OtagoNet Joint Venture

Default Price-Quality Path
Annual Price Setting Compliance Statement
1 April 2022 – 31 March 2023 Assessment Period

30 March 2022

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1. Introduction

OtagoNet Joint Venture is subject to price-quality regulation under Part 4 of the Commerce Act 1986. The Commerce Commission has set a Default Price-Quality Path (DPP) which applies to OtagoNet Joint Venture from 1 April 2020.

This price-setting compliance statement is published in accordance with clause 11.1 of the 2020 DPP Determination, and applies to the third assessment period, commencing 1 April 2022 and ending 31 March 2023.

2. Date prepared

This statement was prepared on 30 March 2022.

3. Statement of compliance

As demonstrated in Table 1 below, and consistent with clause 8.4 of the 2020 DPP Determination OtagoNet Joint Venture has complied with the price path for the third assessment period.

Table 1

Compliance with price path RY23		
Forecast revenue from prices must not exceed the lesser of: (a) The forecast allowable revenue for that assessment period, and (b) The amount determined in accordance with the following formula: the forecast revenue from prices for the previous assessment period x (1 + limit on annual percentage increase in forecast revenue from prices		
Term	Description	Value ($000)
Forecast revenue from prices ($000)	Forecast prices between 1 April 2022 and 31 March 2023 multiplied by forecast quantities for the period ending 31 March 2023	32,420
Forecast allowable revenue ($000)	The sum of forecast net allowable revenue, forecast pass-through and recoverable costs, opening wash-up account balance and the pass-through balance allowance	32,454
Maximum allowable forecast revenue from prices ($000)	Forecast revenue from prices for the previous assessment period x (1 + limit on annual percentage increase in forecast revenue from prices)	36,614
Maximum allowable forecast revenue ($000)	The lessor of the forecast allowable revenue and maximum allowable forecast revenue from prices	32,454
Compliance Result	Forecast revenue from prices ≤ forecast allowable revenue and maximum allowable forecast revenue from prices	**Compliant**

Further information supporting forecast allowable revenue is included in Section 5 and Appendix A.

Further information supporting forecast revenue from prices is included in Section 6 and Appendix B.

4. Director's certification

A Director's certificate in the form set out in Schedule 6 of the 2020 DPP Determination is included as Appendix C.

5. Forecast allowable revenue

Table 2 shows the derivation of forecast allowable revenue, consistent with the requirements of Schedule 1.5 of the 2020 DPP Determination.

Table 2

Forecast allowable revenue RY23		
Term	Description	Value ($000)
Forecast net allowable revenue	*Forecast net allowable revenue as set out in Table 1.4.1 in Schedule 1.4 for the period ending 31 March 2023*	26,814
Forecast pass through costs	*Forecast pass-through costs and forecast recoverable costs*	308
Forecast recoverable costs	*Forecast recoverable costs, excluding any recoverable cost that is a revenue wash-up drawn down amount*	5,906
Opening wash-up account balance	*The opening wash-up account balance for the third assessment period of the DPP regulatory period is the closing wash-up account balance of the previous assessment periods set out in Schedule 1.7 (1)(b)*	(574)
Pass-through balance allowance	*The Pass-through balance allowance for the third assessment period is nil as outlined in clause 4.2 of the 2020 DPP Determination*	-
Total		32,454

Appendix A shows the components of the forecast pass-through and recoverable costs, and the pass-through balance allowance.

The methodology to derive the forecasts of the pass-through and recoverable costs is documented in Appendix A.

6. Forecast revenue from prices

Table 3 shows forecast revenue from prices.

Table 3

Forecast revenue from prices RY23		
Term	Description	Value ($000)
$\Sigma P_{2022/23}{*}Q_{2022/23}$	*Forecast prices between 1 April 2022 and 31 March 2023 multiplied by forecast quantities for the period ending 31 March 2023*	32,420

Appendix B shows the components of forecast revenue from prices. The methodology to forecast the quantities associated with each price is documented in Appendix B.

7. Maximum Allowable Forecast revenue from prices

Summary Table 4 shows the maximum allowable forecast revenue from prices, consistent with the requirements of clause 8.4 of the 2020 DPP Determination.

Table 4

Maximum Allowable Forecast revenue from Prices RY23		
Term	Description	Value ($000)
Forecast revenue from prices from previous assessment period	Forecast revenue from prices between 1 April 2021 and 31 March 2022 multiplied by forecast quantities for the period ending 31 March 2022	33,285
Limit on annual percentage increase in forecast revenue from prices		10%
Maximum allowable forecast revenue from prices	Forecast revenue from prices for the previous assessment period x (1 + limit on annual percentage increase in forecast revenue from prices)	36,614

Appendix A – Pass-through and recoverable costs

Forecast pass-through costs

Table 5

Forecast Pass-through Costs RY23		
Forecast pass-through costs	$000	Forecasting methodology
Rates on system fixed assets	152	OJV Actuals for 2020-21
Commerce Act levies	67	OJV Actuals for 2020-21
Electricity Authority levies	80	OJV Actuals for 2020-21
Utilities Disputes levies	9	OJV Actuals for 2020-21
Total forecast pass-through costs	**308**	

The forecasting method used to determine the pass-through costs for RY23 is to use the actual amounts published for the 2020 -2021 DPP compliance statement.

Forecast recoverable costs

Table 6

Forecast Recoverable Costs RY22		
Forecast recoverable costs	$000	Forecasting methodology
IRIS incentive adjustment	(2,110)	Commerce Commission calculation of IRIS spreadsheet
Transpower transmission charges	7,190	Transpower pricing notification for 2022-23
New investment contract charges	293	Transpower pricing notification for 2022-23
Capex wash-up adjustment	(228)	Commerce Commission calculation of Capex wash-up spreadsheet
System operator services charges		
Avoided transmission charges - purchased assets		
Distributed generation allowance	914	
Claw-back		
Catastrophic event allowance		
Extended reserves allowance		
Quality incentive adjustment	(176)	2021 DPP Compliance statement
Transmission asset wash-up adjustment	-	
Reconsideration event allowance	-	
Quality standard variation engineers fee	-	
Urgent project allowance	-	
Fire and emergency NZ levies	22	18 month insurance levy annualised
Innovation project allowance	-	
Total forecast recoverable costs	**5,906**	

The IRIS incentive adjustment is forecast using the value determined by the Commerce Commission in its "calculation of IRIS recoverable costs for DPP3" spreadsheet.

Transpower transmission and new investment contract charges are forecast from Transpower's 2022-23 pricing notification to OJV.

Distributed generation allowance is forecast by averaging the generators actual generation peak demands co-incident with Transpower's 100 highest peaks demands for the lower south island and multiplying the average demand by Transpower's interconnection rate for the 2022-2023 year.

The Quantity incentive adjustment is forecast using the amount calculated in the OJV 2021 DPP compliance statement.

The Capex wash-up adjustment is forecast using the value determined by the Commerce Commission in its "capex wash-up guidance calculation spreadsheet for the 2020–2025 EDB DPP".

Fire and Emergency NZ levies are forecast by annualising the current 18-month levy.

Pass-through balance allowance

The pass-through balance allowance is nil for the third to fifth assessment periods.

Appendix B – Forecast prices and quantities

Table 8 shows the forecast prices and quantities for the forecast revenue from prices for the third assessment period.

Table 8

Forecast revenue from prices RY23									
Price Category	Unit	Unit price	Forecast quantity	Forecast kVA	Forecast revenue ($000)				
Otago Region									
Residential Standard - Fixed Price	*$/kVA/yr*	$ 51.78	6743	10.00	$ 3,491.34				
Residential Low Fixed Charge - Fixed Price	*$/day*	$ 0.30	3799		$ 415.98				
Residential Low Fixed Charge - Fixed Price	*$/day*	$ 0.30	1368		$ 149.82				
General Connection Group - Fixed Price per kVA	*$/kVA/yr*	$ 51.78	3327	18.20	$ 3,134.91				
Unmetered Loads up to 1 kVA - Fixed Charge per connection	*$/yr*	$ 204.76	84		$ 17.20				
Street Lights Fixed Price per lamp watt per annum	*$/watts/yr*	$ 0.38	143055		$ 54.79				
Total Fixed Prices					**$ 7,264.04**				
Variable Prices		Peak/kWh	Shoulder/kWh	Night/kWh	$/Peak kWh	$/Shoulder kWh	$/Night kWh	Total ($000)	
Residential & General		43,236,036	37,428,210	29,805,859	$ 0.110580	$ 0.101980	$ 0.02280	$ 9,277.54	
Residential Low User		11,036,650	9,554,115	7,384,483	$ 0.177862	$ 0.173150	$ 0.027240	$ 3,818.45	
Total Variable Prices								**$ 13,095.99**	

Price Category Individual line charge	Unit	Unit price	Forecast quantity	Forecast revenue ($000)	Unit	Unit price	Forecast quantity	Forecast revenue ($000)	Forecast Total revenue ($000)
0001090833TG6F1	*$/day*	$ 7,581.24	1	$ 2,767.15	$/MWh	$ -		$ -	$ 2,767.15
0001120438TGE4C	*$/day*	$ 1,221.73	1	$ 445.93	$/MWh	$ -		$ -	$ 445.93
0001230615TG210	*$/day*	$ 1,812.62	1	$ 661.61	$/MWh	$ -		$ -	$ 661.61
0001090833TG6F1	*$/day*	$ 12.05	1	$ 4.40	$/MWh	$ 158.53	27.75	$ 4.40	$ 8.80
0001120438TGE4C	*$/day*	$ 13.87	1	$ 5.06	$/MWh	$ -	86.41	$ -	$ 5.06
0001230615TG210	*$/day*	$ 19.47	1	$ 7.11	$/MWh	$ 24.83	286.14	$ 7.11	$ 14.21
0001230783TG57C	*$/day*	$ 70.93	1	$ 25.89	$/MWh	$ 40.91	632.87	$ 25.89	$ 51.78
0001230785TG4F3	*$/day*	$ 20.99	1	$ 7.66	$/MWh	$ 34.81	220.04	$ 7.66	$ 15.32
0001230940TG858	*$/day*	$ 88.16	1	$ 32.18	$/MWh	$ 61.30	524.92	$ 32.18	$ 64.35
0001230990TG51A	*$/day*	$ 11.24	1	$ 4.10	$/MWh	$ 106.82	38.40	$ 4.10	$ 8.20
0001231005TGF1B	*$/day*	$ 367.36	1	$ 134.08	$/MWh	$ 44.91	2,985.45	$ 134.08	$ 268.17
0001231172TGE88	*$/day*	$ 202.25	1	$ 73.82	$/MWh	$ 33.63	2,195.16	$ 73.82	$ 147.64
0001250655TG2ED	*$/day*	$ 9.58	1	$ 3.50	$/MWh	$ -	84.52	$ -	$ 3.50
0001320515TGD9E	*$/day*	$ 7.32	1	$ 2.67	$/MWh	$ 44.12	60.56	$ 2.67	$ 5.34
0001321124TGB82	*$/day*	$ 8.71	1	$ 3.18	$/MWh	$ -	43.22	$ -	$ 3.18
0001370505TG447	*$/day*	$ 21.61	1	$ 7.89	$/MWh	$ -	155.14	$ -	$ 7.89
0001370610TG0A6	*$/day*	$ 14.70	1	$ 5.37	$/MWh	$ 99.93	53.70	$ 5.37	$ 10.73
0001401195TG9B3	*$/day*	$ 20.71	1	$ 7.56	$/MWh	$ -	182.76	$ -	$ 7.56
0001450225TGAD6	*$/day*	$ 22.85	1	$ 8.34	$/MWh	$ 22.44	371.74	$ 8.34	$ 16.68
0001450400TGCCA	*$/day*	$ 16.23	1	$ 5.93	$/MWh	$ 21.17	279.87	$ 5.93	$ 11.85

0001452050TGB83	$/day	$ 11.58	1	$ 4.23	$/MWh	$ 21.15	199.85	$ 4.23	$ 8.45
0001491270TGA81	$/day	$ 9.97	1	$ 3.64	$/MWh	$ 49.11	74.09	$ 3.64	$ 7.28
0001520870TGB4E	$/day	$ 14.28	1	$ 5.21	$/MWh	$ 39.26	132.76	$ 5.21	$ 10.42
0001580380TGEBF	$/day	$ 9.42	1	$ 3.44	$/MWh	$ 107.67	31.94	$ 3.44	$ 6.88
0001640675TGEE6	$/day	$ 80.79	1	$ 29.49	$/MWh	$ -	233.25	$ -	$ 29.49
0001690827TGC31	$/day	$ 8.81	1	$ 3.22	$/MWh	$ -	2.00	$ -	$ 3.22
0001700063TGC3B	$/day	$ 327.48	1	$ 119.53	$/MWh	$ -	15.25	$ -	$ 119.53
0001710106TGF61	$/day	$ 46.51	1	$ 16.97	$/MWh	$ -	52.93	$ -	$ 16.97
0001710108TGCFA	$/day	$ 89.74	1	$ 32.75	$/MWh	$ -	129.02	$ -	$ 32.75
0001730075TG635	$/day	$ 17.65	1	$ 6.44	$/MWh	$ -	56.54	$ -	$ 6.44
0001730798TGCD6	$/day	$ 4.89	1	$ 1.78	$/MWh	$ -	2.00	$ -	$ 1.78
0001730830TG9D2	$/day	$ 120.22	1	$ 43.88	$/MWh	$ -	635.36	$ -	$ 43.88
0001730849TG2DE	$/day	$ 39.23	1	$ 14.32	$/MWh	$ -	79.95	$ -	$ 14.32
0001731355TG9C3	$/day	$ 47.33	1	$ 17.28	$/MWh	$ -	131.93	$ -	$ 17.28
0001730881TG725	$/day	$ 29.74	1	$ 10.86	$/MWh	$ -	132.80	$ -	$ 10.86
0001731161TG536	$/day	$ 44.30	1	$ 16.17	$/MWh	$ -	190.34	$ -	$ 16.17
0001731175TGE91	$/day	$ 64.46	1	$ 23.53	$/MWh	$ -	280.97	$ -	$ 23.53
0001731255TG0C7	$/day	$ 39.36	1	$ 14.37	$/MWh	$ 38.08	377.31	$ 14.37	$ 28.73
0001760225TG74E	$/day	$ 24.98	1	$ 9.12	$/MWh	$ 24.01	379.71	$ 9.12	$ 18.24
0001760343TG035	$/day	$ 25.53	1	$ 9.32	$/MWh	$ 28.33	328.96	$ 9.32	$ 18.64
0001772060TG902	$/day	$ 69.91	1	$ 25.52	$/MWh	$ -	427.06	$ -	$ 25.52
0001772165TGD49	$/day	$ 25.35	1	$ 9.25	$/MWh	$ -	83.73	$ -	$ 9.25
0001780560TGADB	$/day	$ 23.93	1	$ 8.74	$/MWh	$ -	188.07	$ -	$ 8.74
0001811005TG57F	$/day	$ 14.71	1	$ 5.37	$/MWh	$ 151.12	35.52	$ 5.37	$ 10.74
0001820703TGB7E	$/day	$ 29.12	1	$ 10.63	$/MWh	$ 32.39	328.09	$ 10.63	$ 21.26
0001830031TGBE0	$/day	$ 23.88	1	$ 8.72	$/MWh	$ -	132.79	$ -	$ 8.72
0001830497TGE71	$/day	$ 25.53	1	$ 9.32	$/MWh	$ 41.82	222.80	$ 9.32	$ 18.63
0001830541TGBB8	$/day	$ 1,255.97	1	$ 458.43	$/MWh	$ -	7,523.16	$ -	$ 458.43
0001830828TGF11	$/day	$ 13.10	1	$ 4.78	$/MWh	$ -	71.81	$ -	$ 4.78
0001830903TG594	$/day	$ 15.79	1	$ 5.76	$/MWh	$ -	37.45	$ -	$ 5.76
0001840612TG6CA	$/day	$ 34.18	1	$ 12.48	$/MWh	$ 27.18	459.12	$ 12.48	$ 24.95
0001740775TG38E	$/day	$ 24.48	1	$ 8.93	$/MWh	$ 57.20	156.18	$ 8.93	$ 17.87
0001940050TG680	$/day	$ 34.56	1	$ 12.61	$/MWh	$ 36.11	349.31	$ 12.61	$ 25.23
0001940060TG178	$/day	$ 111.36	1	$ 40.65	$/MWh	$ 34.88	1,165.42	$ 40.65	$ 81.30
0001940090TG16F	$/day	$ 12.39	1	$ 4.52	$/MWh	$ 36.65	123.36	$ 4.52	$ 9.04
0001940095TGC20	$/day	$ 36.37	1	$ 13.28	$/MWh	$ 75.15	176.64	$ 13.28	$ 26.55
0001940100TG78C	$/day	$ 88.02	1	$ 32.13	$/MWh	$ 45.25	710.00	$ 32.13	$ 64.25
0001940110TGD21	$/day	$ 29.60	1	$ 10.80	$/MWh	$ 58.36	185.14	$ 10.80	$ 21.61
0001940350TG583	$/day	$ 14.35	1	$ 5.24	$/MWh	$ 31.11	168.32	$ 5.24	$ 10.47
0001940650TG086	$/day	$ 44.83	1	$ 16.36	$/MWh	$ 47.12	347.28	$ 16.36	$ 32.73
0001940905TGACE	$/day	$ 20.89	1	$ 7.62	$/MWh	$ 30.34	251.29	$ 7.62	$ 15.25
0001940907TGA4B	$/day	$ 75.06	1	$ 27.40	$/MWh	$ 53.18	515.19	$ 27.40	$ 54.79
0001940910TGD2C	$/day	$ 94.87	1	$ 34.63	$/MWh	$ 26.44	1,309.71	$ 34.63	$ 69.26
0001941000TGF28	$/day	$ 40.23	1	$ 14.68	$/MWh	$ 37.37	392.97	$ 14.68	$ 29.37
0001950500TG36C	$/day	$ 22.65	1	$ 8.27	$/MWh	$ 28.15	293.65	$ 8.27	$ 16.53
0001950550TGB64	$/day	$ 27.38	1	$ 9.99	$/MWh	$ 31.14	320.92	$ 9.99	$ 19.99
0001950800TG664	$/day	$ 8.33	1	$ 3.04	$/MWh	$ 54.94	55.36	$ 3.04	$ 6.08

0001950850TGE6C	$/day	$ 4.95	1	$ 1.81	$/MWh	$ 211.23	8.55	$ 1.81	$ 3.61
0001950900TGF60	$/day	$ 24.93	1	$ 9.10	$/MWh	$ 25.98	350.25	$ 9.10	$ 18.20
0001951100TGECD	$/day	$ 32.51	1	$ 11.87	$/MWh	$ 28.46	416.95	$ 11.87	$ 23.73
0001951200TGDCE	$/day	$ 29.65	1	$ 10.82	$/MWh	$ 118.89	91.02	$ 10.82	$ 21.64
0001951320TG99F	$/day	$ 24.89	1	$ 9.09	$/MWh	$ -	63.49	$ -	$ 9.09
0001951350TGCC2	$/day	$ 2.70	1	$ 0.98	$/MWh	$ 130.49	7.55	$ 0.98	$ 1.97
0001951500TG2CC	$/day	$ 47.81	1	$ 17.45	$/MWh	$ 21.86	798.34	$ 17.45	$ 34.90
0001951600TG1CF	$/day	$ 15.95	1	$ 5.82	$/MWh	$ 42.96	135.54	$ 5.82	$ 11.65
0001951750TG0C3	$/day	$ 22.03	1	$ 8.04	$/MWh	$ 26.14	307.66	$ 8.04	$ 16.08
0001951790TG72C	$/day	$ 43.62	1	$ 15.92	$/MWh	$ 46.94	339.17	$ 15.92	$ 31.84
0001952100TGC2D	$/day	$ 85.74	1	$ 31.29	$/MWh	$ 53.49	585.10	$ 31.29	$ 62.59
0001952400TG928	$/day	$ 18.46	1	$ 6.74	$/MWh	$ 50.12	134.42	$ 6.74	$ 13.47
0001952500TG02C	$/day	$ 68.82	1	$ 25.12	$/MWh	$ 31.65	793.54	$ 25.12	$ 50.24
0001952510TGA81	$/day	$ 4.80	1	$ 1.75	$/MWh	$ -	2.00	$ -	$ 1.75
0002011523TGC1A	$/day	$ 60.87	1	$ 22.22	$/MWh	$ -	279.39	$ -	$ 22.22
0002110863TGE7B	$/day	$ 36.31	1	$ 13.25	$/MWh	$ 29.27	452.84	$ 13.25	$ 26.51
0002381026TGF20	$/day	$ 80.67	1	$ 29.44	$/MWh	$ 46.99	626.63	$ 29.44	$ 58.89
0002641192TGCFF	$/day	$ 76.93	1	$ 28.08	$/MWh	$ -	197.69	$ -	$ 28.08
0002700906TGC46	$/day	$ 21.97	1	$ 8.02	$/MWh	$ -	50.40	$ -	$ 8.02
0002751750TG11E	$/day	$ 45.72	1	$ 16.69	$/MWh	$ -	171.32	$ -	$ 16.69
0002751765TGBA9	$/day	$ 7.68	1	$ 2.80	$/MWh	$ -	2.00	$ -	$ 2.80
0002751767TGB2C	$/day	$ 35.51	1	$ 12.96	$/MWh	$ -	78.77	$ -	$ 12.96
0002751838TG3F5	$/day	$ 26.17	1	$ 9.55	$/MWh	$ -	94.97	$ -	$ 9.55
0002751847TG976	$/day	$ 33.84	1	$ 12.35	$/MWh	$ -	133.83	$ -	$ 12.35
0002751848TG6A8	$/day	$ 37.18	1	$ 13.57	$/MWh	$ -	160.09	$ -	$ 13.57
0002751858TGC05	$/day	$ 23.29	1	$ 8.50	$/MWh	$ -	53.40	$ -	$ 8.50
0002781189TG85A	$/day	$ 11.09	1	$ 4.05	$/MWh	$ -	127.10	$ -	$ 4.05
0002841699TG73F	$/day	$ 9.62	1	$ 3.51	$/MWh	$ -	100.81	$ -	$ 3.51
0002842004TG365	$/day	$ 38.65	1	$ 14.11	$/MWh	$ -	241.66	$ -	$ 14.11
0002871188TGFF9	$/day	$ 10.13	1	$ 3.70	$/MWh	$ -	122.45	$ -	$ 3.70
0003752355TG409	$/day	$ 84.57	1	$ 30.87	$/MWh	$ -	515.99	$ -	$ 30.87
0003752365TG3F1	$/day	$ 16.26	1	$ 5.93	$/MWh	$ 35.87	165.43	$ 5.93	$ 11.87
0003752367TG374	$/day	$ 13.50	1	$ 4.93	$/MWh	$ -	64.22	$ -	$ 4.93
0003752380TG404	$/day	$ 25.16	1	$ 9.18	$/MWh	$ -	107.76	$ -	$ 9.18
0002841739TG624	$/day	$ 10.11	1	$ 3.69	$/MWh	$ -	103.19	$ -	$ 3.69
0001730339TG48D	$/day	$ 21.76	1	$ 7.94	$/MWh	$ -	39.35	$ -	$ 7.94
0002742401TGC51	$/day	$ 8.75	1	$ 3.20	$/MWh	$ 33.21	96.21	$ 3.20	$ 6.39
0001731183TGF09	$/day	$ 30.66	1	$ 11.19	$/MWh	$ -	110.00	$ -	$ 11.19
0001731193TG5A4	$/day	$ 31.02	1	$ 11.32	$/MWh	$ -	99.00	$ -	$ 11.32
0001731110TGC2E	$/day	$ 24.10	1	$ 8.80	$/MWh	$ -	85.43	$ -	$ 8.80
0002841432TGBF3	$/day	$ 31.77	1	$ 11.60	$/MWh	$ -	155.00	$ -	$ 11.60
CDB	$/day	$ 53.73	1	$ 19.61	$/MWh	$ 22.63	866.74	$ 19.61	$ 39.22
GTK	$/day	$ 67.21	1	$ 24.53	$/MWh	$ 29.48	832.00	$ 24.53	$ 49.06
Generators	$/day	$ 939.57	1	$ 342.94	$/MWh		-	$ -	$ 342.94
Total									**$ 7,152.19**

Price Category	Unit	Unit price	Forecast quantity	Forecast kW	Forecast revenue ($000)
Lakeland Region					
Residential Fixed Charges					
LD15	*$/day*	$ 0.3000	3000.193		$ 329
LM15	*$/day*	$ 0.3000	6.090909		$ 1
LD08	*$/day*	$ 0.1079	15.08		$ 1
Standard Residential Variable Charges					
LD24S	*$/MWh*	$ 108.4000	6708.29		$ 727
LD24W	*$/MWh*	$ 163.1000	9750.23		$ 1,590
LD20C	*$/MWh*	$ 70.4000	16.97		$ 1
LD16C	*$/MWh*	$ 48.0000	5956.03		$ 286
LD13C	*$/MWh*	$ 54.4000	6.29525		$ 0
LD11C	*$/MWh*	$ 31.3000	8.54199		$ 0
LD08C	*$/MWh*	$ 13.7000	6.95567		$ 0
General Fixed Charges					
LS001	*$/day*	$ 0.6754	4.00		$ 1
LS002	*$/day*	$ 1.3368	1.00		$ 0
LS008	*$/day*	$ 0.7690	45.81		$ 13
LS015	*$/day*	$ 1.3276	207.83		$ 101
LS023	*$/day*	$ 1.6756	15.55		$ 10
LT028	*$/day*	$ 2.0267	1.00		$ 1
LT015	*$/day*	$ 1.3276	7.45		$ 4
LT024	*$/day*	$ 1.7458	16.91		$ 11
LT041	*$/day*	$ 2.9396	109.30		$ 117
LT069	*$/day*	$ 4.9059	42.68		$ 76
LT103	*$/day*	$ 7.2936	13.55		$ 36
LT138	*$/day*	$ 9.7515	2.45		$ 9
LT172	*$/day*	$ 26.2473	2.00		$ 19
LT207	*$/day*	$ 31.3512	4.55		$ 52
LT276	*$/day*	$ 39.1379	12.14		$ 173
General Control Period Demand Charges					
LS001	*$/kW/day*		4.00		
LS002	*$/kW/day*		1.00		
LS008	*$/kW/day*	$ 0.6121	45.81	1.21	$ 12
LS015	*$/kW/day*	$ 0.6121	207.83	2.05	$ 95
LS023	*$/kW/day*	$ 0.6672	15.55	3.66	$ 14
LT028	*$/kW/day*	$ 0.6672	1.00	5.50	$ 1
LT015	*$/kW/day*	$ 0.6121	7.45	1.09	$ 2
LT024	*$/kW/day*	$ 0.6672	16.91	4.74	$ 20
LT041	*$/kW/day*	$ 0.6672	109.30	5.35	$ 142
LT069	*$/kW/day*	$ 0.6672	42.68	7.70	$ 80

LT103	*$/kW/day*	$ 0.6672	13.55	17.04	$ 56
LT138	*$/kW/day*	$ 0.6672	2.45	15.27	$ 9
LT172	*$/kW/day*	$ 0.4527	2.00	22.81	$ 8
LT207	*$/kW/day*	$ 0.4527	4.55	49.44	$ 37
LT276	*$/kW/day*	$ 0.4527	12.14	55.73	$ 112
Total					**$ 4,146**

Price Category Individual line charge	Unit	Unit price	Forecast quantity	Forecast revenue ($000)	Unit	Unit price	Forecast quantity	Forecast revenue ($000)	Forecast Total revenue ($000)
950315LN40D	*$/day*	$ 30.26	1	$ 11	$/MWh	$ -		$ -	$ 11
950320LNEBA	*$/day*	$ 34.38	1	$ 13	$/MWh	$ -		$ -	$ 13
950325LN3F5	*$/day*	$ 350.63	1	$ 128	$/MWh	$ -		$ -	$ 128
950330LN417	*$/day*	$ 103.55	1	$ 38	$/MWh	$ -		$ -	$ 38
950335LN958	*$/day*	$ 84.56	1	$ 31	$/MWh	$ -		$ -	$ 31
950934LNF17	*$/day*	$ 118.90	1	$ 43	$/MWh	$ -		$ -	$ 43
959005LN103	*$/day*	$ 107.10	1	$ 39	$/MWh	$ -		$ -	$ 39
952081LNAA3	*$/day*	$ 294.51	1	$ 107	$/MWh	$ -		$ -	$ 107
959018LN4F5	*$/day*	$ 304.59	1	$ 111	$/MWh	$ -		$ -	$ 111
9595701LN19A	*$/day*	$ 166.58	1	$ 61	$/MWh	$ -		$ -	$ 61
9593601LND5E	*$/day*	$ 105.19	1	$ 38	$/MWh	$ -		$ -	$ 38
9593501LNE5D	*$/day*	$ 56.44	1	$ 21	$/MWh	$ -		$ -	$ 21
951099LN0FA	*$/day*	$ 261.25	0.75	$ 72	$/MWh	$ -		$ -	$ 72
986001LN538	*$/day*	$ 133.68	1	$ 49	$/MWh	$ -		$ -	$ 49
Total									**$ 762**
$\Sigma P_{2022/23}*Q_{2022/23}$									**$ 32,420**

The following quantity forecasts methods have been used for the setting of the forecast revenue from prices for the second assessment period:

- **Fixed charges for residential and general**- residential and general quantities in the Otago region are calculated by taking the November 2021 quantities and adjusting these by a change factor. The change factor is based on the change in the number of ICP's from the actual quantities at November 2021 and the quantity numbers at October 2020. This new adjusted total figure is then averaged with the November 2021 quantity. The averaged quantity is the quantity figure to represent the average number of connections for the forecast year.

  The forecast quantities for the unmetered and streetlight tariffs are forecast using the actual November 2021 values.

  Lakeland region residential and general quantities are forecast by calculating the average monthly increase or decrease in each price category connection numbers for the period January 2021 to November 2021, this monthly average is then annualised to establish an annual growth number, this growth number is then added to the actual November 2021 number to create a total number, the total number is then averaged

with the November 2021 actual number to calculated the final forecast connection quantity numbers.

- **Control period demand for Lakeland general customers** – the control period demand (CPD) for each general ICP greater than 2kVA is individually calculated in December using the Lakeland CPD methodology. The average CPD of all the ICP's in each price code is used as the forecast quantity for each price code.

- **Volume energy quantities for residential and general** – in the Otago region the combined consumption for the residential and general customers including the low user consumption is averaged based on the last three years consumption. The current year low user consumption is then multiplied by a -1.0% growth rate and is used as the forecast quantity for low users. The low user forecast quantity is then deducted from the combined averaged consumption to establish the forecast quantities for the remaining residential and general customer groups.

- The Lakeland region residential energy quantities are forecast by taking the reforecast April 2021 to March 2022 consumption figures and multiplying these by the growth factor from the April 2020 to March 2021 and the April 2021 to March 2022 forecast figures then adjusting in line with the estimated number of ICPs in residential subdivisions to be completed during the year. We are expecting growth in the Lakeland region to remain constant.

- **Individual line charge customers** – Individual line charge customers have their line charges reviewed each year in line with the line pricing methodology. Actual day energy volumes recorded from December 2020 to November 2021, are used as the forecast quantity for the 2022 - 2023 forecast period. We have forecast one new Lakeland individual line charge customers to be connected later in the year based on current construction projects.

Appendix C – Directors certificate

I, Duncan Varnham Fea, being a director of a company which is a party to the OtagoNet Joint Venture certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached annual price-setting compliance statement of OtagoNet Joint Venture, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* has been prepared in accordance with all relevant requirements, and all forecasts used in the calculations for forecast revenue from prices and forecast allowable revenue are reasonable.

Duncan Varnham Fea

30 March 2022