.70	Y	Y
CAS-10308-S9W9G4	12/02/2019 2:06 PM	Yes	No	Mains Pipe	TPD - Other Contractor	Customer/General Public	No	0	Yes	12/02/2019 2:11 PM	12/02/2019 3:10 PM	12/02/2019 5:08 PM	63.27	N	Y
CAS-10306-F8N7F1	12/02/2019 1:08 PM	Yes	No	Mains Fitting	TPD - Other Contractor	Third Party Contractor	No	0	Yes	12/02/2019 1:17 PM	12/02/2019 1:29 PM	12/02/2019 2:23 PM	20.05	Y	Y
CAS-10222-P2B1X4	31/01/2019 1:00 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	31/01/2019 1:10 PM	31/01/2019 3:03 PM	31/01/2019 3:08 PM	122.62	N	Y
CAS-10151-W6V4L1	22/01/2019 3:06 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	22/01/2019 3:10 PM	22/01/2019 3:19 PM	22/01/2019 4:01 PM	12.85	Y	Y
CAS-10132-T1Q9Q4	20/01/2019 11:36 AM	Yes	Yes	Riser Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	20/01/2019 11:47 AM	20/01/2019 12:15 PM	20/01/2019 1:45 PM	38.58	Y	Y
CAS-10114-F2X8H2	17/01/2019 3:22 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	No	0	Yes	17/01/2019 3:26 PM	17/01/2019 4:17 PM	17/01/2019 5:52 PM	54.07	Y	Y
CAS-10100-H9V2Q2	16/01/2019 9:19 PM	Yes	Yes	Riser Crimp	Corrosion	Emergency Services	Yes	1	Yes	16/01/2019 9:22 PM	16/01/2019 10:00 PM	16/01/2019 11:15 PM	40.37	Y	Y
CAS-10091-W6X4P9	16/01/2019 12:09 PM	Yes	No	Mains Pipe	TPD - Other Contractor	Emergency Services	Yes	2	Yes	16/01/2019 12:13 PM	16/01/2019 12:31 PM	16/01/2019 6:22 PM	21.45	Y	Y
CAS-10042-X3V7L5	9/01/2019 12:28 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	9/01/2019 12:33 PM	9/01/2019 12:48 PM	9/01/2019 2:02 PM	19.67	Y	Y
CAS-10020-Z8P7T7	31/12/2018 7:20 PM	Yes	No	Mains Pipe	TPD - Other Contractor	Emergency Services	Yes	3	Yes	31/12/2018 7:23 PM	31/12/2018 7:27 PM	31/12/2018 11:15 PM	6.58	Y	Y
CAS-10017-N6F1Y4	30/12/2018 1:58 PM	Yes	No	Mains Fitting	Equipment Failure	Emergency Services	No	0	Yes	30/12/2018 2:03 PM	30/12/2018 2:12 PM	30/12/2018 4:03 PM	13.40	Y	Y



Case Number	Created On	Emergency Services Involved	Building Evacuated	Gas Asset Sub-Type	Gas Failure Mode	Gas Fault Detection	Network Supply Loss To Customer	Network Supply No. Customers Affected	Confirmed Escape	Crew Assign Time	On Site Time	Off Site Time	RTE (minutes)	Responded with in 60 Minutes	Responded with in 180 Minutes
CAS-10012-V3N3F1	25/12/2018 10:54 PM	Yes	No	Mains Pipe	Unknown	Emergency Services	No	0	Yes	25/12/2018 10:58 PM	25/12/2018 11:26 PM	26/12/2018 1:00 AM	31.28	Y	Y
CAS-10007-N4P2Y4	22/12/2018 3:19 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	22/12/2018 3:21 PM	22/12/2018 3:36 PM	22/12/2018 5:00 PM	16.55	Y	Y
CAS-09994-G9Y4R7	19/12/2018 4:20 PM	Yes	Yes	Riser Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	19/12/2018 4:32 PM	19/12/2018 4:51 PM	19/12/2018 5:50 PM	30.62	Y	Y
CAS-09964-F7X7V9	15/12/2018 10:40 PM	Yes	No	Mains Pipe	Equipment Failure	Emergency Services	No	0	Yes	15/12/2018 10:54 PM	15/12/2018 11:19 PM	16/12/2018 1:27 AM	38.52	Y	Y
CAS-09894-S6L2P8	7/12/2018 1:05 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	7/12/2018 1:11 PM	7/12/2018 1:27 PM	7/12/2018 3:01 PM	21.02	Y	Y
CAS-09864-L8B0Y5	4/12/2018 12:44 PM	Yes	No	Mains Pipe	TPD - Other Contractor	Emergency Services	No	0	Yes	4/12/2018 12:50 PM	4/12/2018 1:07 PM	4/12/2018 3:27 PM	22.55	Y	Y
CAS-09836-K4K7S2	30/11/2018 10:24 AM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	Yes	1	Yes	30/11/2018 10:30 AM	30/11/2018 10:47 AM	30/11/2018 11:42 AM	22.85	Y	Y
CAS-09807-P9S0S1	23/11/2018 4:30 PM	Yes	No	Service Pipe	Equipment Failure	Emergency Services	Yes	3	Yes	23/11/2018 4:33 PM	23/11/2018 4:56 PM	23/11/2018 7:25 PM	25.23	Y	Y
CAS-09800-P3J3Z7	23/11/2018 11:06 AM	Yes	No	Service Pipe	TPD - Other Contractor	Third Party Contractor	Yes	2	Yes	23/11/2018 11:13 AM	23/11/2018 11:43 AM	23/11/2018 2:18 PM	36.83	Y	Y
CAS-09735-Q0J6Y4	18/11/2018 12:35 PM	Yes	No	Service Pipe	TPD - Other Contractor	Retailer	Yes	1	Yes	18/11/2018 12:40 PM	18/11/2018 12:55 PM	18/11/2018 2:33 PM	19.27	Y	Y
CAS-09681-F5F1K5	13/11/2018 8:32 AM	Yes	No	Mains Pipe	TPD - Other Contractor	Emergency Services	No	0	Yes	13/11/2018 8:42 AM	13/11/2018 9:06 AM	13/11/2018 4:13 PM	33.75	Y	Y
CAS-09678-B8D0H8	12/11/2018 4:41 PM	No	Yes	Service Pipe	TPD - Other Contractor	Customer/General Public	No	0	Yes	12/11/2018 4:47 PM	12/11/2018 5:12 PM	12/11/2018 9:42 PM	30.68	Y	Y
CAS-09668-D2G5M7	10/11/2018 2:41 PM	Yes	No	Service Pipe	TPD - Other Contractor	Emergency Services	No	0	Yes	10/11/2018 2:43 PM	10/11/2018 3:14 PM	10/11/2018 5:13 PM	32.63	Y	Y
CAS-09630-X5F9T8	5/11/2018 9:43 PM	Yes	No	Service Fitting	Equipment Failure	Emergency Services	Yes	1	Yes	5/11/2018 9:45 PM	5/11/2018 9:59 PM	6/11/2018 12:27 AM	15.48	Y	Y
CAS-09615-F2Z3G1	2/11/2018 4:31 PM	Yes	No	Service Pipe	TPD - Other Contractor	Third Party Contractor	Yes	1	Yes	2/11/2018 4:35 PM	2/11/2018 5:01 PM	2/11/2018 7:05 PM	29.27	Y	Y
CAS-09594-R8R0L8	31/10/2018 9:46 AM	No	Yes	Mains Pipe	TPD - Other Contractor	Customer/General Public	Yes	15	Yes	31/10/2018 9:49 AM	31/10/2018 9:51 AM	31/10/2018 3:57 PM	4.10	Y	Y
CAS-09452-T7Y9Y7	15/10/2018 12:12 PM	Yes	No	Service Pipe	TPD - Other Contractor	Third Party Contractor	No	0	Yes	15/10/2018 12:21 PM	15/10/2018 12:35 PM	15/10/2018 2:32 PM	22.65	Y	Y
													Total Emergencies	Total over 60 Mins	Total Over 180 Mins
													57	3	0



APPENDIX 6: COMPLIANCE STATEMENT CERTIFICATE – GDB

We, Philippa Jane Dunphy, and Euan Richard Krogh, being Directors of First Gas Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached compliance statement of Firstgas Limited, and related information, prepared for the purposes of the *Gas Distribution Services Default Price-Quality Path Determination 2017* has been prepared in accordance with all the relevant requirements.



Director
Phillipa Jane Dunphy

04 December 2019
Date



Director
Euan Richard Krogh

04 December 2019
Date

Appendix 7: Auditor assurance



Independent Reasonable Assurance Report to the Directors of First Gas Limited ("the company") and to the New Zealand Commerce Commission

Opinion

In our opinion, in all material respects, the Compliance Statement of First Gas Limited for Gas Distribution services: Default price-quality path compliance for the assessment period commencing 1 October 2018 and ending 30 September 2019 ("the Compliance Statement") has been prepared in accordance with clause 11 of Gas Distribution Services Default Price-Quality Path Determination 2017 NZCC15 ("the Determination").

As far as appears from examination, in all material respects, the information used in the preparation of the Compliance Statement for the year ended 30 September 2019 has been properly extracted from the company's accounting and other records, sourced from its financial and non-financial systems.

Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to the company's Compliance Statement for the assessment period commencing 1 October 2018 and ending 30 September 2019.

Criteria

Our engagement relates to the Compliance Statement prepared by the company to provide reasonable assurance that the Gas Distribution's Default Price-Quality Path is in compliance with clause 11 of the Determination during the assessment period 1 October 2018 to 30 September 2019.

Standards we followed

We conducted our reasonable assurance engagement in accordance with 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) *Assurance Engagements on Compliance*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In accordance with those standards we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable assurance that the Compliance Statement is free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express an opinion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

How to interpret reasonable assurance and material misstatement

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

Misstatements, including omissions, within the Compliance Statement are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the Compliance Statement.



Use of this assurance Report

Our report should not be regarded as suitable to be used or relied on by any parties other than the company and the New Zealand Commerce Commission in relation to clause 11 of the Determination, for any purpose or in any context. Any party other than the company or the New Zealand Commerce Commission who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the company and the New Zealand Commerce Commission for our work, for this independent reasonable assurance report, or for the opinions we have reached.

Our report is released to the company and the New Zealand Commerce Commission on the basis that it shall not be copied, referred to or disclosed, in whole (save for the company's own internal purposes) or in part, without our prior written consent.

First Gas Limited's responsibility for the Compliance Statement

First Gas Limited is responsible for the preparation and fair presentation of the Compliance Statement in accordance with clause 11 of the Determination. This responsibility includes such internal control as the company determine is necessary to enable the preparation of a Compliance Statement that is free from material misstatement whether due to fraud or error.

Our responsibility

Our responsibility is to express an opinion to the directors of the company and to the New Zealand Commerce Commission on whether the preparation and presentation of the Compliance Statement is, in all material respects, in accordance with clause 11 of the Determination.

Our independence and quality control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided audit and other assurance services to the company. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as assurance providers of the company for this engagement. The firm has no other relationship with, or interest in, the company.

A handwritten signature in black ink, appearing to read 'KPMG.' with a period at the end.

KPMG
Auckland

6 December 2019