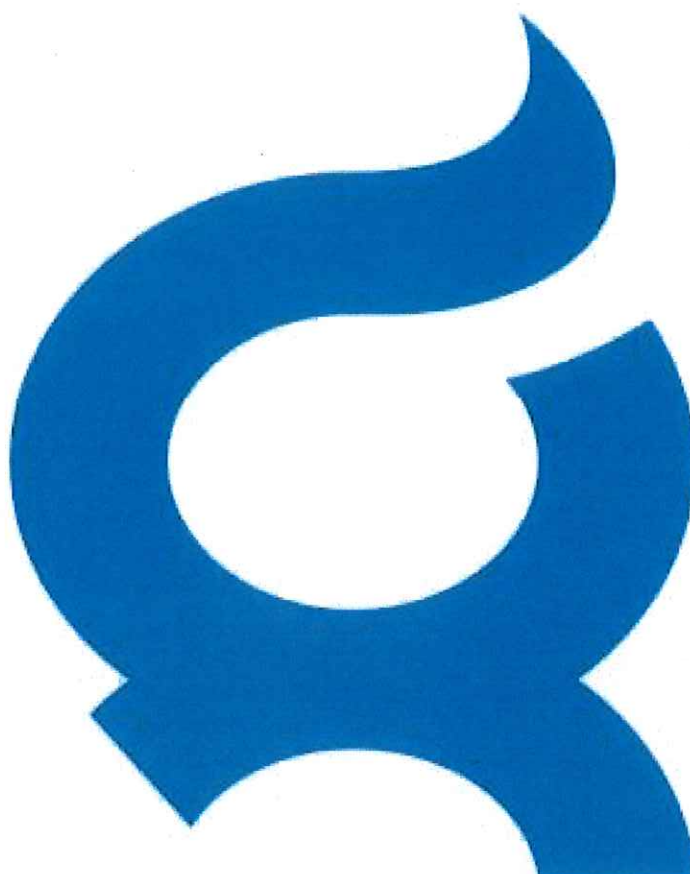




COMPLIANCE STATEMENT

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

Year ending 30 September 2020



Introduction

First Gas Limited (Firstgas) operates 2,500 kilometres of gas transmission pipelines (including the Maui pipeline), and more than 4,800 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.

Firstgas is part of the wider Firstgas Group. The Firstgas Group owns energy infrastructure assets across New Zealand through our affiliate Gas Services NZ Limited (GSNZ), a separate business with common shareholders that owns Rockgas and the Ahuroa gas storage facility.

Rockgas has over 80 years' experience and provides LPG to 100,000 customers throughout New Zealand. It is New Zealand's largest LPG retail business and supplies its customers with LPG from both domestic and imported sources. Visit the website www.rockgas.co.nz. The Ahuroa gas storage facility (trading as Flexgas Limited) is New Zealand's only open access gas storage facility. Visit the website www.flexgas.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 2020.

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 19 November 2020.

Compliance status for year ending 30 September 2020

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 2020. This is the third Assessment Period in the current DPP period (2017 – 2022).

Firstgas set new distribution prices with effect from 1 October 2019. The prices were notified to all retailers by Firstgas on 26 June 2019. The Pricing Period covered by this Compliance Statement is the same as the Assessment Period (1 October 2019 to 30 September 2020).

The **Notional Revenue (NR)** of **\$23,013,608** for this assessment period is less than the **Allowable Notional Revenue (ANR)** of **\$23,022,243**.

1.1 Allowable Notional Revenue

The DPP Determination requires Firstgas' Allowable Notional Revenue (ANR) for the third 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:

$$\Delta CPI = \frac{CPI_{Jun, t-2} + CPI_{Sep, t-2} + CPI_{Dec, t-2} + CPI_{Mar, t-1}}{CPI_{Jun, t-3} + CPI_{Sep, t-3} + CPI_{Dec, t-3} + CPI_{Mar, t-2}}$$

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 1.69%. The Assessment Period is 2020 and the components of ANR for this Assessment Period are:

Our $\sum(P_{i,2019}, Q_{i,2018})$ was \$23,121,602 (as set out in **Appendix 1**).

Our total $K_{2019} + V_{2019}$ was \$485,211.

The $ANR_{2019} - NR_{2019}$ was \$2,489.¹

¹ Our compliance statement for the 2019 Assessment period is on our website, <https://firstgas.co.nz/wp-content/uploads/2019-GDB-DPP-compliance-statement.pdf>

As a result, ANR for 2020 was:

$$\begin{aligned}
 \text{ANR}_{2020} &= (\sum P_{i,2019} Q_{i,2018} - (K_{2019} + V_{2019}) + (\text{ANR}_{2019} - \text{NR}_{2019})) (1 + \Delta \text{CPI}_{2020}) (1 - X) \\
 &= (\$23,121,602 - (\$485,211 + \$2,489) (1 + 0.0169) (1 - 0)) \\
 &= \$23,022,243 \\
 &= \$23.022 \text{ million}
 \end{aligned}$$

1.2 Notional Revenue

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

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

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 \$23,706,708 (as set out in **Appendix 2**). This is determined by applying prices for the Assessment Period to their associated quantities from the 2018 Assessment Period.

The prices that applied for the 2020 Assessment Period are as follows:

2020 prices		
Price plan	Fixed price (\$/day)	Variable price (\$/kWh)
GN0R	0.36	0.021
GN0V	0.00	0.05
GN01	0.66	0.0078
GN02	1.14	0.0076
GN03	5.00	0.007
GN04	14.5	0.0066
GN05	240.00	0.0016

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	2018 Quantities (Q_{t-2})	
	Fixed quantity (days)	Variable quantity (kWh)
GN0R	21,507,824	342,377,743
GN0V	0	0
GN01	763,989	50,867,714
GN02	522,972	132,361,967
GN03	184,447	253,774,310
GN04	24,148	209,942,183
GN05	3,285	283,665,726

The Pass-through Costs (K) and Recoverable Costs (V) applied for the 2020 Pricing Period were:

$$K_{2020} = \$617,151$$

$$V_{2020} = \$75,949$$

$$K_{2020} + V_{2020} = \$693,100$$

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

$$\begin{aligned}
 NR_{2020} &= \sum_i P_{2020} Q_{2018} - (K_{2020} + V_{2020}) \\
 &= \$23,706,708 - \$693,100 \\
 &= \$23,013,608 \\
 &= \$23.014 \text{ million}
 \end{aligned}$$

1.3 Pass-through Costs and Recoverable Costs

Pass-through Costs and Recoverable Costs applicable for Firstgas in the third Assessment Period were those for rates and levies, and the capex wash-up 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
- 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
- Levies payable:
 - Under regulations made under section 53ZE of the *Commerce Act 1986*, for activities of the Commerce Commission
 - 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 2012* (IMs) and has been reviewed by the Commerce Commission.

In summary, the Pass-through and Recoverable Costs (rounded) included in pricing for the 2020 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	PY2018 (\$000)	PY2019 (\$000)	PY2020 (\$000)	Total costs (\$000)
Local Government rates	\$108	\$324		\$432
Commerce Commission levies	\$2	\$148		\$150
Utility Disputes Limited levies		\$35		\$35
Capex washup adjustment			\$76	\$76
Total Pass-through and Recoverable Costs	\$110	\$507	\$76	\$693

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 Costs.² 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
- An explanation of the reasons for any difference between forecast and actual quantities for the Pricing Period in which the restructure occurred.

Firstgas has not restructured prices in the current or preceding assessment period.

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.

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_{2020} is less than ANR_{2020} .

$$NR_{2020} < ANR_{2020}$$

$$NR_{2020} \$23.014 \text{ million} < ANR_{2020} \$23.022 \text{ million}$$

Therefore, Firstgas has complied with the price path for the third 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 third 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)³
- 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 88% 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 2020 are calculated below:

- a) Number of RTEs where response time is greater than 60 minutes / total of all RTEs:
 7 emergencies had a response time greater than 60 minutes, from a total of 60 emergencies
 $7 / 60 = 12\%$
 $12\% \leq 20\%$

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.

³ Active involvement of emergency services either means a First Gas representative is contacted by one of the Emergency services to request attendance at the location of the emergency, or one of the Emergency services attends site to help with the Emergency. Emergency services includes fire service, ambulance, or police

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 subjected to a quality assurance review by the service provider, as required under our service agreement with them. In some cases, the data 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.

2.3 Compliance

As calculated above, Firstgas has complied with the quality standard for the third 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 $P_{i,2019}$ $Q_{i,2018}$

	$P_{i,2019}$	$Q_{i,2018}$
Sum	\$	23,121,602

Residential

	$P_{i,2019}$	$Q_{i,2018}$
North Island published charges between 1 October 2018 to 30 September 2019	\$	22,552,433
North Island non-standard charges between 1 October 2018 to 30 September 2019	\$	569,169

Standard prices

Standard prices 2019 applied to 2018 quantities.

							<i>P_{i,2019}Q_{i,2018}</i>
Sum						\$	22,552,433

Residential

Price plan	Code	Description	Units		<i>P_{i,2019}</i>	<i>Q_{i,2018}</i>	<i>P_{i,2019}Q_{i,2018}</i>
GN0R	GN0R-FIXD	Fixed	\$/day	\$	0.3460	21,507,824	\$ 7,441,707
GN0R	GN0R-24UC	Variable	\$/kWh	\$	0.0210	342,377,743	\$ 7,189,933
GN0V	GN0V-24UC	Variable	\$/kWh	\$	0.0500	-	\$ -

Business

Price plan	Code	Description	Units		<i>P_{i,2019}</i>	<i>Q_{i,2018}</i>	<i>P_{i,2019}Q_{i,2018}</i>
GN01	GN01-FIXD	Fixed	\$/day	\$	0.6400	763,989	\$ 488,953
GN01	GN01-24UC	Variable	\$/kWh	\$	0.0076	50,867,714	\$ 386,595

Commercial

Price plan	Code	Description	Units		<i>P_{i,2019}</i>	<i>Q_{i,2018}</i>	<i>P_{i,2019}Q_{i,2018}</i>
GN02	GN02-FIXD	Fixed	\$/day	\$	1.1200	522,972	\$ 585,729
GN02	GN02-24UC	Variable	\$/kWh	\$	0.0074	132,361,967	\$ 979,479
GN03	GN03-FIXD	Fixed	\$/day	\$	4.9500	184,447	\$ 913,013
GN03	GN03-24UC	Variable	\$/kWh	\$	0.0068	253,774,310	\$ 1,725,665

Industrial

Price plan	Code	Description	Units		<i>P_{i,2019}</i>	<i>Q_{i,2018}</i>	<i>P_{i,2019}Q_{i,2018}</i>
GN04	GN04-FIXD	Fixed	\$/day	\$	14.2000	24,148	\$ 342,902
GN04	GN04-24UC	Variable	\$/kWh	\$	0.0063	209,942,183	\$ 1,322,636
GN05	GN05-FIXD	Fixed	\$/day	\$	231.0000	3,285	\$ 758,835
GN05	GN05-24UC	Variable	\$/kWh	\$	0.0015	283,665,726	\$ 416,989

Non-standard prices

					$P_{I,2019} Q_{I,2018}$
Sum				\$	569,169

Non-standard

Price plan	Code	Description	Units	$P_{I,2019}$	$Q_{I,2018}$	$P_{I,2019} Q_{I,2018}$
0008000027NGD9C	0008000027NGD9C-FIXD	Fixed	\$/day	\$ 55.34	365	\$ 20,199
0008000029NGE07	0008000029NGE07-FIXD	Fixed	\$/day	\$ 91.30	365	\$ 33,325
0008000033NG63B	0008000033NG63B-FIXD	Fixed	\$/day	\$ 27.05	365	\$ 9,873
0008000038NG8EF	0008000038NG8EF-FIXD	Fixed	\$/day	\$ 169.48	365	\$ 61,860
0008000040NGFA6	0008000040NGFA6-FIXD	Fixed	\$/day	\$ 165.11	365	\$ 60,265
0008000051NG94E	0008000051NG94E-FIXD	Fixed	\$/day	\$ 326.44	365	\$ 119,151
0008000072NG8DB	0008000072NG8DB-FIXD	Fixed	\$/day	\$ 113.06	365	\$ 41,267
0008000074NG954	0008000074NG954-FIXD	Fixed	\$/day	\$ 51.77	365	\$ 18,896
0008000080NG849	0008000080NG849-FIXD	Fixed	\$/day	\$ 90.39	365	\$ 32,992
0008000147NGB68	0008000147NGB68-FIXD	Fixed	\$/day	\$ 63.20	365	\$ 23,068
0008000249NGBF0	0008000249NGBF0-FIXD	Fixed	\$/day	\$ 68.79	365	\$ 25,108
0008000300NGE00	0008000300NGE00-FIXD	Fixed	\$/day	\$ 32.69	365	\$ 11,932
0009001431NGDA6	0009001431NGDA6-FIXD	Fixed	\$/day	\$ 94.79	365	\$ 34,598
1001295720NG848	1001295720NG848-FIXD	Fixed	\$/day	\$ 497.00	-	\$ -
1001294166NGCC4	1001294166NGCC4-FIXD	Fixed	\$/day	\$ 112.80	304	\$ 34,291

Price plan	Code	Description	Units	$P_{I,2019}$	$Q_{I,2018}$	$P_{I,2019} Q_{I,2018}$
0008000027NGD9C	0008000027NGD9C-24UC	Variable	\$/kWh	\$ -	116,244,229	\$ -
0008000029NGE07	0008000029NGE07-24UC	Variable	\$/kWh	\$ -	36,212,839	\$ -
0008000033NG63B	0008000033NG63B-24UC	Variable	\$/kWh	\$ -	76,827,078	\$ -
0008000038NG8EF	0008000038NG8EF-24UC	Variable	\$/kWh	\$ -	60,843,987	\$ -
0008000040NGFA6	0008000040NGFA6-24UC	Variable	\$/kWh	\$ -	150,842,917	\$ -
0008000051NG94E	0008000051NG94E-24UC	Variable	\$/kWh	\$ -	50,922,648	\$ -
0008000072NG8DB	0008000072NG8DB-24UC	Variable	\$/kWh	\$ -	257,870,382	\$ -
0008000074NG954	0008000074NG954-24UC	Variable	\$/kWh	\$ -	113,055,280	\$ -
0008000080NG849	0008000080NG849-24UC	Variable	\$/kWh	\$ -	11,730,871	\$ -
0008000147NGB68	0008000147NGB68-24UC	Variable	\$/kWh	\$ -	6,251,433	\$ -
0008000249NGBF0	0008000249NGBF0-24UC	Variable	\$/kWh	\$ -	204,516,705	\$ -
0008000300NGE00	0008000300NGE00-24UC	Variable	\$/kWh	\$ -	73,583,312	\$ -
0009001431NGDA6	0009001431NGDA6-24UC	Variable	\$/kWh	\$ -	6,256,969	\$ -
1001295720NG848	1001295720NG848-24UC	Variable	\$/kWh	\$ 0.0012	-	\$ -
1001294166NGCC4	1001294166NGCC4-24UC	Variable	\$/kWh	\$ 0.0060	7,057,149	\$ 42,343



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

Summary of $P_{i,2020}$ $Q_{i,2018}$

	$P_{i,2020}$	$Q_{i,2018}$
Sum	\$	23,706,708

Residential

	$P_{i,2020}$	$Q_{i,2018}$
North Island published charges between 1 October 2019 to 30 September 2020	\$	23,112,574
North Island non-standard charges between 1 October 2019 to 30 September 2020	\$	594,134

Appendix 3: Standard prices included in notional revenue

Standard prices published for 2020 applied to 2018 quantities

	$P_{i,2020}$	$Q_{i,2018}$
Sum	\$	23,112,574

Residential

Price plan	Code	Description	Units	$P_{i,2020}$	$Q_{i,2018}$	$P_{i,2020} Q_{i,2018}$
GN0R	GN0R-FIXD	Fixed	\$/day	\$ 0.3600	21,507,824	\$ 7,742,817
GN0R	GN0R-24UC	Variable	\$/kWh	\$ 0.0210	342,377,743	\$ 7,189,933
GN0V	GN0v-24UC	Variable	\$/kWh	\$ 0.0500	-	\$ -

Business

Price plan	Code	Description	Units	$P_{i,2020}$	$Q_{i,2018}$	$P_{i,2020} Q_{i,2018}$
GN01	GN01-FIXD	Fixed	\$/day	\$ 0.6600	763,989	\$ 504,233
GN01	GN01-24UC	Variable	\$/kWh	\$ 0.0078	50,867,714	\$ 396,768

Commercial

Price plan	Code	Description	Units	$P_{i,2020}$	$Q_{i,2018}$	$P_{i,2020} Q_{i,2018}$
GN02	GN02-FIXD	Fixed	\$/day	\$ 1.1400	522,972	\$ 596,188
GN02	GN02-24UC	Variable	\$/kWh	\$ 0.0076	132,361,967	\$ 1,005,951
GN03	GN03-FIXD	Fixed	\$/day	\$ 5.0000	184,447	\$ 922,235
GN03	GN03-24UC	Variable	\$/kWh	\$ 0.0070	253,774,310	\$ 1,776,420

Industrial

Price plan	Code	Description	Units	$P_{i,2020}$	$Q_{i,2018}$	$P_{i,2020} Q_{i,2018}$
GN04	GN04-FIXD	Fixed	\$/day	\$ 14.5000	24,148	\$ 350,146
GN04	GN04-24UC	Variable	\$/kWh	\$ 0.0066	209,942,183	\$ 1,385,618
GN05	GN05-FIXD	Fixed	\$/day	\$ 240.0000	3,285	\$ 788,400
GN05	GN05-24UC	Variable	\$/kWh	\$ 0.0016	283,665,726	\$ 453,865

Appendix 4: Non-standard prices included in notional revenue

Non-standard prices for 2020 applied to 2018 quantities

	$P_{I,2020}$	$Q_{I,2018}$
Sum	\$	594,134

Non-standard

Price plan	Code	Description	Units	$P_{I,2020}$	$Q_{I,2018}$	$P_{I,2020} Q_{I,2018}$
0008000027NGD9C	0008000027NGD9C-FIXD	Fixed	\$/day	\$ 57.03	365	\$ 20,816
0008000029NGE07	0008000029NGE07-FIXD	Fixed	\$/day	\$ 94.09	365	\$ 34,344
0008000033NG63B	0008000033NG63B-FIXD	Fixed	\$/day	\$ 27.88	365	\$ 10,175
0008000038NG8EF	0008000038NG8EF-FIXD	Fixed	\$/day	\$ 177.43	365	\$ 64,762
0008000040NGFA6	0008000040NGFA6-FIXD	Fixed	\$/day	\$ 170.16	365	\$ 62,107
0008000051NG94E	0008000051NG94E-FIXD	Fixed	\$/day	\$ 336.41	365	\$ 122,789
0008000072NG8DB	0008000072NG8DB-FIXD	Fixed	\$/day	\$ 118.36	365	\$ 43,202
0008000074NG954	0008000074NG954-FIXD	Fixed	\$/day	\$ 53.35	365	\$ 19,474
0008000080NG849	0008000080NG849-FIXD	Fixed	\$/day	\$ 93.39	365	\$ 34,088
0008000147NGB68	0008000147NGB68-FIXD	Fixed	\$/day	\$ 65.30	365	\$ 23,834
0008000249NGBF0	0008000249NGBF0-FIXD	Fixed	\$/day	\$ 70.89	365	\$ 25,874
0008000300NGE00	0008000300NGE00-FIXD	Fixed	\$/day	\$ 33.69	365	\$ 12,298
0009001431NGDA6	0009001431NGDA6-FIXD	Fixed	\$/day	\$ 97.70	365	\$ 35,661
1001295720NG848	1001295720NG848-FIXD	Fixed	\$/day	\$ 497.00	-	\$ -
1001294166NGCC4	1001294166NGCC4-FIXD	Fixed	\$/day	\$ 112.80	304	\$ 34,291

Price plan	Code	Description	Units	$P_{I,2020}$	$Q_{I,2018}$	$P_{I,2020} Q_{I,2018}$
0008000027NGD9C	0008000027NGD9C-24UC	Variable	\$/kWh	\$ -	116,244,229	\$ -
0008000029NGE07	0008000029NGE07-24UC	Variable	\$/kWh	\$ -	36,212,839	\$ -
0008000033NG63B	0008000033NG63B-24UC	Variable	\$/kWh	\$ -	76,827,078	\$ -
0008000038NG8EF	0008000038NG8EF-24UC	Variable	\$/kWh	\$ -	60,843,987	\$ -
0008000040NGFA6	0008000040NGFA6-24UC	Variable	\$/kWh	\$ -	150,842,917	\$ -
0008000051NG94E	0008000051NG94E-24UC	Variable	\$/kWh	\$ -	50,922,648	\$ -
0008000072NG8DB	0008000072NG8DB-24UC	Variable	\$/kWh	\$ -	257,870,382	\$ -
0008000074NG954	0008000074NG954-24UC	Variable	\$/kWh	\$ -	113,055,280	\$ -
0008000080NG849	0008000080NG849-24UC	Variable	\$/kWh	\$ -	11,730,871	\$ -
0008000147NGB68	0008000147NGB68-24UC	Variable	\$/kWh	\$ -	6,251,433	\$ -
0008000249NGBF0	0008000249NGBF0-24UC	Variable	\$/kWh	\$ 0.00002	204,516,705	\$ 4,211
0008000300NGE00	0008000300NGE00-24UC	Variable	\$/kWh	\$ -	73,583,312	\$ -
0009001431NGDA6	0009001431NGDA6-24UC	Variable	\$/kWh	\$ 0.00062	6,256,969	\$ 3,865
1001295720NG848	1001295720NG848-24UC	Variable	\$/kWh	\$ 0.00120	-	\$ -
1001294166NGCC4	1001294166NGCC4-24UC	Variable	\$/kWh	\$ 0.00600	7,057,149	\$ 42,343



Appendix 5: RTE event data


Summary:	
Total emergency events:	60
Number of RTE exceeding 60 Mins:	7
Number of RTE exceeding 180 Mins:	0
% of RTE exceeding 60 Mins:	12%
% of RTE exceeding 180 Mins:	0%

Case Number	Service request created on	Emergency Services Involved	Building Evacuated	Confirmed Escape	Network Supply Loss To Customer	Network Supply No. Customer	Equipment Involved	Fault event caused by	Fault detection	On Site Time	RTE (minutes)	Respond to within 60 Minutes	Respond to within 180 Minutes
CAS-12565-R1J1H9	7/10/2019 13:52	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Customer/General Public	7/10/2019 14:07	14	Y	Y
CAS-13245-W3Y3F7	18/12/2019 8:50	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	18/12/2019 9:08	18	Y	Y
CAS-13291-Y5D7J6	23/12/2019 16:58	Yes	No	Yes	Yes	1	Riser Pipe	Corrosion	Emergency Services	23/12/2019 17:25	27	Y	Y
CAS-13103-T7D5R2	2/12/2019 10:00	Yes	No	Yes	Yes	1	Mains Pipe	TPD - Other Contractor	Emergency Services	2/12/2019 10:06	6	Y	Y
CAS-13871-Q8T6Z1	24/02/2020 11:51	Yes	No	Yes	Yes	5	Mains Pipe	TPD - Other Contractor	Emergency Services	24/02/2020 12:14	23	Y	Y
CAS-13953-T5V2B8	3/03/2020 14:00	Yes	No	Yes	Yes	7	Mains Pipe	TPD - Other Contractor	Third Party Contractor	3/03/2020 14:27	27	Y	Y
CAS-13959-V6P1J3	4/03/2020 6:07	Yes	Yes	Yes	Yes	1	Riser Pipe	TPD - Other Contractor	Emergency Services	4/03/2020 6:10	2	Y	Y
CAS-13963-Q9J8V4	4/03/2020 11:26	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Emergency Services	4/03/2020 11:47	21	Y	Y
CAS-14130-N5L9J8	19/03/2020 17:32	Yes	No	Yes	Yes	1	Mains Pipe	Corrosion	Retailer	19/03/2020 18:30	58	Y	Y
CAS-14171-P1L9K0	25/03/2020 17:49	Yes	Yes	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	25/03/2020 18:18	28	Y	Y
CAS-14271-X7F5V5	6/04/2020 10:16	Yes	No	Yes	No	0	Service Pipe	Construction Defect	Emergency Services	6/04/2020 10:50	34	Y	Y
CAS-14274-G8J8B4	6/04/2020 12:54	Yes	No	Yes	No	0	Service Pipe	Construction Defect	Emergency Services	6/04/2020 14:34	99	N	Y
CAS-14487-B8T2Q5	8/05/2020 14:56	Yes	No	Yes	No	0	Riser Valve	TPD - Other Contractor	Emergency Services	8/05/2020 15:14	18	Y	Y
CAS-14489-G2R7B9	8/05/2020 17:29	Yes	No	Yes	Yes	2	Service Pipe	Equipment Failure	Emergency Services	8/05/2020 18:00	30	Y	Y
CAS-13597-B9Q7T2	30/01/2020 0:04	Yes	Yes	Yes	Yes	1	Riser Pipe	TPD - Other Contractor	Emergency Services	30/01/2020 0:27	22	Y	Y
CAS-13759-N3X0W8	14/02/2020 12:10	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Customer/General Public	14/02/2020 12:53	42	Y	Y
CAS-14638-V4F2K5	23/05/2020 3:31	Yes	No	Yes	Yes	1	Riser Valve	Equipment Failure	Emergency Services	23/05/2020 3:56	25	Y	Y
CAS-14778-C6F8B5	5/06/2020 14:16	Yes	No	Yes	No	0	Service Pipe	Equipment Failure	Emergency Services	5/06/2020 14:57	41	Y	Y
CAS-15043-Q3B9J5	30/06/2020 10:23	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	30/06/2020 11:46	83	N	Y
CAS-15057-D0H3W3	2/07/2020 13:26	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Customer/General Public	2/07/2020 13:39	13	Y	Y
CAS-15369-P6M7T2	29/07/2020 13:42	Yes	Yes	Yes	No	0	Riser Pipe	TPD - Other Contractor	Customer/General Public	29/07/2020 13:59	17	Y	Y
CAS-16178-T0X1V5	29/09/2020 13:43	Yes	Yes	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	29/09/2020 14:14	31	Y	Y
CAS-15905-K9T3L6	8/09/2020 12:03	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Customer/General Public	8/09/2020 12:50	47	Y	Y
CAS-12829-T9W7F8	4/11/2019 14:31	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Customer/General Public	4/11/2019 15:26	54	Y	Y
CAS-13234-P9G5G0	16/12/2019 16:17	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Emergency Services	16/12/2019 16:59	42	Y	Y
CAS-13236-Y7K9Z9	17/12/2019 8:39	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Emergency Services	17/12/2019 8:49	9	Y	Y
CAS-13924-M0J8Q1	1/03/2020 21:21	Yes	No	Yes	No	0	Mains Fitting	Equipment Failure	Emergency Services	1/03/2020 22:21	60	Y	Y
CAS-13988-R8Q0L7	7/03/2020 18:18	Yes	No	Yes	Yes	1	DRS Pipework & Fittings	Corrosion	Emergency Services	7/03/2020 19:24	65	N	Y

Case Number	Service request created on	Emergency Services Involved	Building Evacuated	Confirmed Escape	Network Supply Loss To Customer	Network Supply No. Customer s Affected	Equipment Involved	Fault event caused by	Fault detection	On Site Time	RTE (minutes)	Respond to within 60 Minutes	Respond to within 180 Minutes
CAS-14129-P5P8W0	19/03/2020 16:38	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Third Party Contractor	19/03/2020 18:05	86	N	Y
CAS-14147-F1H1Q2	21/03/2020 18:41	Yes	No	Yes	No	0	Mains Fitting	Construction Defect	Emergency Services	21/03/2020 19:08	27	Y	Y
CAS-14148-R3N3W4	22/03/2020 10:45	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	22/03/2020 11:40	55	Y	Y
CAS-14149-M7C6G6	22/03/2020 16:52	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	22/03/2020 17:57	65	N	Y
CAS-14235-K3R7Y0	31/03/2020 21:24	Yes	No	Yes	Yes	1	Service Pipe	Equipment Failure	Emergency Services	31/03/2020 21:46	22	Y	Y
CAS-14291-F9Y3F9	14/04/2020 10:18	Yes	Yes	Yes	Yes	1	Riser Crimp	Equipment Failure	Customer/General Public	14/04/2020 11:07	49	Y	Y
CAS-14324-L2S4X9	18/04/2020 16:10	Yes	No	Yes	No	0	Riser Valve	Corrosion	Emergency Services	18/04/2020 16:59	48	Y	Y
CAS-14365-X5P2R1	25/04/2020 11:57	Yes	No	Yes	Yes	1	Riser Pipe	TPD - Other Contractor	Emergency Services	25/04/2020 12:23	25	Y	Y
CAS-14453-W9F6W8	7/05/2020 10:30	Yes	No	Yes	Yes	1	Service Pipe	Unknown	Emergency Services	7/05/2020 10:50	19	Y	Y
CAS-13737-Q0P6W9	13/02/2020 13:39	Yes	No	Yes	Yes	1	Mains Pipe	TPD - Other Contractor	Third Party Contractor	13/02/2020 14:10	30	Y	Y
CAS-14915-Y7S1M2	18/06/2020 21:01	Yes	Yes	Yes	No	0	Riser Pipe	Equipment Failure	Emergency Services	18/06/2020 22:01	60	Y	Y
CAS-15311-D6G7N2	24/07/2020 11:11	Yes	No	Yes	Yes	1	Service Fitting	Equipment Failure	On Site (FG Contractor)	24/07/2020 11:12	1	Y	Y
CAS-13364-D9C0F1	12/01/2020 14:15	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	12/01/2020 14:30	14	Y	Y
CAS-13366-G7W2L6	12/01/2020 21:53	Yes	No	Yes	Yes	1	Service Pipe	Equipment Failure	Emergency Services	12/01/2020 22:15	21	Y	Y
CAS-13459-K3F9D4	18/01/2020 10:25	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	18/01/2020 10:44	18	Y	Y
CAS-13763-Q2R3R9	17/02/2020 6:39	Yes	No	Yes	Yes	1	Service Fitting	Construction Defect	Emergency Services	17/02/2020 7:27	47	Y	Y
CAS-15347-T5P8K1	27/07/2020 18:20	Yes	No	Yes	No	0	Service Fitting	Equipment Failure	Emergency Services	27/07/2020 18:47	27	Y	Y
CAS-16147-R7C9H8	26/09/2020 16:28	Yes	No	Yes	No	0	Riser Crimp	Unknown	Emergency Services	26/09/2020 17:47	79	N	Y
CAS-15480-X7T4S8	5/08/2020 12:37	Yes	No	Yes	No	0	Riser Pipe	Equipment Failure	Emergency Services	5/08/2020 13:00	22	Y	Y
CAS-12622-N8K2Q7	12/10/2019 9:58	Yes	No	Yes	No	0	Riser Valve	Construction Defect	Emergency Services	12/10/2019 10:22	23	Y	Y
CAS-12970-M9F9X1	18/11/2019 14:40	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Customer/General Public	18/11/2019 15:30	49	Y	Y
CAS-12567-X7G6C2	7/10/2019 14:06	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	7/10/2019 14:33	26	Y	Y
CAS-12676-J6X7R7	18/10/2019 9:44	Yes	No	Yes	No	0	Mains Pipe	Construction Defect	Emergency Services	18/10/2019 10:05	21	Y	Y
CAS-13151-Z7L3G7	6/12/2019 11:41	No	No	No	Yes	87	Mains Valve	Unknown	On Site (FG Contractor)	6/12/2019 11:45	4	Y	Y
CAS-12726-Q5D8B9	24/10/2019 9:59	No	No	Yes	Yes	9	Mains Pipe	TPD - Other Contractor	Customer/General Public	24/10/2019 10:26	26	Y	Y
CAS-12979-K7N6Z5	19/11/2019 9:47	No	No	Yes	Yes	8	Mains Pipe	TPD - Other Contractor	Third Party Contractor	19/11/2019 11:48	120	N	Y
CAS-13037-H5M4D2	26/11/2019 11:04	No	No	Yes	Yes	11	Mains Fitting	TPD - Other Contractor	Customer/General Public	26/11/2019 11:24	20	Y	Y
CAS-14755-S4X4K1	3/06/2020 14:21	No	No	Yes	Yes	6	Mains Fitting	Equipment Failure	Third Party Contractor	3/06/2020 14:26	4	Y	Y
CAS-15362-W5R2B5	29/07/2020 7:32	No	Yes	Yes	No	0	Mains Fitting	Equipment Failure	On Site (FG Contractor)	29/07/2020 7:34	2	Y	Y
CAS-16013-N6Y4J6	16/09/2020 12:16	No	Yes	Yes	No	0	Riser Valve	Equipment Failure	On Site (FG Contractor)	16/09/2020 13:06	49	Y	Y
CAS-14288-C9P9F7	12/04/2020 9:38	No	Yes	Yes	Yes	4	Mains Pipe	Unknown	Customer/General Public	12/04/2020 10:07	29	Y	Y
CAS-14327-Y0F0H7	19/04/2020 10:23	No	Yes	Yes	Yes	4	Service Pipe	TPD - Other Contractor	Third Party Contractor	19/04/2020 10:46	23	Y	Y



We, Mark Adrian Ratcliffe, and Fiona Ann Oliver, 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 First Gas 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: Mark Adrian Ratcliffe



Director: Fiona Ann Oliver

19 November 2020

Date

19 November 2020

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

Our reasonable assurance opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects, the Compliance Statement of the company for Gas Distribution services: Default price-quality path compliance for the assessment period commencing 1 October 2019 and ending 30 September 2020 ("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 2020 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 2019 and ending 30 September 2020.

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 2019 to 30 September 2020.

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.

Management's responsibility for the Compliance Statement

Management 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 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) 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 agreed upon procedures 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.



KPMG
Auckland

19 November 2020