



COMPLIANCE STATEMENT

Gas distribution services: Default price-quality path compliance

Year ending 30 September 2021



Introduction

First Gas Limited (Firstgas) operates 2,500 kilometres of gas transmission pipelines and more than 4,900 kilometres of gas distribution pipelines across the North Island. These gas infrastructure assets transport natural 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. Our distribution network services approximately 66,000 consumers across the regions of Northland, Waikato, Central Plateau, Bay of Plenty, Gisborne and Kapiti Coast.

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 the Ahuroa gas storage facility and Rockgas.

The Ahuroa gas storage facility (trading as Flexgas) is New Zealand’s only underground gas storage facility. Rockgas has over 80 years’ experience providing LPG to over 100,000 customers throughout New Zealand. Rockgas is New Zealand’s largest LPG retail business and supplies its customers with LPG from both domestic and imported services.

Firstgas is committed to helping Aotearoa achieve its climate change goal of zero carbon emissions by 2050. Our gas transmission and distribution networks are ideally placed to support the development, transfer and use of emerging fuels such as hydrogen or biogas. For more information, visit our website: www.gasischanging.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 2021.

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 2 December 2021.

Compliance status for year ending 30 September 2021

Compliance with price path	Yes
Compliance with quality standards	Yes

Further information

For further information regarding this Compliance Statement, please contact:

Karen Collins
 Regulatory Policy Manager
 First Gas Limited
Karen.Collins@firstgasgroup.co.nz
 04 979 5368

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

Table of Contents

1. Price path compliance	5
1.1 Allowable Notional Revenue	5
1.2 Notional Revenue	6
2. Quality standards compliance	10
2.1 Calculations	10
2.2 Policies and procedures	11
3. Amalgamations, mergers, transfers, and major transactions	12
Appendix 1: Summary pricing and quantity information for Allowable Notional Revenue	13
Appendix 2: Summary of pricing and quantity information for Notional Revenue	16
Appendix 3: Standard prices included in notional revenue	17
Appendix 4: Non-standard prices included in notional revenue	18
Appendix 5: RTE event data	19
Appendix 6: Director certificate for compliance	22
Appendix 7: Auditor assurance	24

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 2021. This is the fourth Assessment Period in the current DPP period (2017 – 2022).

Firstgas set new distribution prices with effect from 1 October 2020. The prices were notified to all retailers by Firstgas on 1 September 2020.¹ The Pricing Period covered by this Compliance Statement is the same as the Assessment Period (1 October 2020 to 30 September 2021).

The **Notional Revenue (NR)** of **\$23,971,139** for this assessment period is less than the **Allowable Notional Revenue (ANR)** of **\$23,979,836**.

1.1 Allowable Notional Revenue

The DPP Determination requires Firstgas' Allowable Notional Revenue (ANR) for the fourth 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 1.88%. The Assessment Period is 2021 and the components of ANR for this Assessment Period are:

Our $\sum(P_{i,2020}, Q_{i,2019})$ was \$24,221,189 (as set out in **Appendix 1**).

Our total $K_{2020} + V_{2020}$ was \$693,100.

The $ANR_{2020} - NR_{2020}$ was \$8,635.²

¹ https://firstgas.co.nz/wp-content/uploads/FY2021-Price-Letter-For-1_Sept-Disclosure.pdf

² Our compliance statement for the 2020 Assessment period is on our website, <https://firstgas.co.nz/wp-content/uploads/FY2020-GDB-DPP-compliance-statement-1.pdf>

As a result, ANR for 2021 was:

$$\begin{aligned}
 \text{ANR}_{2021} &= (\sum P_{i,2020} Q_{2019} - (k_{2020} + v_{2020})) + (\text{ANR}_{2020} - \text{NR}_{2020}) (1 + \Delta \text{CPI}_{2021}) (1 - X) \\
 &= (\$24,221,189 - (\$617,151 + 75,949)) + (\$23,022,243 - \$23,013,608) (1 + 0.0188) (1 - 0) \\
 &= \$23,979,836 \\
 &= \$23.980 \text{ million}
 \end{aligned}$$

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 \$24,683,757 (as set out in **Appendix 2**). This is determined by applying prices for the Assessment Period to their associated quantities from the 2019 Assessment Period.

The prices that applied for the 2021 Assessment Period are as follows:

2021 prices		
Price plan	Fixed price (\$/day)	Variable price (\$/kWh)
GN0R	0.368	0.0214
GN0V	0.00	0.052
GN01	0.677	0.008
GN02	1.169	0.00779
GN03	5.13	0.00717
GN04	14.86	0.00677
GN05	246.00	0.00164

These prices apply for all customers on the Firstgas distribution network other than the non-standard consumers listed in **Appendix 4**. The non-standard consumers are those on the NG60 price plan.

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

Price Plan	2019 Quantities (Q_{t-2})	
	Fixed quantity (days)	Variable quantity (kWh)
GN0R	21,876,864	341,147,958
GN0V	0	0
GN01	778,551	51,526,508
GN02	541,624	132,405,642
GN03	186,657	250,936,413
GN04	24,475	225,530,409
GN05	3,285	257,312,475

The Pass-through Costs (K) and Recoverable Costs (V) applied for the 2021 Pricing Period were:

$$\begin{aligned}
 K_{2021} &= \$632,226 \\
 V_{2021} &= \$80,392 \\
 \mathbf{K_{2021} + V_{2021}} &= \mathbf{\$712,618}
 \end{aligned}$$

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

$$\begin{aligned}
 NR_{2021} &= \sum_i P_{2021} Q_{2019} - (K_{2021} + V_{2021}) \\
 &= \$24,683,757 - \$712,618 \\
 &= \$23,971,139 \\
 &= \$23.971 \text{ million}
 \end{aligned}$$

1.3 Pass-through Costs and Recoverable Costs

Pass-through Costs and Recoverable Costs applicable for Firstgas in the fourth 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 2021 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	PY2019 (\$000)	PY2020 (\$000)	Total costs (\$000)
Local Government rates	123	353	476
Commerce Commission levies		119	119
Utility Disputes Limited levies		38	38
Capex washup adjustment		80	80
Total Pass-through and Recoverable Costs	123	590	713

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.³ 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.

³ 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_{2021} is less than ANR_{2021} .

$$NR_{2021} < ANR_{2021}$$

$$NR_{2021} \text{ \$23.971 million} < ANR_{2021} \text{ \$23.980 million}$$

Therefore, Firstgas has complied with the price path for the fourth 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 fourth 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)⁴
- 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 90% 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 2021 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 68 emergencies
 - $7 / 68 = 10\%$
 - $10\% \leq 20\%$

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.

⁴ 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 updated by a push notification, i.e as soon as information is updated by the Electrix field technician, the data is sent to CRM. Exception reporting is run over the data to pick up any apparent anomalies and data is reviewed weekly 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 fourth 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

						<i>Pi,2020Qi,2019</i>
Sum						\$ 24,221,189
Residential						
						<i>Pi,2020Qi,2019</i>
North Island published charges between 1 October 2018 to 30 September 2019						\$ 23,312,591
North Island non-standard charges between 1 October 2018 to 30 September 2019						\$ 908,598

Standard prices

Standard prices 2020 applied to 2019 quantities.

						<i>Pi,2020Qi,2019</i>
Sum						\$ 23,312,591
Residential						
Price Plan	Code	Description	Units	<i>Pi,2020</i>	<i>Qi,2019</i>	<i>Pi,2020Qi,2019</i>
GN0R	GN0R - FIXD	Fixed	\$/day	\$0.3600	21,876,864.00	\$ 7,875,671
GN0R	GN0R - 24UC	Variable	\$/kWh	\$0.0210	341,147,957.82	\$ 7,164,107
GN0V	GN0V - 24UC	Variable	\$/kWh	\$0.0500	-	\$ -
Business						
Price Plan	Code	Description	Units	<i>Pi,2020</i>	<i>Qi,2019</i>	<i>Pi,2020Qi,2019</i>
GN01	GN01 - FIXD	Fixed	\$/day	\$0.6600	778,551.00	\$ 513,844
GN01	GN01 - 24UC	Variable	\$/kWh	\$0.0078	51,526,508.80	\$ 401,907
Commercial						
Price Plan	Code	Description	Units	<i>Pi,2020</i>	<i>Qi,2019</i>	<i>Pi,2020Qi,2019</i>
GN02	GN02 - FIXD	Fixed	\$/day	\$1.1400	541,624.00	\$ 617,451
GN02	GN02 - 24UC	Variable	\$/kWh	\$0.0076	132,405,641.69	\$ 1,006,283
GN03	GN03 - FIXD	Fixed	\$/day	\$5.0000	186,657.00	\$ 933,285
GN03	GN03 - 24UC	Variable	\$/kWh	\$0.0070	250,936,412.79	\$ 1,756,555
Industrial						
Price Plan	Code	Description	Units	<i>Pi,2020</i>	<i>Qi,2019</i>	<i>Pi,2020Qi,2019</i>
GN04	GN04 - FIXD	Fixed	\$/day	\$14.5000	24,475.00	\$ 354,888
GN04	GN04 - 24UC	Variable	\$/kWh	\$0.0066	225,530,409.46	\$ 1,488,501
GN05	GN05 - FIXD	Fixed	\$/day	\$240.0000	3,285.00	\$ 788,400
GN05	GN05 - 24UC	Variable	\$/kWh	\$0.0016	257,312,475.46	\$ 411,700

Non-standard prices

						<i>Pi,2020</i>	<i>Qj,2019</i>	<i>Pi,2020</i> <i>Qj,2019</i>
Sum						\$		908,598
Non-Standard								
Price Plan	Code	Description	Units	<i>Pi,2020</i>	<i>Qj,2019</i>	<i>Pi,2020</i>	<i>Qj,2019</i>	<i>Pi,2020</i> <i>Qj,2019</i>
0008000027NGD9C	0008000027NGD9C - FIXD	Fixed	\$/day	\$ 57.03	365	\$		20,816
0008000029NGE07	0008000029NGE07 - FIXD	Fixed	\$/day	\$ 94.09	365	\$		34,343
0008000033NG63B	0008000033NG63B - FIXD	Fixed	\$/day	\$ 27.87	365	\$		10,173
0008000038NG8EF	0008000038NG8EF - FIXD	Fixed	\$/day	\$ 177.43	365	\$		64,762
0008000040NGFA6	0008000040NGFA6 - FIXD	Fixed	\$/day	\$ 170.15	365	\$		62,105
0008000051NG94E	0008000051NG94E - FIXD	Fixed	\$/day	\$ 336.40	365	\$		122,786
0008000072NG8DB	0008000072NG8DB - FIXD	Fixed	\$/day	\$ 118.36	365	\$		43,201
0008000074NG954	0008000074NG954 - FIXD	Fixed	\$/day	\$ 53.35	365	\$		19,473
0008000080NG849	0008000080NG849 - FIXD	Fixed	\$/day	\$ 93.39	365	\$		34,087
0008000147NGB68	0008000147NGB68 - FIXD	Fixed	\$/day	\$ 65.29	365	\$		23,831
0008000249NGBF0	0008000249NGBF0 - FIXD	Fixed	\$/day	\$ 70.88	365	\$		25,871
0008000300NGE00	0008000300NGE00 - FIXD	Fixed	\$/day	\$ 33.69	365	\$		12,297
0009001431NGDA6	0009001431NGDA6 - FIXD	Fixed	\$/day	\$ 97.70	365	\$		35,661
1001294166NGCC4	1001294166NGCC4 - FIXD	Fixed	\$/day	\$ 112.80	365	\$		41,172
1001295720NG848	1001295720NG848 - FIXD	Fixed	\$/day	\$ 497.00	365	\$		181,405
1001296139NG852	1001296139NG852 - FIXD	Fixed	\$/day	\$ 620.00	-	\$		-
Price Plan	Code	Description	Units	<i>Pi,2020</i>	<i>Qj,2019</i>	<i>Pi,2020</i>	<i>Qj,2019</i>	<i>Pi,2020</i> <i>Qj,2019</i>
0008000027NGD9C	0008000027NGD9C - 24UC	Variable	\$/kWh	\$ -	109,492,625	\$		-
0008000029NGE07	0008000029NGE07 - 24UC	Variable	\$/kWh	\$ -	39,385,187	\$		-
0008000033NG63B	0008000033NG63B - 24UC	Variable	\$/kWh	\$ -	76,341,310	\$		-
0008000038NG8EF	0008000038NG8EF - 24UC	Variable	\$/kWh	\$ -	57,678,030	\$		-
0008000040NGFA6	0008000040NGFA6 - 24UC	Variable	\$/kWh	\$ -	145,991,026	\$		-
0008000051NG94E	0008000051NG94E - 24UC	Variable	\$/kWh	\$ -	47,948,952	\$		-
0008000072NG8DB	0008000072NG8DB - 24UC	Variable	\$/kWh	\$ -	250,832,362	\$		-
0008000074NG954	0008000074NG954 - 24UC	Variable	\$/kWh	\$ -	117,030,351	\$		-
0008000080NG849	0008000080NG849 - 24UC	Variable	\$/kWh	\$ -	12,606,140	\$		-
0008000147NGB68	0008000147NGB68 - 24UC	Variable	\$/kWh	\$ -	6,268,091	\$		-
0008000249NGBF0	0008000249NGBF0 - 24UC	Variable	\$/kWh	\$ 0.00002	231,776,462	\$		4,636
0008000300NGE00	0008000300NGE00 - 24UC	Variable	\$/kWh	\$ -	73,038,779	\$		-
0009001431NGDA6	0009001431NGDA6 - 24UC	Variable	\$/kWh	\$ 0.00062	4,015,496	\$		2,490
1001294166NGCC4	1001294166NGCC4 - 24UC	Variable	\$/kWh	\$ 0.00600	11,893,291	\$		71,360
1001295720NG848	1001295720NG848 - 24UC	Variable	\$/kWh	\$ 0.00120000	81,776,198	\$		98,131
1001296139NG852	1001296139NG852 - 24UC	Variable	\$/kWh	\$ 0.00900	-	\$		-

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

						<i>P_i,2021</i>	<i>Q_i,2019</i>
Sum						\$	24,683,757
Residential							
						<i>P_i,2021</i>	<i>Q_i,2019</i>
North Island published charges between 1 October 2020 to 30 September 2021						\$	23,832,548
North Island non-standard charges between 1 October 2020 to 30 September 2021						\$	851,209

Appendix 3: Standard prices included in notional revenue

Standard prices published for 2021 applied to 2019 quantities

						<i>Pi,2021Qi,2019</i>
Sum						\$ 23,832,548
Residential						
Price Plan	Code	Description	Units	<i>Pi,2021</i>	<i>Qi,2019</i>	<i>Pi,2021Qi,2019</i>
GN0R	GN0R - FIXD	Fixed	\$/day	\$ 0.36800	21,876,864.00	\$ 8,050,686
GN0R	GN0R - 24UC	Variable	\$/kWh	\$ 0.02140	341,147,957.82	\$ 7,300,566
GN0V	GN0V - 24UC	Variable	\$/kWh	\$ 0.05200	-	\$ -
Business						
Price Plan	Code	Description	Units	<i>Pi,2021</i>	<i>Qi,2019</i>	<i>Pi,2021Qi,2019</i>
GN01	GN01 - FIXD	Fixed	\$/day	\$ 0.67700	778,551.00	\$ 527,079
GN01	GN01 - 24UC	Variable	\$/kWh	\$ 0.00800	51,526,508.80	\$ 412,212
Commercial						
Price Plan	Code	Description	Units	<i>Pi,2021</i>	<i>Qi,2019</i>	<i>Pi,2021Qi,2019</i>
GN02	GN02 - FIXD	Fixed	\$/day	\$ 1.16900	541,624.00	\$ 633,158
GN02	GN02 - 24UC	Variable	\$/kWh	\$ 0.00779	132,405,641.69	\$ 1,031,440
GN03	GN03 - FIXD	Fixed	\$/day	\$ 5.13000	186,657.00	\$ 957,550
GN03	GN03 - 24UC	Variable	\$/kWh	\$ 0.00717	250,936,412.79	\$ 1,799,214
Industrial						
Price Plan	Code	Description	Units	<i>Pi,2021</i>	<i>Qi,2019</i>	<i>Pi,2021Qi,2019</i>
GN04	GN04 - FIXD	Fixed	\$/day	\$ 14.86000	24,475.00	\$ 363,699
GN04	GN04 - 24UC	Variable	\$/kWh	\$ 0.00677	225,530,409.46	\$ 1,526,841
GN05	GN05 - FIXD	Fixed	\$/day	\$ 246.00000	3,285.00	\$ 808,110
GN05	GN05 - 24UC	Variable	\$/kWh	\$ 0.00164	257,312,475.46	\$ 421,992

Appendix 4: Non-standard prices included in notional revenue

Non-standard prices for 2021 applied to 2019 quantities

						<i>P_{i,2021}Q_{i,2019}</i>
Sum						\$ 851,209
Non-Standard						
Price Plan	Code	Description	Units	<i>P_{i,2021}</i>	<i>Q_{i,2019}</i>	<i>P_{i,2021}Q_{i,2019}</i>
0008000027NGD9C	0008000027NGD9C - FIXD	Fixed	\$/day	\$ 58.10	365	\$ 21,207
0008000029NGE07	0008000029NGE07 - FIXD	Fixed	\$/day	\$ 95.86	365	\$ 34,989
0008000033NG63B	0008000033NG63B - FIXD	Fixed	\$/day	\$ 28.39	365	\$ 10,362
0008000038NG8EF	0008000038NG8EF - FIXD	Fixed	\$/day	\$ 141.37	365	\$ 51,600
0008000040NGFA6	0008000040NGFA6 - FIXD	Fixed	\$/day	\$ 173.35	365	\$ 63,273
0008000051NG94E	0008000051NG94E - FIXD	Fixed	\$/day	\$ 342.73	365	\$ 125,096
0008000072NG8DB	0008000072NG8DB - FIXD	Fixed	\$/day	\$ 120.59	365	\$ 44,015
0008000074NG954	0008000074NG954 - FIXD	Fixed	\$/day	\$ 54.35	365	\$ 19,838
0008000080NG849	0008000080NG849 - FIXD	Fixed	\$/day	\$ 95.15	365	\$ 34,730
0008000147NGB68	0008000147NGB68 - FIXD	Fixed	\$/day	\$ 52.02	365	\$ 18,987
0008000249NGBF0	0008000249NGBF0 - FIXD	Fixed	\$/day	\$ 56.47	365	\$ 20,612
0008000300NGE00	0008000300NGE00 - FIXD	Fixed	\$/day	\$ 26.84	365	\$ 9,797
0009001431NGDA6	0009001431NGDA6 - FIXD	Fixed	\$/day	\$ -	365	\$ -
1001294166NGCC4	1001294166NGCC4 - FIXD	Fixed	\$/day	\$ 112.80	365	\$ 41,172
1001295720NG848	1001295720NG848 - FIXD	Fixed	\$/day	\$ 497.00	365	\$ 181,405
1001296139NG852	1001296139NG852 - FIXD	Fixed	\$/day	\$ 620.00	-	\$ -
Price Plan	Code	Description	Units	<i>P_{i,2021}</i>	<i>Q_{i,2019}</i>	<i>P_{i,2021}Q_{i,2019}</i>
0008000027NGD9C	0008000027NGD9C - 24UC	Variable	\$/kWh	\$ -	109,492,625	\$ -
0008000029NGE07	0008000029NGE07 - 24UC	Variable	\$/kWh	\$ -	39,385,187	\$ -
0008000033NG63B	0008000033NG63B - 24UC	Variable	\$/kWh	\$ -	76,341,310	\$ -
0008000038NG8EF	0008000038NG8EF - 24UC	Variable	\$/kWh	\$ -	57,678,030	\$ -
0008000040NGFA6	0008000040NGFA6 - 24UC	Variable	\$/kWh	\$ -	145,991,026	\$ -
0008000051NG94E	0008000051NG94E - 24UC	Variable	\$/kWh	\$ -	47,948,952	\$ -
0008000072NG8DB	0008000072NG8DB - 24UC	Variable	\$/kWh	\$ -	250,832,362	\$ -
0008000074NG954	0008000074NG954 - 24UC	Variable	\$/kWh	\$ -	117,030,351	\$ -
0008000080NG849	0008000080NG849 - 24UC	Variable	\$/kWh	\$ -	12,606,140	\$ -
0008000147NGB68	0008000147NGB68 - 24UC	Variable	\$/kWh	\$ -	6,268,091	\$ -
0008000249NGBF0	0008000249NGBF0 - 24UC	Variable	\$/kWh	\$ 0.000020	231,776,462	\$ 4,636
0008000300NGE00	0008000300NGE00 - 24UC	Variable	\$/kWh	\$ -	73,038,779	\$ -
0009001431NGDA6	0009001431NGDA6 - 24UC	Variable	\$/kWh	\$ -	4,015,496	\$ -
1001294166NGCC4	1001294166NGCC4 - 24UC	Variable	\$/kWh	\$ 0.006000	11,893,291	\$ 71,360
1001295720NG848	1001295720NG848 - 24UC	Variable	\$/kWh	\$ 0.001200	81,776,198	\$ 98,131
1001296139NG852	1001296139NG852 - 24UC	Variable	\$/kWh	\$ 0.009000	-	\$ -

Appendix 5: RTE event data

Summary:	
Total emergency events:	68
Number of RTE exceeding 60 Mins:	7
Number of RTE exceeding 180 Mins:	0
% of RTE exceeding 60 Mins:	10%
% 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. Customers 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-17219-R8B3P8	21/12/2020 15:22	Yes	No	Yes	Yes	1	Mains Pipe	TPD - Other Contractor	Third Party Contractor	21/12/2020 15:49	27	Y	Y
CAS-16309-P8B7R1	8/10/2020 10:43	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Customer/General Public	8/10/2020 11:01	18	Y	Y
CAS-16478-S1L5H6	18/10/2020 11:47	Yes	Yes	Yes	Yes	2	Service Pipe	TPD - Other Contractor	Emergency Services	18/10/2020 12:15	27	Y	Y
CAS-16590-V9M9W9	31/10/2020 9:33	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	31/10/2020 9:55	22	Y	Y
CAS-16595-V6T8M2	2/11/2020 11:53	Yes	Yes	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	2/11/2020 12:07	14	Y	Y
CAS-16778-C0L2W6	17/11/2020 13:14	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Retailer	17/11/2020 13:46	32	Y	Y
CAS-16928-V4P8H8	28/11/2020 13:07	Yes	No	Yes	No	0	Mains Pipe	Construction Defect	Emergency Services	28/11/2020 13:33	26	Y	Y
CAS-17008-Z6M6P1	3/12/2020 19:33	Yes	No	Yes	Yes	3	Service Pipe	TPD - Other Contractor	Emergency Services	3/12/2020 20:04	30	Y	Y
CAS-17012-N9P7B4	4/12/2020 10:26	Yes	No	Yes	No	0	Riser Valve	Equipment Failure	Third Party Contractor	4/12/2020 11:01	34	Y	Y
CAS-17054-S4C2F6	7/12/2020 18:35	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	7/12/2020 19:43	67	N	Y
CAS-17263-L5M0G7	5/01/2021 23:38	Yes	No	Yes	Yes	1	Mains Fitting	Equipment Failure	Emergency Services	6/01/2021 0:15	36	Y	Y
CAS-16247-G6C4Q8	2/10/2020 12:19	Yes	No	Yes	Yes	1	Mains Pipe	TPD - Other Contractor	Emergency Services	2/10/2020 0:30	30	Y	Y
CAS-16477-P4Z6G3	17/10/2020 13:18	Yes	No	Yes	No	0	Riser Valve	TPD - Other Contractor	Emergency Services	17/10/2020 14:12	54	Y	Y
CAS-16567-X2Z4P3	28/10/2020 12:10	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	28/10/2020 12:35	25	Y	Y
CAS-16598-H0J4C9	2/11/2020 14:32	Yes	No	Yes	Yes	1	Service Fitting	Equipment Failure	Customer/General Public	2/11/2020 15:16	43	Y	Y
CAS-16779-C2J7H8	17/11/2020 13:16	Yes	No	Yes	Yes	6	Mains Pipe	TPD - Other Contractor	Customer/General Public	17/11/2020 13:37	21	Y	Y
CAS-18294-H7Q2X1	2/04/2021 14:50	Yes	No	Yes	No	0	Service Pipe	Equipment Failure	Emergency Services	2/04/2021 15:26	35	Y	Y
CAS-17707-R3S7K1	13/02/2021 14:43	Yes	No	Yes	No	0	Service Pipe	Equipment Failure	Emergency Services	13/02/2021 15:10	27	Y	Y
CAS-20513-Y5W5Z3	29/09/2021 9:44	Yes	No	Yes	Yes	1	Riser Pipe	Corrosion	Emergency Services	29/09/2021 10:18	34	Y	Y
CAS-17642-N1D7B3	6/02/2021 10:31	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	6/02/2021 11:16	45	Y	Y
CAS-17646-B8L5Z4	6/02/2021 13:13	Yes	No	Yes	No	0	Riser Valve	Unknown	Emergency Services	6/02/2021 13:32	19	Y	Y
CAS-19315-W8N0Z9	24/06/2021 11:31	Yes	No	Yes	Yes	1	Mains Pipe	TPD - Other Contractor	Emergency Services	29/09/2020 14:14	24	Y	Y
CAS-18798-T7X6N6	12/05/2021 10:11	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Third Party Contractor	12/05/2021 10:26	15	Y	Y
CAS-19306-N8P0S5	23/06/2021 17:11	Yes	No	Yes	No	0	0/01/1900 0:00	TPD - Other Contractor	Emergency Services	23/06/2021 17:41	30	Y	Y
CAS-17363-H9Z4J6	18/01/2021 12:04	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	18/01/2021 12:42	38	Y	Y
CAS-17387-V5V9G1	20/01/2021 0:56	Yes	Yes	Yes	Yes	1	Service Pipe	Equipment Failure	Emergency Services	20/01/2021 1:22	26	Y	Y
CAS-17351-H1D0P5	15/01/2021 23:09	Yes	No	Yes	No	0	Riser Valve	TPD - Other Contractor	Emergency Services	15/01/2021 23:56	46	Y	Y
CAS-19703-Q5B3Q5	28/07/2021 8:26	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Third Party Contractor	28/07/2021 8:40	14	Y	Y

Case Number	Service request created on	Emergency Services Involved	Building Evacuated	Confirmed Escape	Network Supply Loss To Customer	Network Supply No. Customers 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-17511-X9G5D8	28/01/2021 19:05	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Third Party Contractor	28/01/2021 20:12	67	N	Y
CAS-17494-P6B6F0	27/01/2021 11:54	Yes	No	Yes	No	0	Mains Pipe	Unknown	Leakage Survey	27/01/2021 12:16	22	Y	Y
CAS-17499-S4B9K8	28/01/2021 8:30	Yes	No	Yes	No	0	Mains Fitting	Equipment Failure	Emergency Services	28/01/2021 8:59	29	Y	Y
CAS-17800-X8T7Q5	22/02/2021 14:54	Yes	No	Yes	No	0	Mains Fitting	Equipment Failure	Emergency Services	22/02/2021 15:27	32	Y	Y
CAS-17812-F3M6F6	23/02/2021 14:58	Yes	No	Yes	Yes	1	Riser Pipe	TPD - Other Contractor	Emergency Services	23/02/2021 15:14	16	Y	Y
CAS-19172-D1T2T2	13/06/2021 15:28	Yes	No	Yes	No	0	Service Fitting	Corrosion	Emergency Services	13/06/2021 16:22	53	Y	Y
CAS-18229-P8L9S6	28/03/2021 11:13	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	28/03/2021 12:42	89	N	Y
CAS-18097-S4M5D0	17/03/2021 13:08	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Third Party Contractor	17/03/2021 13:22	13	Y	Y
CAS-18598-X6M6J4	25/04/2021 0:03	Yes	Yes	Yes	No	0	Riser Valve	TPD - Other Contractor	Emergency Services	25/04/2021 0:25	21	Y	Y
CAS-18676-T8J4X6	30/04/2021 8:41	Yes	Yes	Yes	No	0	Service Pipe	TPD - Other Contractor	Customer/General Public	30/04/2021 9:25	43	Y	Y
CAS-19064-G5V4H2	4/06/2021 13:51	Yes	No	Yes	Yes	2	Service Pipe	TPD - Other Contractor	Third Party Contractor	4/06/2021 14:36	44	Y	Y
CAS-17710-D4D0K6	14/02/2021 16:50	Yes	No	Yes	No	0	Riser Pipe	TPD - Other Contractor	Emergency Services	14/02/2021 17:20	30	Y	Y
CAS-17723-C4C5H3	15/02/2021 14:10	Yes	No	Yes	No	0	Riser Crimp	Equipment Failure	Third Party Contractor	15/02/2021 14:25	15	Y	Y
CAS-17774-M3X9W6	19/02/2021 9:41	Yes	No	Yes	No	0	Mains Fitting	TPD - Other Contractor	Emergency Services	19/02/2021 10:02	21	Y	Y
CAS-17782-J4Z9S7	19/02/2021 15:25	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	19/02/2021 16:50	85	N	Y
CAS-20077-F6J7H5	1/09/2021 14:32	Yes	Yes	Yes	Yes	3	Service Pipe	Corrosion	Emergency Services	1/09/2021 14:55	23	Y	Y
CAS-20111-N0M1B9	2/09/2021 14:20	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	2/09/2021 14:43	22	Y	Y
CAS-20121-Y0B4N2	2/09/2021 21:31	Yes	No	Yes	No	0	Riser Pipe	TPD - Other Contractor	Emergency Services	2/09/2021 21:46	14	Y	Y
CAS-18168-P1Z8Y8	23/03/2021 12:26	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	23/03/2021 12:42	16	Y	Y
CAS-18182-P8X4Y1	24/03/2021 10:18	Yes	No	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	24/03/2021 11:30	72	N	Y
CAS-18228-P2Y7W6	27/03/2021 11:05	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	27/03/2021 11:34	28	Y	Y
CAS-19366-D3J0P3	29/06/2021 8:30	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Customer/General Public	29/06/2021 8:36	6	Y	Y
CAS-19434-Y5F7V6	5/07/2021 10:25	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	5/07/2021 10:43	18	Y	Y
CAS-20233-K2S1R1	9/09/2021 9:06	Yes	Yes	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	9/09/2021 9:42	35	Y	Y
CAS-19158-V8G5C4	10/06/2021 18:45	Yes	No	Yes	No	0	Riser Pipe	Equipment Failure	Emergency Services	10/06/2021 19:48	62	N	Y
CAS-19125-D3G8F7	9/06/2021 11:10	Yes	No	Yes	No	0	Mains Pipe	TPD - Other Contractor	Customer/General Public	9/06/2021 11:51	40	Y	Y
CAS-19170-J3V7Q0	12/06/2021 11:24	Yes	Yes	Yes	No	0	Service Pipe	TPD - Other Contractor	Emergency Services	12/06/2021 12:22	58	Y	Y
CAS-19788-Q2D6W5	2/08/2021 14:32	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	2/08/2021 15:03	30	Y	Y
CAS-19853-N2T1Q6	6/08/2021 8:43	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	6/08/2021 9:54	70	N	Y
CAS-19972-X8R7K0	14/08/2021 12:14	Yes	No	Yes	Yes	1	Service Pipe	TPD - Other Contractor	Emergency Services	14/08/2021 12:55	40	Y	Y
CAS-19078-W6Y8M3	5/06/2021 13:29	Yes	Yes	Yes	Yes	1	Riser Pipe	Corrosion	Third Party Contractor	5/06/2021 14:07	38	Y	Y

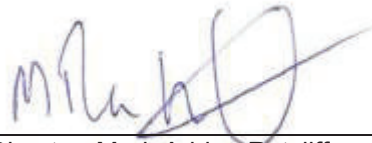
Case Number	Service request created on	Emergency Services Involved	Building Evacuated	Confirmed Escape	Network Supply Loss To Customer	Network Supply No. Customers Affected	Equipment involved	Fault event caused by	Fault detection	On Site Time	RTE (minutes)	Respond to within 60 Minutes	Respond to within 180 Minutes
CAS-16445-Y5K7F1	15/10/2020 14:53	No	No	Yes	Yes	10	Mains Pipe	Equipment Failure	Leakage Survey	15/10/2020 15:20	26	Y	Y
CAS-19680-G7Z6T1	26/07/2021 12:27	No	No	Yes	Yes	17	Mains Pipe	TPD - Other Contractor	Third Party Contractor	26/07/2021 12:55	28	Y	Y
CAS-19378-L8X2R8	29/06/2021 14:08	No	No	Yes	Yes	21	Mains Pipe	TPD - Other Contractor	Third Party Contractor	29/06/2021 14:20	12	Y	Y
CAS-19515-J7Z2N1	9/07/2021 17:42	No	No	Yes	Yes	40	Mains Pipe	TPD - Other Contractor	Customer/General Public	9/07/2021 18:11	29	Y	Y
CAS-19962-G1N1H3	13/08/2021 9:39	No	No	Yes	Yes	17	Mains Pipe	TPD - Other Contractor	Customer/General Public	13/08/2021 10:08	29	Y	Y
CAS-17752-Q4J2F4	18/02/2021 10:46	No	Yes	Yes	No	0	Mains Pipe	TPD - Other Contractor	Third Party Contractor	18/02/2021 11:25	39	Y	Y
CAS-18627-Z5Y5V2	28/04/2021 9:42	No	Yes	Yes	Yes	8	Mains Pipe	TPD - Other Contractor	Customer/General Public	28/04/2021 10:30	47	Y	Y
CAS-18326-K2K1L0	7/04/2021 11:55	No	Yes	Yes	No	0	Service Pipe	TPD - Other Contractor	Customer/General Public	7/04/2021 12:13	17	Y	Y
CAS-20109-L5D2Q3	2/09/2021 13:22	No	Yes	Yes	No	0	Service Pipe	TPD - Other Contractor	Third Party Contractor	2/09/2021 13:48	26	Y	Y

Appendix 6: Director certificate for compliance

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



Director: Mark Adrian Ratcliffe

Date: 02 December 2021

Date: 02 December 2021

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, the company’s Compliance Statement, that the entity has complied with the Gas Distribution services: Default Price-Quality Path requirements, is, in all material respects, fairly presented in accordance with clause 11 of Gas Distribution Services Default Price-Quality Path Determination 2017 NZCC15 (“the Determination”), for the assessment period commencing 1 October 2020 and ending 30 September 2021.

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 2021 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 2020 and ending 30 September 2021. This Compliance Statement will accompany our report, for the purpose of reporting to the Director’s of the company and the New Zealand Commerce Commission.

Criteria

We have undertaken a reasonable assurance engagement on whether the company’s Compliance Statement, in all material respects, complies with the Gas Distribution services: Default Price-Quality Path requirements, in accordance with clause 11 of the Determination, for the assessment period 1 October 2020 to 30 September 2021.

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 non-compliance 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 and non-compliance

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

Misstatements, including omissions, within the Compliance Statement are considered material and non-compliant 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, 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 of the company is responsible for providing a Compliance Statement with respect to the outcome of the evaluation of the company's compliance with the Gas Distribution services: Default Price-Quality Path requirements, in accordance with clause 11 of the Determination. This responsibility includes the identification of risks that threaten compliance with the Determination and controls which will mitigate those risks and monitor ongoing compliance.

Our responsibility

Our responsibility is to express an opinion on whether the company's Compliance Statement, in all material respects, complies with the Gas Distribution services: Default Price-Quality Path requirements, in accordance with clause 11 of the Determination, for the assessment period 1 October 2020 to 30 September 2021.

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, advisory 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

2 December 2021