



## COMPLIANCE STATEMENT

# Gas distribution services: Default price-quality path compliance

Assessment Period 1 October 2022 – 30 September 2023



## Introduction

Firstgas is part of the Clarus group of companies which is one of New Zealand's largest energy groups with businesses that touch many aspects of the energy supply chain including Rockgas, Firstgas, Firstlight Network, First Renewables and Flexgas. Whether it's transmission, distribution, supply or storage of energy, the companies within the Clarus group service over half a million homes and businesses of all sizes around New Zealand.

Firstgas owns and operates more than 2,500 kms of high pressure gas transmission pipelines and stations that supply natural gas from Taranaki to industrial consumers throughout the North Island. It also owns 4,800kms of gas distribution networks across parts of the North Island. Combined, Firstgas connects over 300,000 homes and businesses with natural gas through its transmission and distribution systems. This essential infrastructure supports New Zealand's economy, so the group is committed to helping customers maximise value from it. Flexgas provides energy storage services to electricity generators, offering an important source of flexibility to the electricity system and supporting high levels of intermittent wind, hydro and solar generation.

Rockgas is New Zealand's largest LPG retail supplier, providing fast and reliable service through a national network of branches and franchises.

Firstlight Network is the lines company supplying electricity to the Tairāwhiti and Wairoa region, responsible for keeping the lights on across 12,000 square kilometres of the East Coast.

We are also investing in innovative renewable energy solutions such as biomethane and hydrogen, to help New Zealand reach its net zero carbon goals by 2050. Our First Renewables business is leading this work, alongside other options that will bring renewable energy to New Zealand homes, businesses and energy-intensive industries in the future.

Clarus was previously known as 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 2022* (DPP Determination) issued by the Commerce Commission on 31 May 2022. This Compliance Statement covers Firstgas' Gas Distribution Business (GDB) for the year ending 30 September 2023.

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 20 February 2024.

## Compliance status for year ending 30 September 2023

Compliance with price path	Yes
Compliance with quality standards	Yes

**Further information**

For further information regarding this Compliance Statement, please contact:

Saba Malik  
Regulatory Policy Manager  
First Gas Limited  
[Saba.Malik@clarus.co.nz](mailto:Saba.Malik@clarus.co.nz)

**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
2. Quality standards compliance .....	9
3. Amalgamations, mergers, transfers, and major transactions .....	12
Appendix 1: Summary of pricing and quantity information for Notional Revenue .....	13
Appendix 2: Standard prices included in notional revenue .....	14
Appendix 3: Non-standard prices included in notional revenue .....	15
Appendix 4: RTE event data .....	16
Appendix 5: Director certificate for compliance .....	19
Appendix 6: Auditor assurance .....	20

## 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 2023. This is the first Assessment Period in the current DPP period (2022 – 2026).

Firstgas set new distribution prices with effect from 1 October 2022. The prices were notified to all retailers by Firstgas on 1 September 2022.<sup>1</sup> The Pricing Period covered by this Compliance Statement is the same as the Assessment Period (1 October 2022 to 30 September 2023).

The **Notional Revenue (NR)** of **\$27,795,522** for this assessment period is less than the **Allowable Notional Revenue (ANR)** of **\$27,804,022**.

### 1.1 Allowable Notional Revenue

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

$$ANR_{2023} = \frac{MAR}{\Delta D}$$

Where:

**MAR** is \$28,565,852, the starting price specified in Schedule 1 of the DPP final determination; and

**ΔD** is 1.0274, the value specified in Table 3 of the DPP final determination for each GDB.

As a result, ANR for 2023 was:

$$\begin{aligned} ANR_{2023} &= \$28,565,852 / 1.0274 \\ &= \$27,804,022 \\ &= \$27.804 \text{ million} \end{aligned}$$

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

## 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:

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

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 \$27,795,522. This is determined by applying prices for the Assessment Period to their associated quantities from the 2021 Assessment Period.

The prices that applied for the 2023 Assessment Period are as follows:

2023 prices		
Price plan	Fixed price (\$/day)	Variable price (\$/kWh)
GN0R	0.4194	0.0244
GN0V	0.0000	0.0595
GN01	0.7717	0.0091
GN02	1.3321	0.0089
GN03	5.8496	0.0082
GN04	16.9336	0.0077
GN05	280.3444	0.0019

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	2021 Quantities (Q <sub>t-2</sub> )	
	Fixed quantity (days)	Variable quantity (kWh)
GN0R	22,522,571	344,674,928
GN0V	-	-
GN01	754,980	48,928,812
GN02	549,334	131,282,105
GN03	187,432	254,349,416
GN04	25,917	221,006,700
GN05	3,285	248,196,343

The Pass-through Costs (K) and Recoverable Costs (V) applied for the 2023 Pricing Period were:

$$K_{2023} = \$991,740$$

$$V_{2023} = \$0$$

$$K_{2023} + V_{2023} = \$991,740$$

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

$$\begin{aligned}
 NR_{2022} &= \sum_i P_{2023} Q_{2021} - (K_{2023} + V_{2023}) \\
 &= \$28,787,262 - \$991,740 \\
 &= \$27,795,522 \\
 &= \$27.796 \text{ million}
 \end{aligned}$$

### 1.3 Pass-through Costs and Recoverable Costs

Pass-through Costs and Recoverable Costs applicable for Firstgas in the first Assessment Period were those for Rates and Levies. 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).

In summary, the Pass-through and Recoverable Costs (rounded) included in pricing for the 2023 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	PY2021 (\$000)	PY2022 (\$000)	Total costs (\$000)
Local Government rates	168	485	653
Commerce Commission levies		298	298
Utility Disputes Limited levies		41	41
<b>Total Pass-through and Recoverable Costs</b>	<b>168</b>	<b>824</b>	<b>992</b>

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.<sup>2</sup> This is at a prescribed annual rate of 4.04%.

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.

#### 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,  $NR_{2023}$  is less than  $ANR_{2023}$ .

$$NR_{2023} < ANR_{2023}$$

$$NR_{2023} \text{ \$27.796 million} < ANR_{2023} \text{ \$27.804 million}$$

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

<sup>2</sup> 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.



## 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 first 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)<sup>3</sup>
- 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 93% of all emergencies within 60 minutes and to all emergencies within 180 minutes. Emergency incident data is provided in **Appendix 4**.

The RTE results for 2023 are calculated below:

- a) Number of RTEs where response time is greater than 60 minutes / total of all RTEs:  
 4 emergencies had a response time greater than 60 minutes, from a total of 58 emergencies  
 $4 / 58 = 7\%$   
 $7\% \leq 20\%$

Firstgas is compliant with quality standard.

- b) Number of RTE that exceeded 180 minutes was zero.  
 Firstgas is compliant with quality standard.

<sup>3</sup> 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

### **Exclusion of certain emergencies**

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

## 2.2 Policies and procedures

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

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

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

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

The recorded activity data is 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 first 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 of pricing and quantity information for Notional Revenue

	$\sum P_{2023} Q_{2021}$
<b>Sum</b>	<b>\$ 28,787,262</b>

### Residential

	$P_{2023} \times Q_{2021}$
North Island published charges between 1 October 2022 to 30 September 2023	\$ 27,478,218
North Island non-standard charges between 1 October 2022 to 30 September 2023	\$ 1,309,044

## Appendix 2: Standard prices included in notional revenue

Standard prices published for 2023 applied to 2021 quantities

	$P_{2023} \times Q_{2021}$
<b>Sum</b>	<b>\$ 27,478,218</b>

### Residential

Price Plan	Code	Description	Units	$P_{2023}$	$Q_{2021}$	$P_{2023} \times Q_{2021}$
GN0R	GN0R - FIXD	Fixed	\$/day	\$ 0.41943	22,522,571	\$ 9,446,553
GN0R	GN0R - 24UC	Variable	\$/kWh	\$ 0.02437	344,674,928	\$ 8,400,228
GN0V	GN0V - 24UC	Variable	\$/kWh	\$ 0.05947	-	\$ -

### Business

Price Plan	Code	Description	Units	$P_{2023}$	$Q_{2021}$	$P_{2023} \times Q_{2021}$
GN01	GN01 - FIXD	Fixed	\$/day	\$ 0.77174	754,980	\$ 582,651
GN01	GN01 - 24UC	Variable	\$/kWh	\$ 0.00913	48,928,812	\$ 446,559

### Commercial

Price Plan	Code	Description	Units	$P_{2023}$	$Q_{2021}$	$P_{2023} \times Q_{2021}$
GN02	GN02 - FIXD	Fixed	\$/day	\$ 1.33210	549,334	\$ 731,766
GN02	GN02 - 24UC	Variable	\$/kWh	\$ 0.00888	131,282,105	\$ 1,165,870
GN03	GN03 - FIXD	Fixed	\$/day	\$ 5.84960	187,432	\$ 1,096,401
GN03	GN03 - 24UC	Variable	\$/kWh	\$ 0.00816	254,349,416	\$ 2,076,719

### Industrial

Price Plan	Code	Description	Units	$P_{2023}$	$Q_{2021}$	$P_{2023} \times Q_{2021}$
GN04	GN04 - FIXD	Fixed	\$/day	\$ 16.93363	25,917	\$ 438,869
GN04	GN04 - 24UC	Variable	\$/kWh	\$ 0.00773	221,006,700	\$ 1,708,078
GN05	GN05 - FIXD	Fixed	\$/day	\$ 280.34438	3,285	\$ 920,931
GN05	GN05 - 24UC	Variable	\$/kWh	\$ 0.00187	248,196,343	\$ 463,592

## Appendix 3: Non-standard prices included in notional revenue

Non-standard prices for 2023 applied to 2021 quantities

	<i>P</i> 2023 X <i>Q</i> 2021
Sum	\$ 1,309,044

### Non-Standard

Price Plan	Code	Description	Units	<i>P</i> 2023	<i>Q</i> 2021	<i>P</i> 2023 X <i>Q</i> 2021
0008000027NGD9C	0008000027NGD9C - FIXD	Fixed	\$/day	\$ 62.070	365	\$ 22,656
0008000029NGE07	0008000029NGE07 - FIXD	Fixed	\$/day	\$ 102.410	365	\$ 37,380
0008000033NG63B	0008000033NG63B - FIXD	Fixed	\$/day	\$ 30.340	365	\$ 11,074
0008000038NG8EF	0008000038NG8EF - FIXD	Fixed	\$/day	\$ 196.020	365	\$ 71,547
0008000040NGFA6	0008000040NGFA6 - FIXD	Fixed	\$/day	\$ 185.210	365	\$ 67,602
0008000051NG94E	0008000051NG94E - FIXD	Fixed	\$/day	\$ 366.170	365	\$ 133,652
0008000072NG8DB	0008000072NG8DB - FIXD	Fixed	\$/day	\$ 128.840	365	\$ 47,027
0008000074NG954	0008000074NG954 - FIXD	Fixed	\$/day	\$ 58.070	365	\$ 21,196
0008000080NG849	0008000080NG849 - FIXD	Fixed	\$/day	\$ 101.650	365	\$ 37,102
0008000147NGB68	0008000147NGB68 - FIXD	Fixed	\$/day	\$ 71.070	365	\$ 25,941
0008000249NGBF0	0008000249NGBF0 - FIXD	Fixed	\$/day	\$ 77.150	365	\$ 28,160
0008000300NGE00	0008000300NGE00 - FIXD	Fixed	\$/day	\$ 36.660	365	\$ 13,381
1001294166NGCC4	1001294166NGCC4 - FIXD	Fixed	\$/day	\$ 120.510	365	\$ 43,986
1001295720NG848	1001295720NG848 - FIXD	Fixed	\$/day	\$ 531.000	365	\$ 193,815
1001296139NG852	1001296139NG852 - FIXD	Fixed	\$/day	\$ 662.410	365	\$ 241,780
1001298408NGE2A	1001298408NGE2A - FIXD	Fixed	\$/day	\$ 80.130	365	\$ 29,247
1001298461NGF8B	1001298461NGF8B - FIXD	Fixed	\$/day	\$ 37.390	365	\$ 13,647

Price Plan	Code	Description	Units	<i>P</i> 2023	<i>Q</i> 2021	<i>P</i> 2023 X <i>Q</i> 2021
0008000027NGD9C	0008000027NGD9C - 24UC	Variable	\$/kWh	\$ -	128,187,193	\$ -
0008000029NGE07	0008000029NGE07 - 24UC	Variable	\$/kWh	\$ -	46,873,511	\$ -
0008000033NG63B	0008000033NG63B - 24UC	Variable	\$/kWh	\$ -	68,477,864	\$ -
0008000038NG8EF	0008000038NG8EF - 24UC	Variable	\$/kWh	\$ -	74,859,367	\$ -
0008000040NGFA6	0008000040NGFA6 - 24UC	Variable	\$/kWh	\$ -	148,846,480	\$ -
0008000051NG94E	0008000051NG94E - 24UC	Variable	\$/kWh	\$ -	51,374,625	\$ -
0008000072NG8DB	0008000072NG8DB - 24UC	Variable	\$/kWh	\$ -	269,429,261	\$ -
0008000074NG954	0008000074NG954 - 24UC	Variable	\$/kWh	\$ -	135,672,631	\$ -
0008000080NG849	0008000080NG849 - 24UC	Variable	\$/kWh	\$ -	12,080,940	\$ -
0008000147NGB68	0008000147NGB68 - 24UC	Variable	\$/kWh	\$ -	6,221,444	\$ -
0008000249NGBF0	0008000249NGBF0 - 24UC	Variable	\$/kWh	\$ 0.00002	213,163,095	\$ 4,263
0008000300NGE00	0008000300NGE00 - 24UC	Variable	\$/kWh	\$ -	65,294,879	\$ -
1001294166NGCC4	1001294166NGCC4 - 24UC	Variable	\$/kWh	\$ 0.00641	14,093,992	\$ 90,342
1001295720NG848	1001295720NG848 - 24UC	Variable	\$/kWh	\$ 0.00128	65,355,935	\$ 83,656
1001296139NG852	1001296139NG852 - 24UC	Variable	\$/kWh	\$ 0.00961	7,736,333	\$ 74,346
1001298408NGE2A	1001298408NGE2A - 24UC	Variable	\$/kWh	\$ 0.00705	2,210,608	\$ 15,585
1001298461NGF8B	1001298461NGF8B - 24UC	Variable	\$/kWh	\$ 0.00695	238,808	\$ 1,660

## Appendix 4: RTE event data

<b>Summary:</b>	
Total emergency events:	58
Number of RTE exceeding 60 Mins:	4
Number of RTE exceeding 180 Mins:	0
% of RTE exceeding 60 Mins:	7%
% 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-24576-Y0V2T4	12/10/2022 13:16	Yes	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	12/10/2022 14:00	43.27	Y	Y
CAS-24605-M8D4R6	18/10/2022 9:35	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	18/10/2022 9:58	22.12	Y	Y
CAS-24636-D9G7V7	21/10/2022 10:25	No	Yes	Yes	Yes	1	Other	Equipment Failure	Customer/General Public	21/10/2022 10:39	13.32	Y	Y
CAS-24652-Y7H4W8	25/10/2022 13:52	No	Yes	Yes	Yes	1	PE	Unknown	Customer/General Public	25/10/2022 14:35	43.00	Y	Y
CAS-24702-M5P0C0	1/11/2022 8:29	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	1/11/2022 9:04	34.10	Y	Y
CAS-24891-R5T8Z0	21/11/2022 8:53	Yes	No	Yes	Yes	1	Other	Equipment Failure	Emergency Services	21/11/2022 9:16	22.57	Y	Y
CAS-24896-X2J4X6	21/11/2022 12:58	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	21/11/2022 13:31	32.70	Y	Y
CAS-24900-J8R1P1	21/11/2022 14:17	No	Yes	Yes	No	0	PE	TPD - Other Contractor	Third Party Contractor	21/11/2022 14:56	38.67	Y	Y
CAS-25000-J5G4X2	30/11/2022 12:23	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Customer/General Public	30/11/2022 12:38	14.68	Y	Y
CAS-25005-W7Y1C5	1/12/2022 13:07	Yes	No	Yes	Yes	2	PE	TPD - Other Contractor	Customer/General Public	1/12/2022 13:36	28.35	Y	Y
CAS-25019-D9Q6W3	2/12/2022 12:14	Yes	No	Yes	No	0	Other	TPD - Other Contractor	Emergency Services	2/12/2022 12:36	21.62	Y	Y
CAS-25026-Q2D8C7	5/12/2022 11:16	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	5/12/2022 11:49	32.85	Y	Y
CAS-25058-T1Y4F6	11/12/2022 13:45	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	11/12/2022 14:21	35.87	Y	Y
CAS-25059-T3M8K2	11/12/2022 15:47	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	11/12/2022 17:05	77.05	N	Y
CAS-25114-V4S8Q7	20/12/2022 9:30	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	20/12/2022 9:48	17.80	Y	Y
CAS-25147-V9K0N7	7/01/2023 21:35	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	7/01/2023 21:59	23.25	Y	Y
CAS-25169-X2G0Z0	10/01/2023 9:00	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	10/01/2023 9:38	37.48	Y	Y
CAS-25188-W7V6H1	13/01/2023 8:25	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	13/01/2023 8:50	24.50	Y	Y
CAS-25248-Z7K6G6	23/01/2023 21:07	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	23/01/2023 21:46	38.72	Y	Y
CAS-25269-B2N9F0	26/01/2023 14:56	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	26/01/2023 15:25	28.10	Y	Y
CAS-25283-C7P6K9	29/01/2023 13:45	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	29/01/2023 14:19	33.68	Y	Y
CAS-25478-Z9Z8M0	2/03/2023 9:09	Yes	No	Yes	Yes	1	PE	Equipment Failure	Emergency Services	2/03/2023 9:22	12.50	Y	Y
CAS-25548-N0V0M2	8/03/2023 10:27	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	8/03/2023 10:48	20.75	Y	Y
CAS-25608-C1X9D4	15/03/2023 11:41	No	Yes	Yes	No	0	PE	TPD - Other Contractor	Third Party Contractor	15/03/2023 12:13	31.22	Y	Y
CAS-25610-G1Z2G7	15/03/2023 15:06	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Customer/General Public	15/03/2023 15:31	24.37	Y	Y
CAS-25683-Z0S0P8	22/03/2023 20:43	Yes	No	Yes	No	0	Other	TPD - Other Contractor	Emergency Services	22/03/2023 21:46	63.00	N	Y
CAS-25698-N9N5T2	26/03/2023 11:21	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	26/03/2023 11:43	21.68	Y	Y
CAS-25741-H7Y5M0	28/03/2023 15:56	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Customer/General Public	28/03/2023 16:54	57.55	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-25840-R8Q2N0	13/04/2023 7:48	No	No	Yes	Yes	11	PE	Equipment Failure	Customer/General Public	13/04/2023 8:19	30.32	Y	Y
CAS-25910-L1Z9W9	18/04/2023 12:46	Yes	No	Yes	No	0	PE	Unknown	Customer/General Public	18/04/2023 14:53	126.37	N	Y
CAS-25940-K7M7R5	23/04/2023 9:53	Yes	No	Yes	No	0	PE	Equipment Failure	Customer/General Public	23/04/2023 10:39	45.43	Y	Y
CAS-25997-C3W1M1	29/04/2023 13:28	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Customer/General Public	29/04/2023 14:05	36.78	Y	Y
CAS-26025-J5P6G2	3/05/2023 13:32	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	3/05/2023 13:44	11.30	Y	Y
CAS-26072-L7C7H2	11/05/2023 11:26	Yes	No	Yes	Yes	1	Other	TPD - Other Contractor	Emergency Services	11/05/2023 11:59	32.15	Y	Y
CAS-26237-T4T6Y0	27/05/2023 9:27	Yes	No	Yes	Yes	2	PE	TPD - Other Contractor	Emergency Services	27/05/2023 9:59	31.80	Y	Y
CAS-26268-Q2T2W0	1/06/2023 17:37	Yes	No	Yes	No	0	PE	Equipment Failure	Emergency Services	1/06/2023 17:59	21.22	Y	Y
CAS-26269-T9X8B5	2/06/2023 10:19	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	2/06/2023 10:40	20.13	Y	Y
CAS-26359-G5J9T0	13/06/2023 10:17	No	Yes	Yes	Yes	1	Other	Equipment Failure	Third Party Contractor	13/06/2023 10:29	11.58	Y	Y
CAS-26401-L5M6K5	19/06/2023 10:18	Yes	No	Yes	No	0	PE	TPD - Other Contractor	On Site (FG Contractor)	19/06/2023 10:20	1.03	Y	Y
CAS-26405-W1B9Z7	19/06/2023 15:05	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	19/06/2023 16:13	67.18	N	Y
CAS-26416-Y9D9P8	21/06/2023 15:43	Yes	No	Yes	Yes	4	PE	TPD - Other Contractor	Customer/General Public	21/06/2023 16:19	35.33	Y	Y
CAS-26448-N9M0X3	24/06/2023 18:14	Yes	No	Yes	Yes	1	Other	Equipment Failure	Emergency Services	24/06/2023 18:47	32.40	Y	Y
CAS-26453-M6J5T4	26/06/2023 12:52	Yes	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	26/06/2023 13:16	23.98	Y	Y
CAS-26633-Y6Q1S4	13/07/2023 11:04	Yes	No	Yes	Yes	4	PE	TPD - Other Contractor	Customer/General Public	13/07/2023 11:20	15.90	Y	Y
CAS-26637-W8C6N8	13/07/2023 13:27	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	13/07/2023 13:42	14.95	Y	Y
CAS-26743-D0L4G3	1/08/2023 10:54	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	1/08/2023 11:12	17.28	Y	Y
CAS-26745-X5J5F6	1/08/2023 12:48	Yes	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	1/08/2023 13:26	37.38	Y	Y
CAS-26746-R2P5J4	1/08/2023 15:10	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	1/08/2023 15:40	29.83	Y	Y
CAS-26789-V0B1T9	4/08/2023 15:24	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Customer/General Public	4/08/2023 15:48	23.92	Y	Y
CAS-26792-H0V2G9	6/08/2023 18:53	Yes	No	Yes	No	0	Other	Equipment Failure	Emergency Services	6/08/2023 18:58	4.63	Y	Y
CAS-26806-D6S7G1	8/08/2023 11:19	Yes	No	Yes	No	0	Other	Corrosion	Emergency Services	8/08/2023 11:59	40.00	Y	Y
CAS-26933-G4T8J8	23/08/2023 8:46	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Emergency Services	23/08/2023 9:00	13.30	Y	Y
CAS-26957-V5M9L9	26/08/2023 10:00	Yes	No	Yes	No	0	Other	Construction Defect	On Site (FG Contractor)	26/08/2023 10:01	1.00	Y	Y
CAS-26988-L2Y5S3	31/08/2023 16:23	Yes	No	Yes	No	0	Other	Equipment Failure	Customer/General Public	31/08/2023 16:48	24.18	Y	Y
CAS-27027-S2K4J5	8/09/2023 12:40	Yes	No	Yes	No	0	PE	TPD - Other Contractor	Third Party Contractor	8/09/2023 13:34	53.80	Y	Y
CAS-27033-F6C7Q3	11/09/2023 12:09	Yes	Yes	Yes	Yes	1	PE	TPD - Other Contractor	Emergency Services	11/09/2023 12:31	21.40	Y	Y
CAS-27072-P9M4L9	18/09/2023 10:57	Yes	No	Yes	Yes	1	PE	TPD - Other Contractor	Third Party Contractor	18/09/2023 11:19	21.42	Y	Y
CAS-27077-X1V6Y7	18/09/2023 15:17	Yes	No	Yes	Yes	14	PE	TPD - Other Contractor	Customer/General Public	18/09/2023 15:51	33.82	Y	Y

**Appendix 5: 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 2022* has been prepared in accordance with all the relevant requirements.

  
\_\_\_\_\_  
Director: M Ratcliffe  
\_\_\_\_\_  
Director: F Oliver

15 March 2024

  
\_\_\_\_\_

Date

15 March 2024

  
\_\_\_\_\_

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 2022

#### 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 2022 (the “PQ Determination”) in preparing the Gas distribution services: Default price-quality path compliance statement (the “Compliance Statement”) for the assessment period ended 30 September 2023.

In our opinion, in all material respects:

- A far as appears from an examination, the information used in the preparation of the 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 the PQ Determination in preparing the Compliance Statement for the assessment period ended 30 September 2023.

#### 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 PQ Determination, for the identification of risks that may threaten compliance with the PQ Determination, controls that would mitigate those risks, and monitoring the Company’s ongoing compliance.

#### Our Independence and 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.

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

We are independent of the Company. Our firm carries out other services for the First Gas Group as auditor of the financial statement, and other services for the Company in the areas of compliance with Gas Distribution Services: Disclosure Information, Gas Transmission Services: Compliance with the wash-up amount calculation and quality standards and Disclosure Information, agreed upon procedures pertaining to the corporate model review and distribution pricing model, and modelling services for the Future of Gas Working Group of which First Gas Limited 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 PQ Determination in the preparation of the Compliance Statement 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 2023, has been prepared, in all material respects, in accordance with the requirements of the PQ Determination.

SAE 3100 (Revised) required that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied, in all material respects, with the PQ Determination in preparing the Compliance Statement for the assessment period ended 30 September 2023.

An assurance engagement to report on the Company's compliance with the PQ 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 PQ Determination will continue in the future.

### **Use of Report**

This report has been prepared for the Directors and the Commerce Commission in accordance with para A10 of the Notice to supply information to the Commerce Commission under section 53N of the Commerce Act 1986, issued on 31 May 2022 (the "Notice") 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  
15 March 2024

Christchurch, New Zealand