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27 October, 2016

Lord Dalgety
Electricity Commission
Tu'atakilangi
Nuku'alofa

Dear Lord Dalgety

PROGRESS REPORT for AUGUST 2016

1. Conform to the reporting obligations set forth in Paragraph 5 of Schedule 13 of the 2015 Regulatory Addendum, Tonga Power Limited qua Concessionaire do now provide a **Progress Report** in respect of the month of **August 2016**.
2. SYSTEM LOSS

System Losses for August 2016 were as follows: -

TONGA	TBU	VV	HP	'EUA
10.952%	10.89%	11.95%	6.874%	11.53%

The Tonga Figure includes Parasitic losses of 2.99% and Line Losses of 7.93%. The Combined figure betters the Reset Target for 2015-16 of 12.0%, reflecting improvements and reliability of our network. Appendix 1 hereto comprises Graphs going back 12 months to show results for Tonga as a whole and each of the four separate island grids.

3. DIESEL GENERATION FUEL EFFICIENCY

The Regulatory Addendum requires a weighted average for Tonga as a whole of not less than 4 kWh/litre and Tonga Power Limited has slightly exceeded this target for the month of August 2016. The actual result is 4.05 kWh/litre, a decrease from 4.08 in June 2016 attributed to the decreased demand. Appendix 2 hereto comprises bar graphs going back 12 months to show results for Tonga as a whole and each of the four separate island grids.

4. SYSTEM RELIABILITY

There are no service standards for reliability imposed upon Tonga Power in the 2015 Regulatory Addendum. However for 2015-16, the Concessionaire has set itself the following TARGETS, namely :-

SAIDI ¹	-	1,080 minutes per annum
CAIDI ²	-	870 minutes per annum
SAIFI ³	-	14

Appendix 3 hereto gives details of TPL's present and recent past performance for system reliability.

5. FAULTS/OUTAGES

The table below shows a comparison between 2016-2017 and 2015-2016 for Tonga as a whole. The decrease in September 2016 data is largely attributed to the increase in reported faults during the month.

Month	2015-16	2016-17
July	486	364
August	497	376
September	458	312
October	494	
November	521	
December	631	
January	901	
February	1,519	
March	788	
April	675	
May	509	
June	558	
TOTAL	8,037	1,052

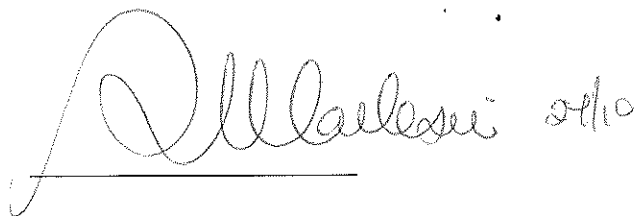
¹ SAIDI: System Average duration of Interruption per Connected Customer.

² CAIDI: Average total duration of Interruption per Interrupted Customer.

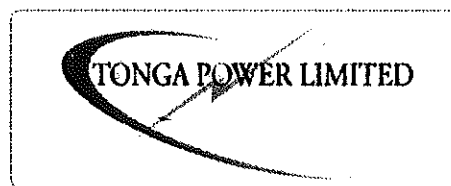
³ SAIFI: Average number of Interruptions per Customer.

Appendix 4 gives details of each planned outage and unplanned fault events.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sosefina Maileseni', with a horizontal line underneath. To the right of the signature, the word 'ofo' is written in a similar cursive style.

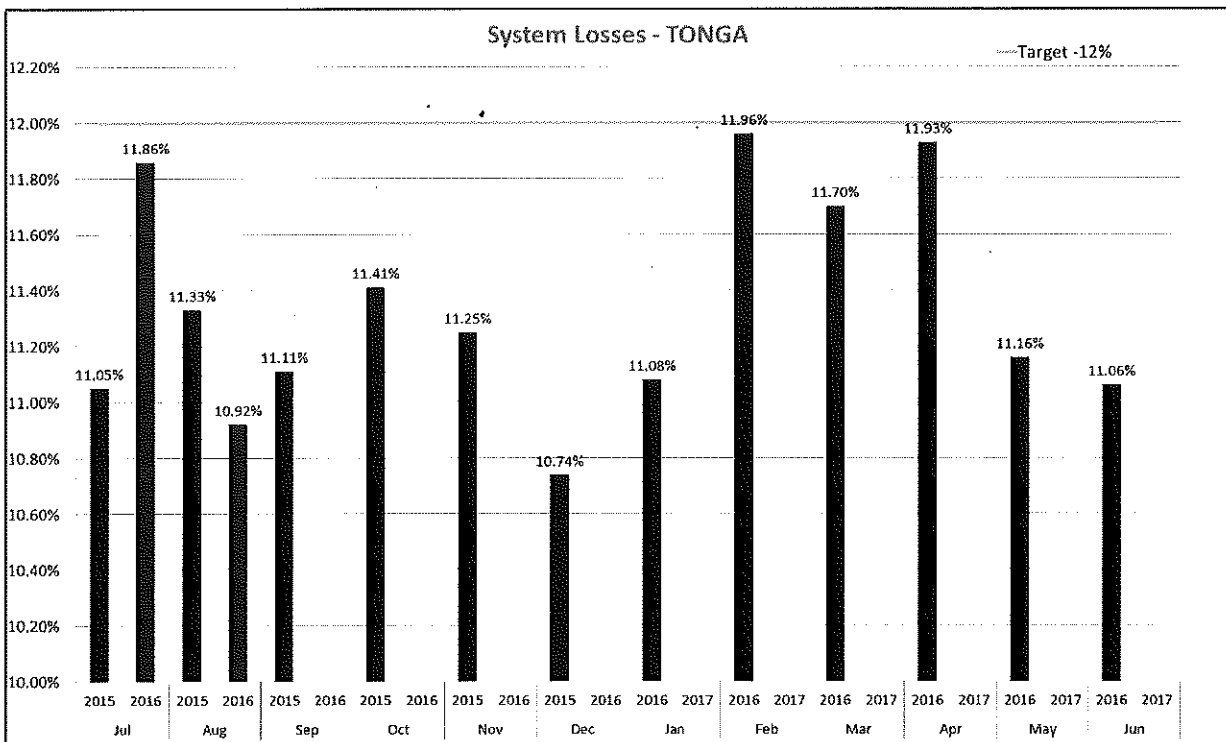
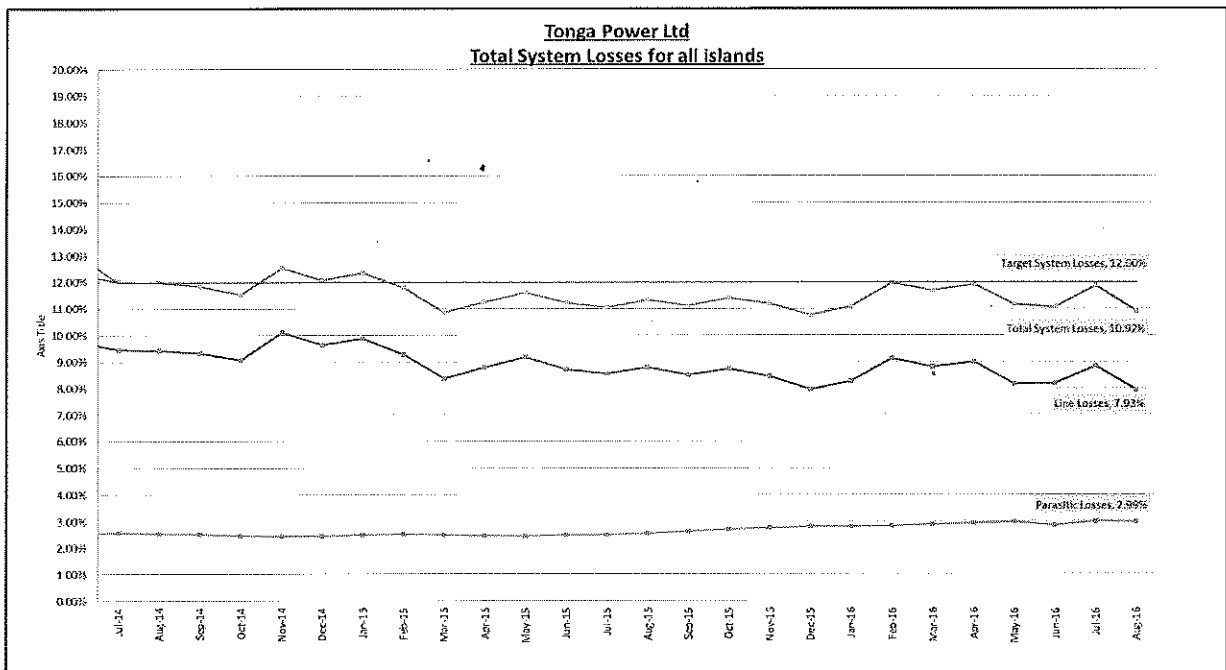
Ms. Sosefina Maileseni
Risk and Compliance Manager
For Tonga Power Limited

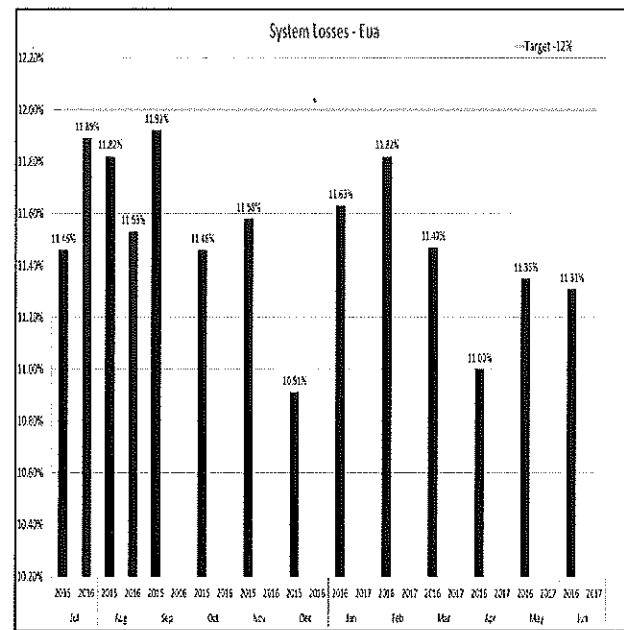
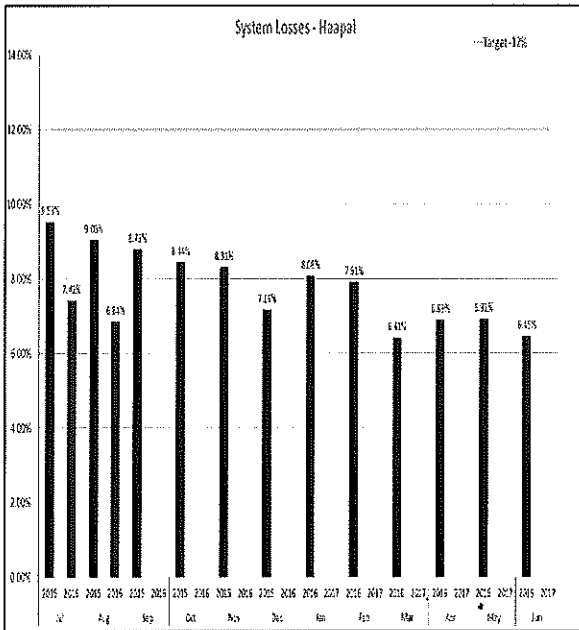
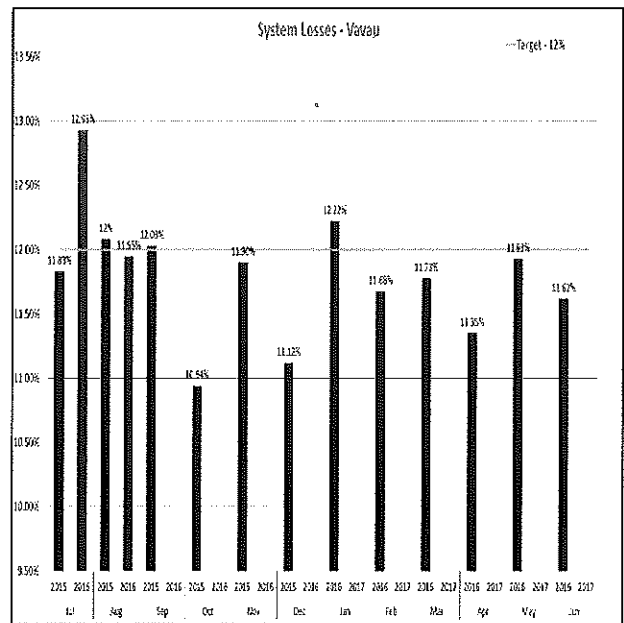
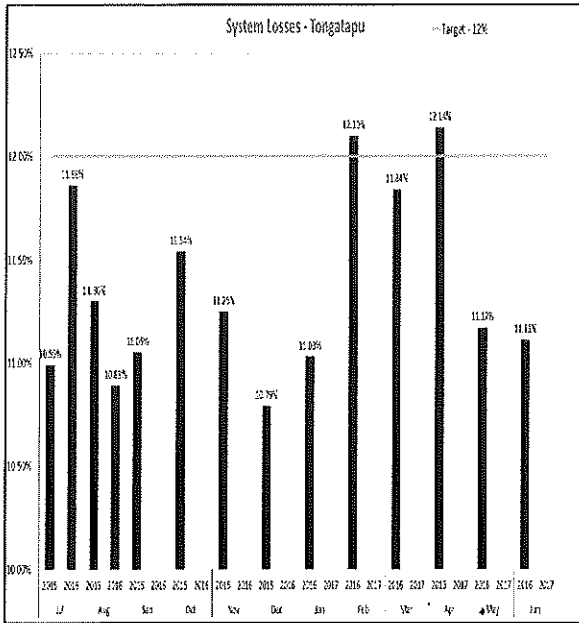


Cc: Mr. Robert Matthews, CEO of TPL

APPENDIX – 1:

SYSTEM LOSS GRAPHS





APPENDIX - 2:

DIESEL GENERATION FUEL EFFICIENCY

