



COMPLIANCE STATEMENT

Gas distribution services: Default price-quality path compliance

Assessment Period 1 October 2021 – 30 September 2022



Introduction

First Gas Limited (Firstgas) owns and operates more than 4,900 kilometres of gas distribution pipelines that service approximately 66,000 consumers across the regions of Northland, Waikato, Central Plateau, Bay of Plenty, Gisborne and Kāpiti Coast. Firstgas also owns and operates 2,500 kilometres of gas transmission pipelines. These pipelines transport around 20 percent of New Zealand's primary energy supply from Taranaki across the North Island.

Firstgas is part of the wider Firstgas Group. Headquartered in New Plymouth, Firstgas Group is an umbrella brand consisting of Rockgas, Firstgas, Flexgas and Gas Services NZ. Firstgas and Rockgas deliver natural gas and supply LPG respectively to over 500,000 customers through their network of high-pressure gas transmission pipelines and distribution pipelines in the North Island, as well as through LPG distribution pipelines in the South Island, 36 local LPG suppliers, and over 180 Refill & Save locations across New Zealand.

Flexgas operates the Ahuroa gas storage facility in Central Taranaki. Gas Services NZ provides operational and maintenance support to all gas infrastructure owners, including other parts of Firstgas Group.

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 2022.

The following documents are provided with this Compliance Statement:

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

This Compliance Statement was prepared on 25 November 2022.

Compliance status for year ending 30 September 2022

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 2022. This is the fifth and last Assessment Period in the current DPP period (2017 – 2022).

Firstgas set new distribution prices with effect from 1 October 2021. The prices were notified to all retailers by Firstgas on 1 September 2021.¹ The Pricing Period covered by this Compliance Statement is the same as the Assessment Period (1 October 2021 to 30 September 2022).

The **Notional Revenue (NR)** of **\$24,777,415** for this assessment period is less than the **Allowable Notional Revenue (ANR)** of **\$24,788,006**.

1.1 Allowable Notional Revenue

The DPP Determination requires Firstgas' Allowable Notional Revenue (ANR) for the fifth 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-1}	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_{t-1}	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: $\Delta CPI = \frac{CPI_{Jun,t-2} + CPI_{Sep,t-2} + CPI_{Dec,t-2} + CPI_{Mar,t-1}}{CPI_{Jun,t-3} + CPI_{Sep,t-3} + CPI_{Dec,t-3} + CPI_{Mar,t-2}} - 1$
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 1.46%. The Assessment Period is 2022 and the components of ANR for this Assessment Period are:

Our $\sum(P_{i,2021}, Q_{i,2020})$ was \$25,134,295 (as set out in **Appendix 1**).

Our total $K_{2021} + V_{2021}$ was \$712,618.

The $ANR_{2021} - NR_{2021}$ was \$8,697.²

¹ <https://firstgas.co.nz/wp-content/uploads/FY2022-Price-Letter-For-Website.pdf>

² Our compliance statement for the 2021 Assessment period is on our website, https://firstgas.co.nz/wp-content/uploads/Firstgas-GDB_FY2021-Compliance-Stmt-Signed.pdf

As a result, ANR for 2022 was:

$$\begin{aligned}
 \text{ANR}_{2022} &= (\sum P_{i,2021} Q_{2020} - (K_{2021} + V_{2021}) + (\text{ANR}_{2021} - \text{NR}_{2021})) (1 + \Delta \text{CPI}_{2022}) (1 - X) \\
 &= (\$25,134,295 - (\$632,226 + 80,392) (8,697) (1 + 0.0146) (1 - 0) \\
 &= \$24,788,006 \\
 &= \$24.788 \text{ million}
 \end{aligned}$$

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 \$25,603,124 (as set out in **Appendix 2**). This is determined by applying prices for the Assessment Period to their associated quantities from the 2020 Assessment Period.

The prices that applied for the 2022 Assessment Period are as follows:

2022 prices		
Price plan	Fixed price (\$/day)	Variable price (\$/kWh)
GN0R	0.375	0.02179
GN0V	0.000	0.05317
GN01	0.690	0.00816
GN02	1.191	0.00794
GN03	5.230	0.00730
GN04	15.140	0.00691
GN05	250.650	0.00167

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	2020 Quantities (Q_{t-2})	
	Fixed quantity (days)	Variable quantity (kWh)
GN0R	22,183,020	353,602,934
GN0V	0	0
GN01	762,881	47,172,558
GN02	546,173	123,814,984
GN03	187,802	240,372,146
GN04	25,613	217,701,882
GN05	3,407	256,685,321

The Pass-through Costs (K) and Recoverable Costs (V) applied for the 2022 Pricing Period were:

$$K_{2022} = \$738,409$$

$$V_{2022} = \$87,300$$

$$K_{2022} + V_{2022} = \$825,709$$

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

$$\begin{aligned}
 NR_{2022} &= \sum_i P_{2022} Q_{2020} - (K_{2022} + V_{2022}) \\
 &= \$25,603,124 - \$825,709 \\
 &= \$24,777,415 \\
 &= \$24.777 \text{ million}
 \end{aligned}$$

1.3 Pass-through Costs and Recoverable Costs

Pass-through Costs and Recoverable Costs applicable for Firstgas in the fifth 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 2022 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	PY2020 (\$000)	PY2021 (\$000)	Total costs (\$000)
Local Government rates	133	399	532
Commerce Commission levies		129	129
Utility Disputes Limited levies		37	37
Capex Washup Adjustment		87	87
Total Pass-through and Recoverable Costs	133	652	785

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_{2022} is less than ANR_{2022} .

$$NR_{2022} < ANR_{2022}$$

$$NR_{2022} \text{ \$24.777 million} < ANR_{2022} \text{ \$24.788 million}$$

Therefore, Firstgas has complied with the price path for the fifth 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 fifth 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 2022 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 69 emergencies
 $7 / 69 = 10\%$
 $10\% \leq 20\%$

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 fifth 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

[illegible]

Standard prices

Standard prices 2021 applied to 2020 quantities.

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								P _i , 2021Q _i , 2020 \$1,106,566
Sum								
Non-Standard								
Price Plan	Code	Description	Units	P _i , 2021	Q _i , 2020	P _i , 2021Q _i , 2020		
0008000027NGD9C	0008000027NGD9C - FIXED	Fixed	\$/day	\$ 58.10	366	\$ 21,265		
0008000029NGE07	0008000029NGE07 - FIXED	Fixed	\$/day	\$ 95.86	366	\$ 35,085		
0008000033NGG3B	0008000033NGG3B - FIXED	Fixed	\$/day	\$ 28.39	366	\$ 10,391		
0008000038NG8EF	0008000038NG8EF - FIXED	Fixed	\$/day	\$ 180.77	366	\$ 66,162		
0008000040NGFA6	0008000040NGFA6 - FIXED	Fixed	\$/day	\$ 173.35	366	\$ 63,446		
0008000051NG94E	0008000051NG94E - FIXED	Fixed	\$/day	\$ 342.73	366	\$ 125,439		
0008000072NG8DB	0008000072NG8DB - FIXED	Fixed	\$/day	\$ 120.59	366	\$ 44,136		
0008000074NG954	0008000074NG954 - FIXED	Fixed	\$/day	\$ 54.35	366	\$ 19,892		
0008000080NG849	0008000080NG849 - FIXED	Fixed	\$/day	\$ 95.15	366	\$ 34,825		
00080000147NGB68	00080000147NGB68 - FIXED	Fixed	\$/day	\$ 66.52	366	\$ 24,346		
0008000249NGBF0	0008000249NGBF0 - FIXED	Fixed	\$/day	\$ 72.21	366	\$ 26,429		
0008000300NGE00	0008000300NGE00 - FIXED	Fixed	\$/day	\$ 34.32	366	\$ 12,561		
0009001431NGDA6	0009001431NGDA6 - FIXED	Fixed	\$/day	\$ -	161	\$ -		
1001294166NGCC4	1001294166NGCC4 - FIXED	Fixed	\$/day	\$ 112.80	366	\$ 41,285		
1001295720NG848	1001295720NG848 - FIXED	Fixed	\$/day	\$ 497.00	366	\$ 181,902		
1001296139NG852	1001296139NG852 - FIXED	Fixed	\$/day	\$ 620.00	243	\$ 150,660		
1001298408NGE2A	1001298408NGE2A - FIXED	Fixed	\$/day	\$ 75.00	121	\$ 9,075		
1001298461NGF8B	1001298461NGF8B - FIXED	Fixed	\$/day	\$ 35.0000	61	\$ 2,135		
Price Plan	Code	Description	Units	P _i , 2021	Q _i , 2020	P _i , 2021Q _i , 2020		
0008000027NGD9C	0008000027NGD9C - 24UC	Variable	\$/kwh	\$ -	123,245,245	\$ -		
0008000029NGE07	0008000029NGE07 - 24UC	Variable	\$/kwh	\$ -	57,117,306	\$ -		
0008000033NGG3B	0008000033NGG3B - 24UC	Variable	\$/kwh	\$ -	71,808,349	\$ -		
0008000038NG8EF	0008000038NG8EF - 24UC	Variable	\$/kwh	\$ -	44,430,272	\$ -		
0008000040NGFA6	0008000040NGFA6 - 24UC	Variable	\$/kwh	\$ -	141,752,244	\$ -		
0008000051NG94E	0008000051NG94E - 24UC	Variable	\$/kwh	\$ -	51,668,952	\$ -		
0008000072NG8DB	0008000072NG8DB - 24UC	Variable	\$/kwh	\$ -	268,436,392	\$ -		
0008000074NG954	0008000074NG954 - 24UC	Variable	\$/kwh	\$ -	109,921,257	\$ -		
0008000080NG849	0008000080NG849 - 24UC	Variable	\$/kwh	\$ -	12,747,391	\$ -		
00080000147NGB68	00080000147NGB68 - 24UC	Variable	\$/kwh	\$ -	6,305,195	\$ -		
0008000249NGBF0	0008000249NGBF0 - 24UC	Variable	\$/kwh	\$ 0.00002	213,600,313	\$ 4,272		
0008000300NGE00	0008000300NGE00 - 24UC	Variable	\$/kwh	\$ -	81,637,597	\$ -		
0009001431NGDA6	0009001431NGDA6 - 24UC	Variable	\$/kwh	\$ -	842,215	\$ -		
1001294166NGCC4	1001294166NGCC4 - 24UC	Variable	\$/kwh	\$ 0.00600	13,316,385	\$ 79,898		
1001295720NG848	1001295720NG848 - 24UC	Variable	\$/kwh	\$ 0.00120	83,394,897	\$ 100,074		
1001296139NG852	1001296139NG852 - 24UC	Variable	\$/kwh	\$ 0.009	5,494,164	\$ 49,447		
1001298408NGE2A	1001298408NGE2A - 24UC	Variable	\$/kwh	\$ 0.0066	581,993	\$ 3,841		
1001298461NGF8B	1001298461NGF8B - 24UC	Variable	\$/kwh	\$ 0.0066	-	\$ -		

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

[illegible]

Appendix 4: Non-standard prices included in notional revenue

Non-standard prices for 2022 applied to 2020 quantities

[illegible]

Appendix 5: RTE event data

Summary:	
Total emergency events:	69
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-20810-B3M3W2	29/10/2021 10:55	Yes	No	Yes	Yes	2	PE	TPD - Other Contractor	Emergency Services	29/10/2021 11:09	13.23	Y	Y
CAS-21581-VBL1B6	22/01/2022 14:12	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	22/01/2022 14:57	44.75	Y	Y
CAS-21899-Y7S3V3	17/02/2022 13:18	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Third Party Contractor	17/02/2022 13:46	27.65	Y	Y
CAS-21372-Q6R0Y4	18/12/2021 10:23	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	18/12/2021 10:41	17.45	Y	Y
CAS-21690-P1L1B9	30/01/2022 22:07	Yes	Yes	Yes	Yes	1	Other	TPD - Other Contractor	Emergency Services	30/01/2022 22:24	16.22	Y	Y
CAS-21724-V8B1T7	2/02/2022 15:36	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	2/02/2022 16:02	25.02	Y	Y
CAS-23770-L5Y2F8	16/07/2022 12:31	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	16/07/2022 12:52	20.98	Y	Y
CAS-23823-T4H7H9	20/07/2022 8:56	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	20/07/2022 9:19	22.40	Y	Y
CAS-23593-N6J6Y0	4/07/2022 13:55	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	4/07/2022 14:36	40.22	Y	Y
CAS-23605-R0W9Q1	4/07/2022 16:45	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	4/07/2022 17:23	37.80	Y	Y
CAS-23564-H5M6G9	30/06/2022 10:14	Yes	No	Yes	Yes	5	PE	TPD - Other Contractor	Third Party Contractor	30/06/2022 10:33	18.35	Y	Y
CAS-22988-B7C3T6	24/05/2022 20:37	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	24/05/2022 20:58	20.10	Y	Y
CAS-23192-T2W4D1	15/06/2022 10:45	Yes	No	Yes	Yes	1	Steel	TPD - Other Contractor	Third Party Contractor	15/06/2022 11:00	14.88	Y	Y
CAS-23228-N1D0J5	18/06/2022 1:45	Yes	No	Yes	No	0	PE	Unknown	Emergency Services	18/06/2022 2:24	38.52	Y	Y
CAS-21770-L2R7G9	8/02/2022 19:59	Yes	No	Yes	Yes	2	Steel	Corrosion	Emergency Services	8/02/2022 20:32	32.83	Y	Y
CAS-21828-M2X3B1	10/02/2022 16:46	No	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	10/02/2022 17:55	68.10	N	Y
CAS-21844-J2D0X3	13/02/2022 12:51	Yes	No	Yes	No	0	PE	Unknown	Emergency Services	13/02/2022 13:48	56.22	Y	Y
CAS-22359-R3O6X1	29/03/2022 8:21	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	29/03/2022 8:59	37.47	Y	Y
CAS-22386-S8C4W1	30/03/2022 11:11	Yes	No	Yes	No	0	Other	Equipment Failure	Third Party Contractor	30/03/2022 11:16	4.20	Y	Y
CAS-22542-S1S6C2	15/04/2022 12:01	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	15/04/2022 12:28	26.77	Y	Y
CAS-21751-L0P9V5	8/02/2022 8:26	Yes	No	Yes	Yes	1	PE	Unknown	Emergency Services	8/02/2022 9:10	43.33	Y	Y
CAS-22595-L9L8T5	25/04/2022 12:43	Yes	No	Yes	No	0	PE	Equipment Failure	Emergency Services	25/04/2022 13:09	25.45	Y	Y
CAS-22623-K2C4S4	27/04/2022 10:32	No	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	27/04/2022 10:49	16.12	Y	Y
CAS-22674-F7W3D0	2/05/2022 8:45	Yes	No	Yes	Yes	1	Other	TPD - Other Contractor	Third Party Contractor	2/05/2022 9:29	43.93	Y	Y
CAS-22567-X2X7H1	21/04/2022 9:17	Yes	No	Yes	No	0	Other	Unknown	Emergency Services	21/04/2022 9:33	15.57	Y	Y
CAS-22721-G3V5H2	4/05/2022 16:02	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	4/05/2022 17:46	103.20	N	Y
CAS-21528-Y6Y1V4	16/01/2022 12:44	Yes	No	Yes	Yes	1	Other	Equipment Failure	Emergency Services	16/01/2022 13:23	38.48	Y	Y
CAS-21535-L9S7F6	17/01/2022 10:07	Yes	Yes	Yes	Yes	2	PE	TPD - Other Contractor	Emergency Services	17/01/2022 10:25	17.05	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-21837-G3J1B3	17/01/2022 12:04	Yes	No	Yes	Yes	1	Other	Equipment Failure	On Site (FG Contractor)	17/01/2022 12:36	31.27	Y	Y
CAS-21303-X5V0T0	8/12/2021 19:55	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	8/12/2021 20:15	19.95	Y	Y
CAS-21319-H6Z4C7	10/12/2021 15:20	No	Yes	Yes	No	0	PE	TPD - Other Contractor	Customer/General Public	10/12/2021 15:38	17.92	Y	Y
CAS-21364-D228Y2	16/12/2021 9:21	No	Yes	Yes	Yes	2	Other	TPD - Other Contractor	Third Party Contractor	16/12/2021 9:42	20.67	Y	Y
CAS-21087-V1L2T5	24/11/2021 12:28	Yes	No	Yes	Yes	1	Other	TPD - Other Contractor	Emergency Services	24/11/2021 12:56	27.90	Y	Y
CAS-21146-N6S7K7	29/11/2021 9:35	No	Yes	Yes	No	0	PE	TPD - Other Contractor	Third Party Contractor	29/11/2021 9:52	16.60	Y	Y
CAS-21191-X0W1Y3	1/12/2021 11:37	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	1/12/2021 11:53	15.12	Y	Y
CAS-21294-Y6X2H3	8/12/2021 9:59	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	8/12/2021 10:28	28.15	Y	Y
CAS-21074-V3X1D3	23/11/2021 10:33	Yes	No	Yes	No	0	PE	Equipment Failure	Emergency Services	23/11/2021 11:45	71.58	N	Y
CAS-21079-Z1R0F1	23/11/2021 15:02	Yes	No	Yes	Yes	216	Other	TPD - Other Contractor	Emergency Services	23/11/2021 15:19	16.68	Y	Y
CAS-21127-S1Z8B6	25/11/2021 12:12	Yes	Yes	Yes	Yes	2	PE	TPD - Other Contractor	Third Party Contractor	25/11/2021 12:30	17.63	Y	Y
CAS-21449-W8P6H2	3/01/2022 12:02	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	3/01/2022 12:26	23.87	Y	Y
CAS-22207-G0P4Z7	17/03/2022 9:16	Yes	No	Yes	No	0	PE	Equipment Failure	Customer/General Public	17/03/2022 9:42	25.73	Y	Y
CAS-22389-H2M6L5	30/03/2022 13:24	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	30/03/2022 13:56	31.88	Y	Y
CAS-22401-G8R9Y1	1/04/2022 21:49	Yes	No	Yes	Yes	1	Other	Unknown	Customer/General Public	1/04/2022 22:27	37.52	Y	Y
CAS-22309-F1Y3X3	23/03/2022 9:12	Yes	No	Yes	No	0	PE	Equipment Failure	Emergency Services	23/03/2022 9:36	23.32	Y	Y
CAS-22077-B3Q0R4	5/03/2022 23:25	Yes	No	Yes	Yes	2	Stainless Steel	Construction Defect	Customer/General Public	6/03/2022 0:02	36.28	Y	Y
CAS-21892-K3T8L9	17/02/2022 9:24	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Third Party Contractor	17/02/2022 10:57	92.30	N	Y
CAS-20546-W0D8C4	1/10/2021 9:08	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	1/10/2021 10:00	51.62	Y	Y
CAS-21483-W8T4X4	1/01/2022 9:19	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Customer/General Public	11/01/2022 10:03	43.38	Y	Y
CAS-21631-L2V8G3	27/01/2022 8:52	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	27/01/2022 9:30	37.42	Y	Y
CAS-21505-P4D5C7	13/01/2022 11:17	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	13/01/2022 11:20	2.93	Y	Y
CAS-21709-F1W8N6	2/02/2022 7:44	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	2/02/2022 8:39	54.75	Y	Y
CAS-21729-L6L6Y2	3/02/2022 9:19	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	3/02/2022 10:48	88.17	N	Y
CAS-20894-C7Y1D8	5/11/2021 12:48	Yes	Yes	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	5/11/2021 13:10	21.95	Y	Y
CAS-21947-Q9B1L1	21/02/2022 20:13	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	21/02/2022 20:33	19.98	Y	Y
CAS-22844-Y3W7L6	14/05/2022 17:32	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	14/05/2022 18:44	71.68	N	Y
CAS-22860-N7B6K1	17/05/2022 11:05	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	17/05/2022 11:30	24.73	Y	Y
CAS-23772-F4N9C9	17/07/2022 10:56	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	17/07/2022 11:37	40.62	Y	Y
CAS-23839-R0N0K1	20/07/2022 12:24	No	Yes	Yes	Yes	2	PE	TPD - Other Contractor	Third Party Contractor	20/07/2022 12:41	16.95	Y	Y
CAS-23327-B3L7P7	28/06/2022 13:29	No	Yes	Yes	Yes	1	Other	TPD - Other Contractor	Customer/General Public	28/06/2022 14:01	31.20	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-23541-K9J8V3	29/06/2022 10:10	No	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	29/06/2022 10:29	18.30	Y	Y
CAS-23563-D0J1B0	30/06/2022 9:09	No	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	30/06/2022 9:35	25.63	Y	Y
CAS-22851-D2Q8Z0	21/05/2022 20:27	Yes	No	Yes	No	0	Other	Unknown	Emergency Services	21/05/2022 21:08	40.17	Y	Y
CAS-22896-G2T3Z2	25/05/2022 11:24	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	25/05/2022 11:47	22.03	Y	Y
CAS-23000-F7R4D5	25/05/2022 13:30	Yes	No	Yes	No	0	PE	TPD - FG Contractor	Emergency Services	25/05/2022 14:28	57.52	Y	Y
CAS-23342-T1L9M4	21/06/2022 16:28	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	21/06/2022 17:49	80.75	N	Y
CAS-23058-G5Y8V4	1/06/2022 8:09	Yes	Yes	Yes	Yes	1	Other	Equipment Failure	Emergency Services	1/06/2022 8:37	27.58	Y	Y
CAS-24226-K9C1P2	27/08/2022 10:33	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	27/08/2022 11:10	36.80	Y	Y
CAS-24387-G9L0J7	16/09/2022 13:51	Yes	No	Yes	No	0	Other	Equipment Failure	On Site (FG Contractor)	16/09/2022 14:21	29.45	Y	Y
CAS-2386L-L0K9C3	2/08/2022 9:35	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	2/08/2022 10:19	43.07	Y	Y

Appendix 6: Director certificate for compliance

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

25 November 2022

Date

25 November 2022

Date



Independent Assurance Report

To the Directors of First Gas Limited and the Commerce Commission

Assurance report pursuant to Gas Distribution Services Default Price-Quality Path Determination 2017

Opinion

We have undertaken a reasonable assurance engagement in respect of the compliance of First Gas Limited (the “Company”) with the Gas Distribution Services Default Price-Quality Path Determination 2017 (the “Determination”) in preparing the Gas distribution services: Default price-quality path compliance statement (the “Compliance Statement”) for the assessment period ended 30 September 2022.

In our opinion, in all material respects:

- As far as appears from an examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company’s accounting and other records, and has been sourced, where appropriate, from its financial and non-financial systems; and
- The Company has complied with clauses 11.2 to 11.5 of the Determination in preparing the Annual Compliance Statement for the assessment period ended 30 September 2022.

Basis for Opinion

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

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

Director’s Responsibilities

The Directors are responsible on behalf of the Company for compliance with the Determination, for the identification of risks that may threaten compliance with the Determination, controls that would mitigate those risks, and monitoring the Company’s ongoing compliance.

Our Independence and Quality Control

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

In accordance with the Professional and Ethical Standard 3 (Amended) *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* or other professional requirements, or requirements in law or regulation, that are at least as demanding, our firm 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.



We are independent of the Company. In addition to our role as auditors, our firm carries out other assurance services for the Company in the areas of Gas transmission services: Compliance with the wash-up amount calculation and quality standards compliance statement and Disclosure Information, including as independent appraiser of related party transactions. Additionally, we have performed agreed upon procedures on distribution pricing and corporate models, and modelling services for the Future Gas Working Group, of which First Gas is a member. The provision of these other services has not impaired our independence.

Assurance Practitioner's responsibilities

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with the Determination in the preparation of the Compliance Statement for the assessment period ended 30 September 2022 and report our opinion to you on whether:

- as far as appears from our examination, the information used in the preparation of the Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and
- the Compliance Statement, for the assessment period ended 30 September 2022, has been prepared, in all material respects, in accordance with the requirements in clauses 11.2 to 11.5 of the Determination.

SAE 3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied, in all material respects, with the Determination.

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

Inherent Limitations

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

Use of Report

This report has been prepared for the Directors and the Commerce Commission in accordance with clause 11.2 (d) and schedule 8 of the Determination and is provided solely to assist you in establishing that compliance requirements have been met

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors of the Company, as a body, and the Commerce Commission or for any purpose other than that for which it was prepared.

A stylized, handwritten-style signature of 'PricewaterhouseCoopers' in a dark grey or black ink.

Chartered Accountants
25 November 2022

Christchurch, New Zealand