



Regulatory Annual Report 2013/14

**In Compliance with the Reporting Requirements
of Schedule 13 of the Electricity Concession Contract**

- November, 2014 -

a. TPL Audited Financial Reports

The financial performance of Tonga Power (TPL) has improved compared to last year, and TPL has met and exceeded some targets. This is due to the flexibility given to Tonga Power in the financial year, to recover the diesel costs, through the tariff.

Our profit after tax at T\$2.65m, from revenue of T\$52m, for the year ended 30 June 2014 has increased from the previous year's results, even though 1.78m was also taken up as operating expenditure for the decommissioning of network assets, as the TVNUP Stage 1 was implemented and completed. The key variance from the previous year was the impact of the tariff freeze imposed by Government in the 2012/2013 financial year, which had Tonga Power absorbing T\$1.3 million, and from the company recovered in the 2013/2014 financial year. Cost of sales and operating expenses slightly increased mainly to the changes in the fuel price during the year, and major engine maintenance and overhaul. But significant levels of savings were made in the operating budget, which helped recover some of the losses.

Year ending 30 June	2014 Target	2014 Actual
Returns to shareholders (%)		
Return on Assets (EBITDA/Total Assets)	13%	10.1%
Return on Assets (NPAT/Total Assets)	4%	2.8%
Return on Equity (NPAT/Equity)	4%	4.7%
Profitability (%)		
Rate of Return (NPAT/Sales)	5%	5.7%
Capital structure (%)		
Debt Ratio [Debt/(Debt+Equity)]	35%	40%

Returns on equity and on assets improved from last year, but were adverse to the Business Plan.

Key financial variances to last year are summarised below:

- Revenue has increased from last year by 10%, which is due to a stable average retail tariff rate for the year of 96 seniti/kWh compared to 87 seniti/kWh the previous year. The increased average tariff reflected a higher diesel cost in the first 6 months of 2013
- Cost of sales increased by T\$2 million year on year, attributed to:
 - The price of fuel spiked and fluctuated in the first 6 months of the financial year, and stabilized towards the end of the financial year, resulting in a \$1.7m more than the previous year's actual costs.
 - Maintenance costs increased by T\$0.7million compared to the prior year, a result of one-off generator maintenance, and slight increase in third party transactions.
- Administrative costs increased during the year to reflect:
 - An increase in depreciation due to accelerated network upgrade work in the previous year,
 - Salaries increased by T\$282k on last year. The increase covers the establishment of two new positions that reflects on increased workload as TPL seeks to develop new energy projects (Strategic Initiatives Unit Manager, Project Delivery Manager – one position was filled through expatriate contracts after unsuccessful local recruitment). More local

people were employed for Projects, as the numbers of projects are drastically increasing as compared to the prior years.

- At end of June, there were 161 staff working for the company

Year ending 30 June	2014 Target	2014 Actual
Capital structure (%)		
Debt Ratio [Debt/(Debt+Equity)]	35%	40%
Interest cover (X)		
EBIT/interest	4.2	5.3

Borrowings increased during the year, as the commitment was made to procure the new 2.88 MW Mak diesel generator, some part drawdowns were made in the previous financial year; final drawdowns will further increase term debt in the 2014/15 year.

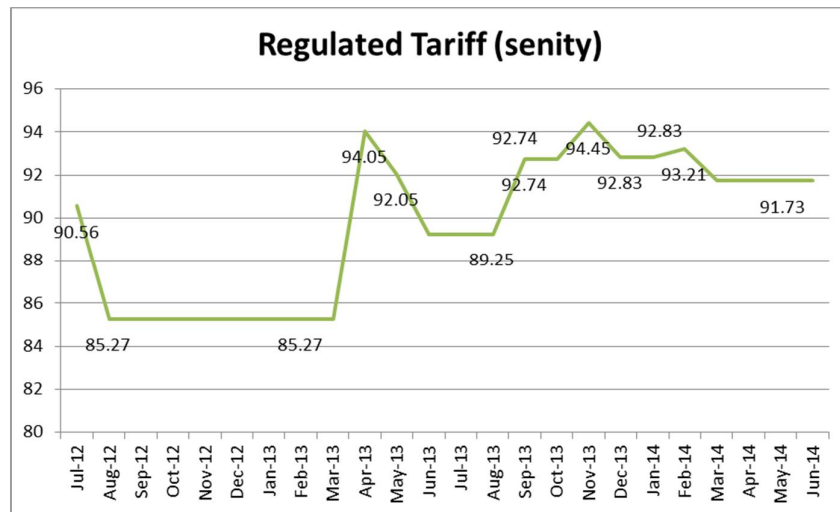
TPL did not access the T\$1 million placed on term deposit in June 2012 and in addition made another T\$1m further investment whereby this amount is set aside to cover unbudgeted costs from major disasters such as earthquake or cyclone damage and necessary capital needs.

Refer Appendix 1: Draft Annual Report and Audited Annual Financial Statements 2013/14 for further information.

b. Regulated Tariff and Adjustments

Month	Fuel Component	Non Fuel Component	Total Tariff
Jul-12	47.9	42.66	90.56
Aug-12	42.61	42.66	85.27
Sep-12	42.61	42.66	85.27
Oct-12	42.61	42.66	85.27
Nov-12	42.61	42.66	85.27
Dec-12	42.61	42.66	85.27
Jan-13	42.61	42.66	85.27
Feb-13	42.61	42.66	85.27
Mar-13	42.61	42.66	85.27
Apr-13	50.88	43.17	94.05
May-13	48.88	43.17	92.05
Jun-13	46.08	43.17	89.25
Jul-13	46.08	43.17	89.25
Aug-13	46.08	43.17	89.25
Sep-13	49.57	43.17	92.74
Oct-13	49.57	43.17	92.74
Nov-13	51.28	43.17	94.45
Dec-13	49.66	43.17	92.83
Jan-14	49.66	43.17	92.83
Feb-14	50.04	43.17	93.21
Mar-14	48.56	43.17	91.73
Apr-14	48.56	43.17	91.73
May-14	48.56	43.17	91.73
Jun-14	48.56	43.17	91.73

TPL tariff (fuel & non-fuel) components are shown above for last two years. No adjustments to the tariff were made as GPO (Government Policy Obligations) subsidies by the Tonga Government were realised. The graph below shows that the tariff has increased throughout the year 2013/14 compared to the year 2012/13.

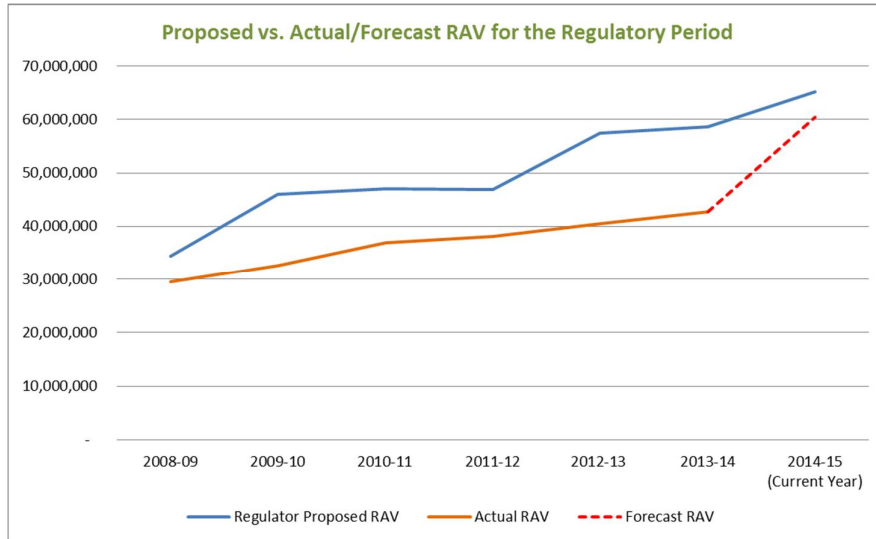


c. RAV Update

TONGA POWER LIMITED							
SCHEDULE OF REGULATORY ASSET VALUE							
FOR THE YEAR ENDED 30 JUNE 2014							
	2008-09	2009-10	2010-11	2011-12	2012-2013	2013-14	2014-15 (Forecast)
Opening RAV Book Value	30,123,378	29,512,274	32,667,062	36,964,834	38,127,665	40,555,408	42,701,513
Generation Capital Expenditure	-	2,350,792	1,912,142	52,767	-	29,064	12,038,289
Distribution Capital Expenditure	385,605	1,952,145	3,638,383	3,483,179	2,858,761	4,759,439	5,248,935
Smart Grid	-	-	-	-	-	-	4,000,000
Office Computers & Equipment	33,279	87,064	463,620	106,854	146,032	47,914	482,187
Furniture & Fixtures	4,007	13,221	20,532	18,850	36,461	7,228	118,290
Tools & Equipment	55,206	114,239	133,812	61,455	116,883	96,109	14,000
Vehicles	213,121	638,415	503,709	159,492	730,624	639,112	105,000
Other Auxiliary Equipment	1,348	31,467	93,001	-	2,282	-	-
Land & Building	128,863	80,944	463,462	28,359	1,180,278	273,932	1,057,700
Renewables	-	-	-	-	399,437	-	565,417
Disposals and Retirements	-	(329,007)	(614,553)	(534)	(84,765)	(1,379,403)	(2,000,000)
Depreciation on Opening RAV	(1,369,244)	(1,369,244)	(1,369,244)	(1,369,244)	(1,369,244)	(1,369,244)	(1,369,244)
Depreciation New Assets	(63,289)	(415,248)	(947,092)	(1,378,347)	(1,589,006)	(958,045)	(2,576,089)
Closing Estimated RAV	29,512,274	32,667,062	36,964,834	38,127,665	40,555,408	42,701,513	60,385,999

With the addition of \$5,852,797 new capital expenditure for the year 2013/14, the new RAV as at June, 2014 was recorded as \$42,701,513. Disposals and Retirements capex amount of \$1,379,403 reflects the disposals and retirement of capital assets removed from Tongatapu TVNUP project. These network assets were replaced with donor funded money; therefore, the new capex expenditure was not identified in the TPL financials.

Distribution capex increased for the year due to TPL's contribution to Ha'apai and TVNUP network construction.



The above diagram shows actual RAV spent since 2008/9 to 2013/14 period and the RAV proposed by the regulator for the entire regulatory period. By the end of the year 2013/14 regulator approved RAV balance was \$58,693,055; however, TPL RAV model shows a balance of \$42,701,513. At the end of 2014/15 (i.e. at the end of the regulatory period), the actual RAV balance is forecasted to be \$60,385,999 which still about \$4.7million below regulator’s expected RAV balance of \$65,098,468.

RAV Calculation Methodology

TPL have changed the RAV calculation methodology for the year 2013/14. In previous years RAV was calculated using a single depreciation rate. However, TPL used different depreciation rates for different capex categories this year. The key reasons for use of new methodology are:

1. To arrive at an accurate carry forward opening RAV figure at the new regulatory period
2. New method derived much lower depreciation that helps the customers in way of lower tariff. We have shown in the report that the new method yields depreciation about \$0.5million lower.
3. Use of multiple depreciation rates is technically a better method than using a single rate.

These depreciation rates used in the new method are shown below:

Category	Rate
Generation Capital Expenditure	5.00%
Distribution Capital Expenditure	3.33%
Smart Grid	8.00%
Office Computers & Equipment	20.00%
Furniture & Fixtures	12.50%
Tools & Equipment	20.00%
Vehicles	20.00%
Other Auxiliary Equipment	20.00%
Land & Building	2.00%
Renewables	3.33%

The table below shows the RAV calculation based on the old method (using a single depreciation rate).

Actual Results						
Description	2008-09	2009-10	2010-11	2011-12	2012-2013	2013-2014
Opening Net Book Value	30,123,378	29,512,275	32,667,062	36,964,833	38,127,664	40,555,407
Generation Capital Expenditure	-	2,350,792	1,912,142	52,767	-	29,064
Distribution Capital Expenditure	385,605	1,952,145	3,638,383	3,483,179	2,858,761	4,759,439
Smart Grid	-	-	-	-	-	-
Office Computers & Equipment	33,279	87,064	463,620	106,854	146,032	47,914
Furniture & Fixtures	4,007	13,221	20,532	18,850	36,462	7,228
Tools & Equipment	55,206	114,239	133,812	61,455	116,883	96,109
Vehicles	213,121	638,415	503,709	159,492	730,624	639,112
Other Auxiliary Equipment	1,348	31,467	93,001	-	2,282	-
Land & Building	128,863	80,944	463,462	28,359	1,180,278	273,932
Renewables	-	-	-	-	399,437	-
Disposals and Retirements	-	(329,007)	(614,553)	(534)	(84,765)	(1,379,403)
Depreciation on Opening RAV	(1,369,244)	(1,369,244)	(1,369,244)	(1,369,244)	(1,369,244)	(1,369,244)
Depreciation New Assets	(63,289)	(415,248)	(947,092)	(1,378,347)	(1,589,006)	(1,484,750)
Closing Estimated RAV	29,512,275	32,667,062	36,964,833	38,127,664	40,555,407	42,174,806

The single depreciation rate for the year 2013/14 was 5.2%; with this rate, 2013-14 depreciation derived to \$1,484,750. The 2013-14 depreciation using the new method discussed above produced a depreciation figure of \$958,045. Thus the change in depreciation methodology yielded a reduction of depreciation by \$526,705.

Refer Appendix 2: RAV Update 2008-2015 model for the workings of the new methodology.

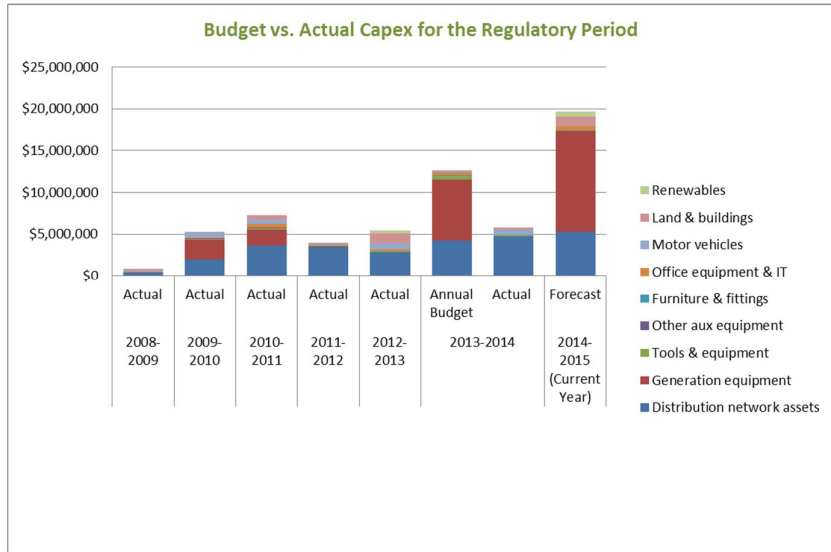
d. Capex Expenditure Undertaken

The table below shows the capex expenditure for the entire regulatory period.

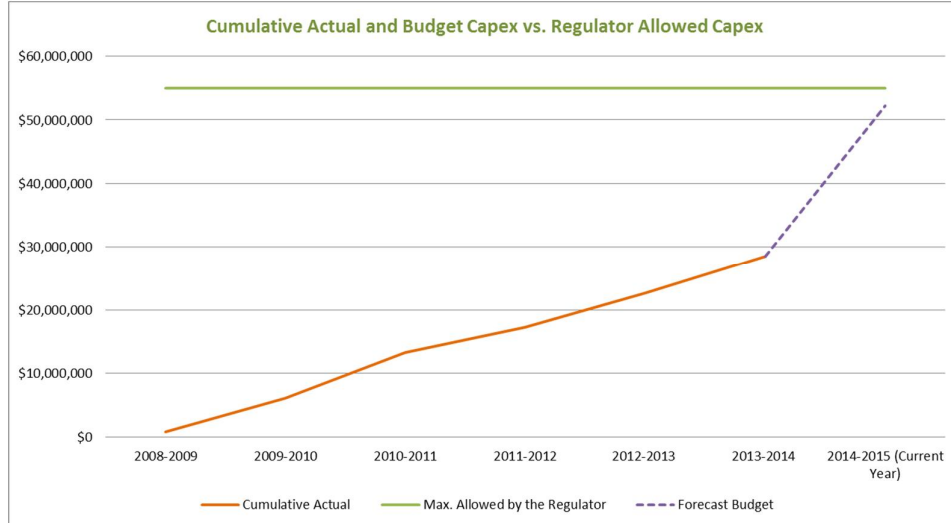
Description	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014		2014-2015 (Current Year)	2009-2015 Regulatory Period
	Actual	Actual	Actual	Actual	Actual	Annual Budget	Actual	Forecast	Grand Total
Distribution network assets	\$385,605	\$1,952,145	\$3,638,383	\$3,483,179	\$2,858,761	\$4,244,969	\$4,759,439	\$5,248,935	\$22,326,447
Generation equipment	\$0	\$2,350,792	\$1,912,142	\$52,767	\$0	\$7,233,500	\$29,064	\$12,038,289	\$16,383,054
Tools & equipment	\$55,206	\$114,239	\$133,812	\$61,455	\$116,883	\$508,907	\$96,109	\$14,000	\$591,704
Other aux equipment	\$1,348	\$31,467	\$93,001	\$0	\$2,282	\$0	\$0	\$0	\$128,098
Furniture & fittings	\$4,007	\$13,221	\$20,532	\$18,850	\$36,462	\$17,152	\$7,228	\$118,290	\$218,590
Office equipment & IT	\$33,279	\$87,064	\$463,620	\$106,854	\$146,032	\$380,707	\$47,914	\$482,187	\$1,366,950
Motor vehicles	\$213,121	\$638,415	\$503,709	\$159,492	\$730,624	\$132,340	\$639,112	\$105,000	\$2,989,473
Land & buildings	\$128,863	\$80,944	\$463,462	\$28,359	\$1,180,278	\$22,350	\$273,932	\$1,057,700	\$3,213,538
Smart Grid								\$4,000,000	\$4,000,000
Renewables					\$399,437	\$0	\$0	\$565,417	\$964,854
Total CAPEX	\$821,429	\$5,268,287	\$7,228,661	\$3,910,956	\$5,470,758	\$12,539,925	\$5,852,798	\$23,629,818	\$52,182,707

The total capex spent for the year 2013/14 was about \$5.8 million which is about \$6 million below budget. This is mainly because the \$10million MAK 2.88MW generator was not fully purchased and installed. MAK generator expenditure is included in the 2014/15 year.

The graph below shows the data graphically.



The graph below shows the maximum capex allowed by the regulator and the how TPL have invested in capex so far as at June 2014. The maximum capex allowed by the regulator is \$55,010,220 million by the end of the regulatory period 2014/15. However, TPL have only spent about \$28,552,889 million as at June 2014. It is forecasted that TPL may spend another \$23,629,818 million on capex by the end of the regulatory period (i.e. 2014/15) so that the total actual capex spent will be about \$52,182,702 which is still \$2,827,512 less than the maximum allowed value of \$55,010,220 million.



Refer to Appendix 3: Capex Reconciliation Report for the full report of capex expenditure summary for the year 2013/14.

Annual Capex Proposal 2014/15

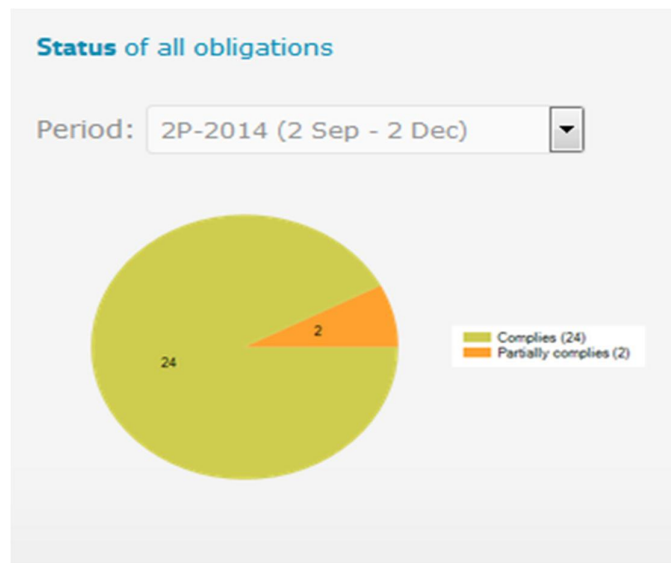
TPL submits its Annual Capex Proposal for the year 2014-15 to EC for approval. The summary of the Capex Proposal is shown below.

Division Name Category	Island			Grand Total	
	Eua	Ha'apai	Tongatapu		
Distribution	\$550,495	\$23,200	\$7,284,565	\$590,674	\$8,448,935
Building			\$100,000		\$100,000
Capitalised Labour			\$305,750		\$305,750
Capitalised Transport			\$267,280		\$267,280
Growth	\$28,418		\$281,842	\$26,682	\$336,942
Improvements	\$265,607	\$8,000	\$5,234,339	\$418,440	\$5,926,386
Office & Computer Equipment	\$7,000		\$10,000	\$2,727	\$19,727
Office Furniture	\$2,020		\$2,040	\$3,030	\$7,090
Safety	\$247,450	\$10,000	\$742,314	\$24,745	\$1,024,509
Tools & Equipment		\$5,200	\$51,000	\$5,050	\$61,250
Vehicle			\$290,000	\$110,000	\$400,000
Generation	\$85,000	\$115,000	\$2,500,000	\$25,000	\$2,725,000
Ancillary			\$50,000	\$25,000	\$75,000
Growth			\$1,450,000		\$1,450,000
Replacement	\$85,000	\$115,000	\$1,000,000		\$1,200,000
Indirect			\$791,877		\$791,877
Building			\$150,000		\$150,000
Information Technology			\$433,687		\$433,687
Office & Computer Equipment			\$38,500		\$38,500
Office Furniture			\$116,690		\$116,690
Tools & Equipment			\$3,000		\$3,000
Vehicle			\$50,000		\$50,000
Retail		\$46,800	\$172,600	\$205,900	\$425,300
Building		\$46,800	\$150,000	\$150,900	\$347,700
Office & Computer Equipment			\$10,000		\$10,000
Office Furniture			\$1,600		\$1,600
Tools & Equipment			\$11,000		\$11,000
Vehicle				\$55,000	\$55,000
Grand Total	\$635,495	\$185,000	\$10,749,042	\$821,574	\$12,391,112

Refer to Appendix 4: TPL Annual Capex Proposal 2014/15 for a detailed report.

e. Half-year Performance Report

a. Service Standards Performance



TPL comply with all the service and metering standards achieving all except for two of the performance targets in Schedule 1 of the Electricity Concession Contract. The two are partially complied with, A4 (Voltage Stability) and B2 (Electricity quality & reliability) and discussed in detail below.

Section A: Customer Specific Standards

Throughout the last year, TPL complied with the A1 (connection), A2 (billing) and A3 (continuity) standards. However, there have been occasions TPL were non-compliant with the A4 (voltage stability) standards, failing provide a voltage within the acceptable range to some customers. This is mainly due to the incidence of loose neutral connection at the transformer causing voltage fluctuations to the customers connected to that transformer. TPL have duly compensated these customers in accordance with the Customer Services Agreement after conducting appropriate investigations. TPL have identified this as a major risk in the company Risk Register due to the inferior network inherited from the previous owner. TPL have put in place sufficient controls in order to reduce the likelihood of this risk being realised in the future.

TPL failed to meet the voltage tolerance standards five times in the year 2013/14 as shown in the table below (refer clause e (b) below).

Section B: Overall Standards

TPL also partially comply with the 'B2 (a) – Sampling of High Voltage Lines' standard. TPL is as yet unable to fully test the voltage at the end of the feeders in the outer islands, due to the cost of the required permanent loggers and to lack of resources. This has been discussed with the regulator in the past, it is a result of TPL trying to provide sufficient information to enable evaluation of the

quality of supply, while managing the investment costs associated with the procurement and fitting of loggers.

The Tongatapu voltage is being logged at the power station and samples were taken at the ends of the feeders to provide a correlation until permanent facilities can be fitted. The voltage is also logged at the power station in the outer islands but samples cannot currently be taken at the end of the feeders. A World Bank project has now commenced, the aim is for this additional data logging equipment to be installed at the ends of the feeders on all islands so as to help satisfy the testing for this service standard completely. The cost of this is estimated at around T\$200,000.

TPL intends to install advanced meters at all customer premises, which will enable full voltage recording at each connection. The Commission has been informed of this project, recently approved by the Board of TPL.

Section C: Metering Reporting Standards

TPL comply with these standards fully throughout the last 2913/14 year. A summary report of the number of meters tested and faulty meters replaced is shown in the following table.

Monthly Meter Replacement Report													
Description	2013						2014						Grand Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Tested Meters	7	59	44	22	62	12	31	37	75	61	70	43	523
Replace Faulty Meter Single Phase	2	28	20	10	29	5	14	18	37	30	33	19	245
Replace Faulty Meter Three Phase	0	1	0	0	1	0	0	0	0	0	0	1	3
Replace Faulty Meter CT Type	1	0	2	0	0	1	0	1	0	0	1	0	6
Test Meter for Customer on Site	2	2	2	2	3	1	3	0	1	1	3	4	24

Refer Appendix 5: Half Yearly Performance Report for a full service standards compliance report.

b. Details of Breaches in Service Standards

As described in the section e (a) above, TPL were non-compliant with the A4 (voltage stability) standards five times throughout the 2013/14 period. The details of the breaches are shown in the table below.

Rule Breaches Under The Concession Contract					
Month	Description	Voltage (Measured Prior to Remedial Action)	Customers Affected	Remedial Action	Breach of ECC Limits: Upper: 253V Lower: 207V
Aug-13	Voltage surge on the LV side of the transformer caused equipment to damage due to high magnetic field induction when the HV side is liven after shut down in Sopu. LV fuse was not opened at the time.	Not recorded as voltage was back to normal by the time investigation team arrived.	1	Installed a pole fuse at customer pole	Yes, paid \$4,000 damages to the customer.
Oct-13	Neutral line accidentally connected to the street light circuit (phase) causing voltage surge at Kolofo'ou.	Phase voltage rose to about 415V	6	Removed neutral connection from the street light feeder connect it back to neutral	Yes. TPL paid damages (\$1,500 in total) to affected customers
Oct-13	Burnt neutral connection at the transformer pole caused floating neutral condition, at Holonga in Vavau.	415V	24	Installed new line taps for the neutral connection that was burnt	Yes. TPL paid 13,426 to affected customers.
Jan-14	There is only one phase on a street at Vaini connected to many customers. A customer at the end of the line experienced voltage drop and as a result his equipment burnt due to high current.	190V to 200V	1	Ran an extra phase on that street.	Yes. TPL paid \$150 damages.
May-14	A floating neutral at one pole caused voltage to fluctuate on customers connected to that pole. There are four customers connected to this pole; some felt low voltage and others experienced low voltage. This customer's computer damaged due to low voltage and high current.	160V to 250V	1	Reconnected the neutral with new IPC.	Yes. TPL paid \$250 damages.

c. Penalties Paid to Customer/EC

The penalties paid to the customers for the breach of the above voltage stability standards is \$19,326. No penalties were paid to Electricity Commission during the 2013/14 period.

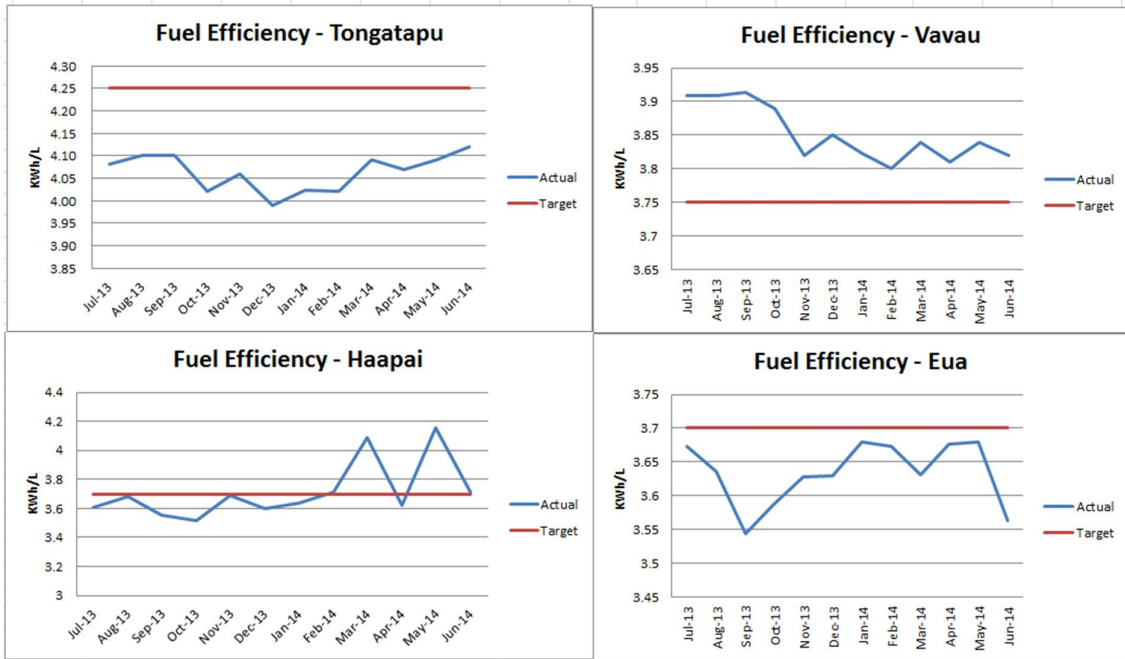
f. Fuel Efficiency & System Loss Targets

The following graphs show Fuel Efficiency measures achieved for each island grid. The fuel efficiency illustrated is for diesel only against the diesel only targets.

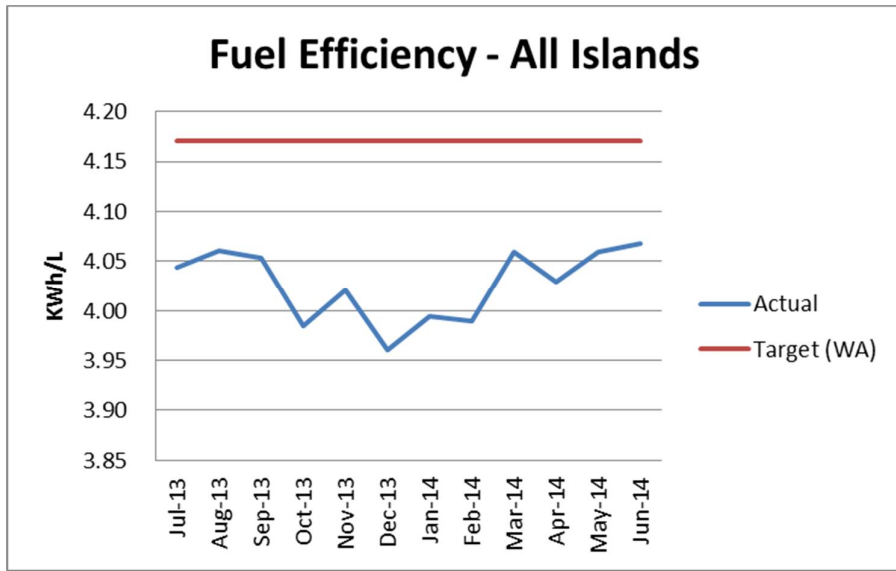
Tongatapu diesel only fuel efficiency figures have been always below target. This is mainly due to the aged generator portfolio and the introduction of Maama Mai solar facility which reduces the diesel generators' load factor.

Vavau fuel efficiency has been over achieved due to the two new 600KW generators commissioned in May, 2010. Introduction of new solar facility seem to have made no impact on the load factor of diesel generators.

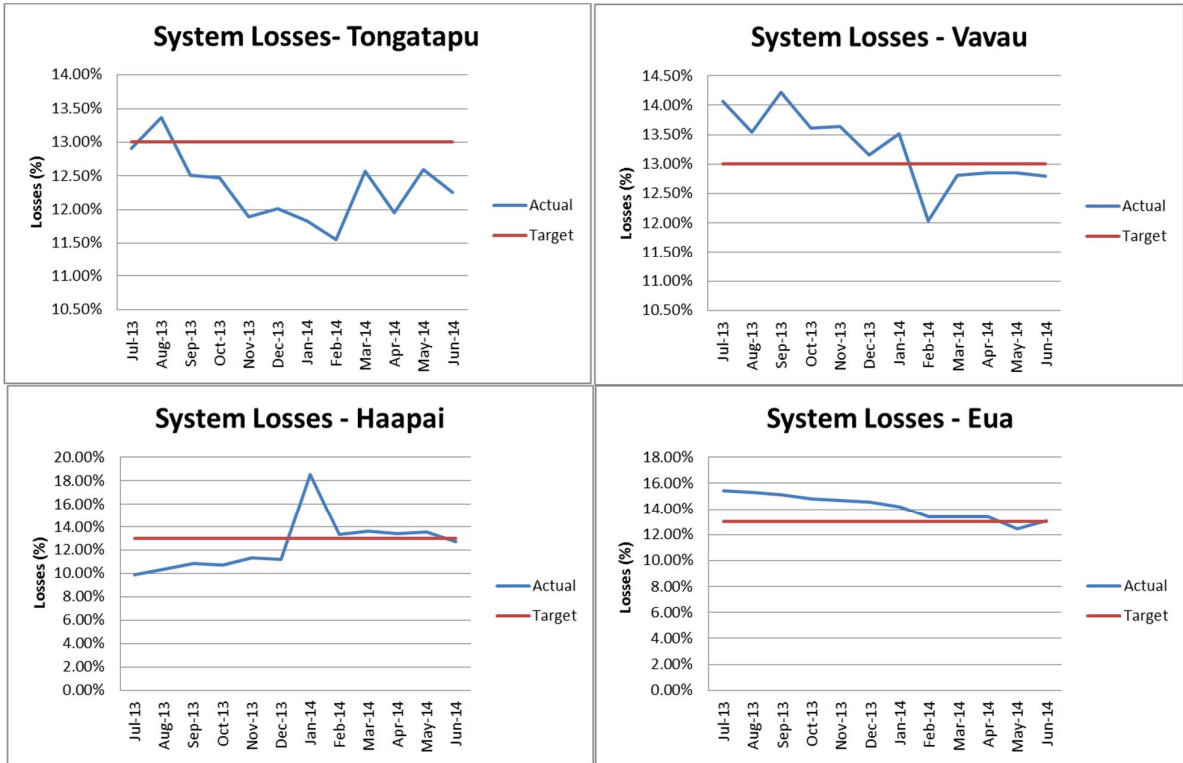
Ha'apai fuel efficiency have been erratic but improved after major overhauling of generators after Cyclone Ian. However, 'Eua fuel efficiency has been under achieved throughout the year.



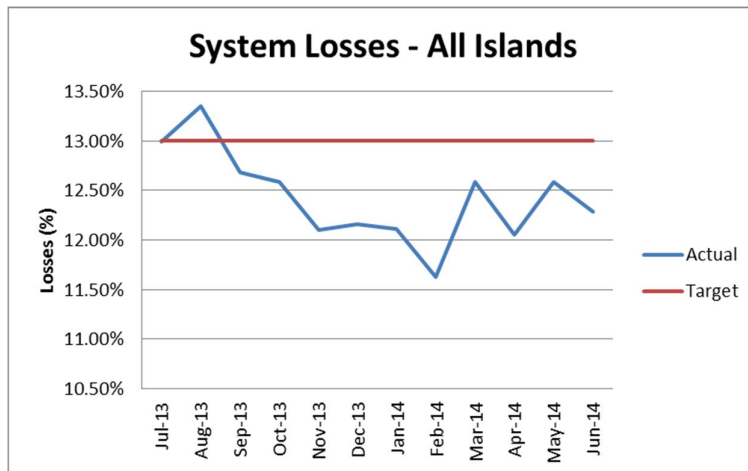
Overall, all island fuel efficiency ratios have been below the weighted average target of 4.17 kWh/L throughout the period July 2013 – June 2014 mainly due to reduction in fuel efficiency in Tongatapu and Eua.



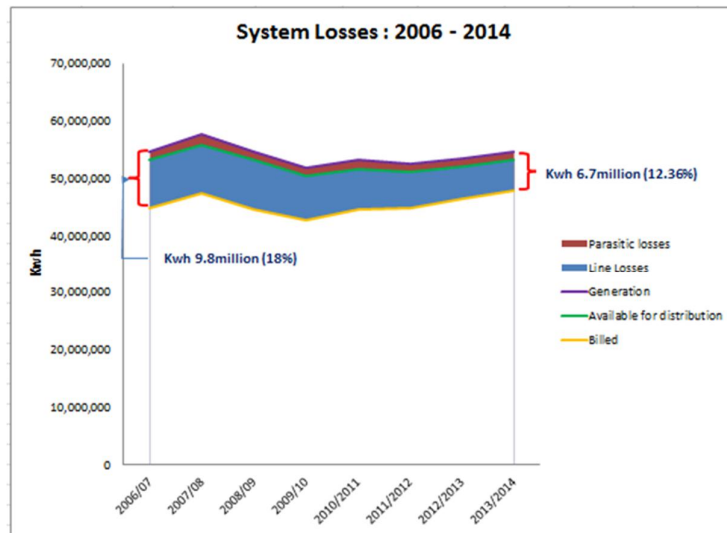
Tongatapu system losses have reduced significantly throughout the year, a result of a number of loss reduction programs, but also to the TVNUP network upgrade project. Vavau losses also have decreased after January, 2014 through improvements to the network. Ha'apai losses however, increased since Cyclone Ian but are trending downwards now as demand slowly increases. 'Eua losses are also trending downwards due to improvements to the distribution network.



The combined system losses saw a downward trend as per the graph below. These figures are largely driven by the system loss reduction in Tongatapu as a result of network improvements and the TVNUP upgrade project.

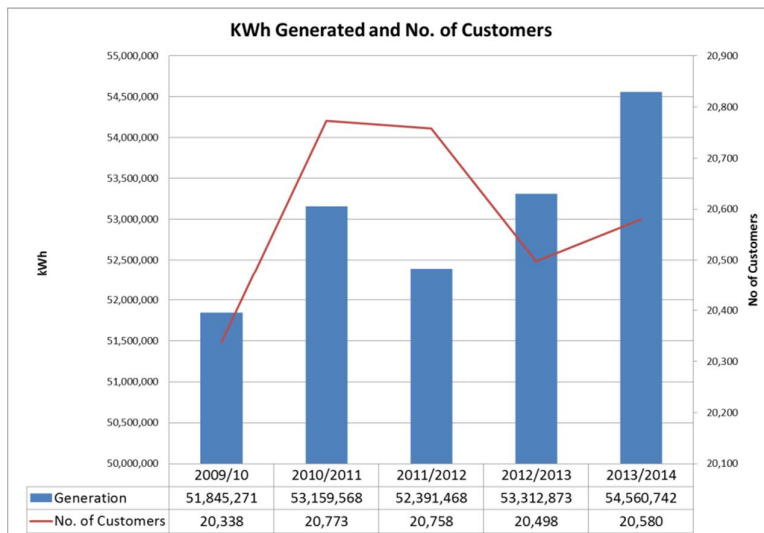


Since 2006, the overall system losses for all four grid island system have decreased by about 32% from around 18% in 2006 to approximately 12% in 2014. In dollar terms, this represents about \$3 million saving achieved throughout the seven year period.

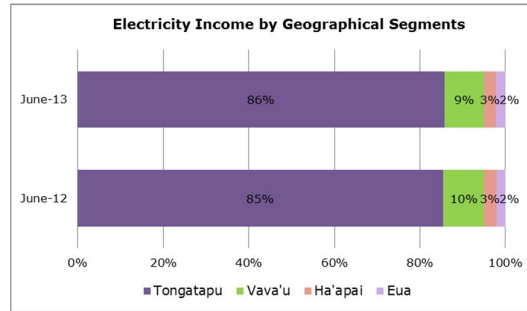


g. KWh Invoiced and Regulated Revenue

The breakdown of electricity revenue by island shows a consistent trend, with growth in Tongatapu and a flat economy in the three outer islands. The graph below shows that an increase of generation kWh in the last two years and as a result the revenue also increased.



The graph below shows the breakdown of revenue compared to last year. About 86% of the revenue was earned in Tongatapu and 9% earned in Vavau, with 3% and 2% earned in Haapai and Eua respectively.



The following tables show kWh invoiced and regulated revenue earned for each island on a monthly basis.

Month	Tongatapu		Vava'u		Ha'apai		Eua		Total	
	kWh Invoiced	Revenue	kWh Invoiced	Revenue	kWh Invoiced	Revenue	kWh Invoiced	Revenue	kWh Invoiced	Revenue
Jul-13	3,191,850	2,878,332.00	351,624	315,330.68	110,799	99,974.80	85,243	77,254.48	3,739,516	3,370,891.97
Aug-13	3,295,675	3,063,650.90	383,811	355,503.94	112,711	105,366.53	89,210	83,767.06	3,881,407	3,608,288.43
Sep-13	3,075,021	2,859,424.23	356,914	330,094.77	100,728	94,298.02	76,120	71,657.82	3,608,783	3,355,474.84
Oct-13	3,413,961	3,187,803.34	367,292	341,009.42	110,013	103,913.81	79,943	75,273.21	3,971,209	3,707,999.78
Nov-13	3,695,774	3,481,821.05	345,848	339,811.16	106,932	101,708.04	86,021	82,212.93	4,234,575	4,005,553.18
Dec-13	3,745,122	3,484,304.19	374,314	352,292.84	108,718	101,870.36	88,870	83,709.26	4,317,024	4,022,176.66
Jan-14	3,904,303	3,636,421.83	315,129	294,516.15	0	0.00	86,272	81,341.13	4,305,704	4,012,279.10
Feb-14	3,585,995	3,336,068.12	391,593	364,869.81	126,562	118,155.16	81,260	76,720.75	4,185,410	3,895,813.84
Mar-14	3,233,540	2,974,132.03	335,870	308,960.42	90,134	83,150.10	81,635	76,229.81	3,741,179	3,442,472.36
Apr-14	3,539,835	3,254,290.05	342,065	314,551.97	89,423	82,661.58	79,784	74,238.03	4,051,107	3,725,741.63
May-14	3,545,130	3,259,188.40	384,933	352,978.40	101,514	93,598.06	90,501	84,123.39	4,122,078	3,789,888.25
Jun-14	3,129,428	2,878,029.28	370,765	340,172.26	84,983	78,508.45	74,652	69,544.06	3,659,828	3,366,254.05
Total=	41,355,634	38,293,465.42	4,320,158	4,010,091.82	1,142,517	1,063,204.91	999,511	936,071.94	47,817,820	44,302,834.09

h. Insurance Update

A summary of TPL's insurance policy information is shown in the table below. Refer to TPL Insurance Policy Update 2013/14 file attached for further breakdowns.

Insurance Policy	Insured Amount
Material Damage/Business Interruption	\$50,000,000
General Liability	\$2,000,000
Commercial Motor Vehicles	\$2,989,000
Marine Cargo	\$580,000
Fidelity Guarantee	\$100,000
Domestic Dwelling	\$400,000

Refer Appendix 6: TPL Insurance Manual for the complete insurance report.

i. Auditor's Confirmation on RAV Calculation

KPMG auditor's letter confirming Regulated Asset Value (RAV) has been calculated in accordance with the requirements identified in the Section 7; Schedule 8 of the Electricity Concession Contract is attached with this report.

Refer Appendix 7: RAV Compliance Letter from the External Auditor.

j. Details of Regulatory Levies

The details of the regulatory levies paid (inclusive of CT) by TPL for the financial year 2013/14 are shown in the following table.

Date Paid	Month	Amount Paid (CT Inclusive)
28.06.2013	July 2013.	\$49,252.20
31.07.2013	August 2013.	\$49,252.20
30.08.2013	September 2013.	\$49,252.20
30.09.2013	October 2013.	\$49,252.20
31.10.2013	November 2013.	\$49,252.20
10.12.2013	December 2013.	\$49,252.20
20.12.2013	January 2014.	\$49,252.20
04.02.2014	February 2014.	\$49,252.20
28.02.2014	March 2014.	\$51,332.20
31.03.2014	April 2014.	\$49,942.20
30.04.2014	May 2014.	\$49,942.20
30.05.2014	June 2014.	\$49,942.20
01.07.2014	July 2014.	\$49,942.20
	Total=	\$645,118.60

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