ELECTRICITY
REGULATORY
CONTRACT
01st January 2013 – 31st December 2017
(Final)
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\[
FWAP_q = \frac{Total\ Fuel\ Cost_t}{Total\ Forecast\ Demand_t}\n\]

Where:

Total Fuel Cost\(_t\) = the Total fuel cost for the full year using the price applying for quarter q. \(81\)

Total Forecast Demand = the total demand for the full year. \(81\)
Parties

1. **PNG Power Ltd** (company number 1-44680) ("PNG Power") as defined below.

2. **The Independent Consumer and Competition Commission**, a body corporate established under the *Independent Consumer and Competition Commission Act 2002* (the “Regulator”), as defined below.

Recitals

A PNG Power has been declared by the Treasurer to be a regulated entity under section 32 of the *Independent Consumer and Competition Commission Act 2002* (the “ICCC Act”).

B The Supply and Sale of electricity, the Scheduled Services and the Excluded Services the subject of this Contract have been declared by the Treasurer to be regulated services under section 32 of the *ICCC Act*.

C PNG Power is licensed under the *Electricity Industry Act Chapter 78* to generate, transmit, distribute and sell electricity in Papua New Guinea in its designated areas.

D PNG Power and the Regulator intend for this Contract to replace the Previous Regulatory Contract and it shall apply retrospectively on and from the expiry of the Previous Regulatory Contract.

E This Contract is a regulatory contract that is binding on PNG Power and the Regulator pursuant to section 35 of the *ICCC Act* and the *Electricity Industry Act Chapter 78*.

This Contract regulates the prices that PNG Power may charge for the regulated services and the service standards which PNG Power must meet and the payments, rebates, or price reductions, which PNG Power must make for failure to meet those services standards, and the regulation of those service standards and payments, rebates or price reductions pursuant to section 35 of the *ICCC Act* and the *Electricity Industry Act Chapter 78*. 
It is agreed as follows.

1. General

1.1 Definitions

*Actual Cumulative Expenditure* includes [and is the total of] Actual Cumulative Capital Expenditure and Actual Cumulative Operational Expenditure.

*Actual Cumulative Capital Expenditure* means:

(a) all actual capital expenditure in relation to PNG Power’s transmission, distribution and generation operations in Papua New Guinea made by PNG Power or PNG Power Management in the period from 1 January 2012 to the date of the Expenditure Progress Report (both dates inclusive), including capital works in progress; and

(b) all capital expenditure in relation to PNG Power’s transmission, distribution and generation operations in Papua New Guinea which, as at the date of the Expenditure Progress Report, PNG Power has contracted unconditionally to undertake,

in each case including capital expenditure on assets used in those operations (such as motor vehicles and computer systems) but excluding any associated overheads.

*Actual Cumulative Operating Expenditure* means:

(a) all actual operational expenditure in relation to PNG Power’s transmission, distribution and generation operations in Papua New Guinea made by PNG Power or PNG Power Management in the period from 1 January 2012 to the date of the Expenditure Progress Report (both dates inclusive), including capital works in progress; and

(b) all operational expenditure in relation to PNG Power’s transmission, distribution and generation operations in Papua New Guinea which, as at the date of the Expenditure Progress Report, PNG Power has contracted unconditionally to undertake.

*Adjusted Cumulative Expenditure* has the meaning given to it in clause 4.1(a) (vi).

*Adjusted Cumulative Capital Expenditure* has the meaning given to it in clause 4.1[(c) (iii)]

*Adjusted Cumulative Operational Expenditure* has the meaning given to it in clause 4.1[(c) (iv)]

*Annual Price Adjustment* means the changing of the prices for the next 12 months

*Approved FM Pass Through Amount* has the meaning given to it in clause 5.1(e) (ii).

*Approved Tax Pass Through Amount* has the meaning given to it in clause 5.2(c) (ii).

*Approved Water Pass Through Amount* has the meaning give to it in clause 5.3(c) (ii).

*Approved Annual Plans* referred to in clause 8.4 refers to the annual plan as approved by IPBC.

*Business Day* means a day other than a Saturday, a Sunday or a public holiday in PNG

*Capital Expenditure* means expenditure by PNG Power which conforms with at least one of the following:
a) the expenditure relates to the purchase, development or construction of a new non-current asset of PNG Power;

b) the expenditure will increase the capacity or functionality of PNG Power’s non-current assets;

c) the expenditure will significantly reduce the ongoing maintenance of PNG Power’s non-current assets;

d) the expenditure will extend the service life of PNG Power’s non-current assets beyond that expected when the assets were originally installed;

e) the expenditure will increase the efficiency, accessibility and/or reliability of generation, transmission and distribution of power by PNG Power or access seekers;

f) the expenditure will lead to an outcome that is consistent with the Commission’s objectives under the *ICCC Act*.

*Expenditure Progress Report* means a report submitted to the Regulator in accordance with clause 4.1(a).

*Commencement Date* means 1 January 2013 notwithstanding that notice of this Contract may be published in the National Gazette on a later date.

*Connection Point* means the point of connection between, on the one hand, a transmission or distribution network operated by PNG Power and, on the other hand, a building, public lighting installation or electric line or equipment operated by a person other than PNG Power through which electricity supplied by that network is supplied to a building or public lighting installation.

*Contract* means this Electricity Regulatory Contract.

*CSO* means a community service obligation to provide services to Customers in a particular geographic service area, where the revenues received are less than the direct operating costs, as defined by the ICCC, following due consultation with PNG Power and due process.

*Funded CSO* means a CSO which is funded by way of a grant or donation or government funding which is intended to reduce prices to Customers in a particular service area.

*Customer*, in respect of a building or a public lighting installation, means a person to whom electricity is supplied by PNG Power at that building or that public lighting installation or a person who is seeking to have electricity supplied by PNG Power at that building or that public lighting installation, the relevant building or public lighting installation in either case being located in a Service Area.

*Determination* refers to the current determination made by the Regulator on the prices that PNG Power may charge for the regulated services and the service standards which PNG Power must meet.

*Domestic Customer*, in respect of a building, means a Customer who consumes or intends to consume electricity supplied to that building principally for domestic or household purposes, but does not include a person who is a General Supply Customer or an Industrial Customer in respect of that building.

*Excluded Services* means the services described in Schedule 11.
**First Regulatory Year** means the period from the Commencement Date to 31 December 2013 (both dates inclusive).

**FM Pass Through Amount** has the meaning given to it in clause 5.1(a).

**Force Majeure Event** means:
(a) a cyclone, storm, flood, drought that continues for more than two years, earthquake, tidal wave or landslide; or
(b) an act of public enemy, war (declared or undeclared), sabotage, blockade, revolution, riot, insurrection, civil commotion or any violent or threatening action,

which causes damage or destruction to any transmission or distribution network or any generating plant operated by PNG Power or which results or is likely to result in an increase in the costs incurred by PNG Power in generating, transmitting or distributing electricity for delivery to a building or public lighting installations, or retailing electricity to Customers in respect of a building or public lighting installations, that are located in a Service Area, or in complying with the provisions of any legislation, or of any codes or guidelines made or published by the Regulator under the ICCC Act, which must be complied with in relation to the generation, transmission, distribution or retail of such electricity.

**Force Majeure Event Claim** has the meaning given to it in clause 5.1(d).

**Force Majeure Event Notice** has the meaning given to it in clause 5.1(c).

**General Supply Customer**, in respect of a building, means a Customer who has a minimum demand for electricity of less than 200kVA at that building, but who does not consume or intend to consume that electricity principally for domestic or household purposes.

**Generation System and Service Areas** means the areas listed in Schedule 9.

**Industrial Customer**, in respect of a building, means a Customer who has a minimum demand for electricity of 200kVA or more at that building, irrespective of the purpose for which that electricity is or is intended to be consumed.

**IPBC** refers to the Independent Public Business Corporation.


**Large Load Customer** means any Customer with a peak load requirement of more than 10MW.

**Maximum Weighted Average Price** means the weighted average of all tariffs charged by PNG Power for all Customer categories for all service areas, calculated in accordance with Schedules 1 and 5. The Maximum Weighted Average Price for Regulatory Year t, means the amount (MWAP_t) calculated in accordance with Schedules 1 and 5.

**Negative Tax Change Event** means a Tax Change Event which results in PNG Power incurring materially lower costs than it would have incurred but for that event in generating, transmitting or distributing electricity for delivery to a building or public lighting installations, or retailing electricity to Customers in respect of a building or public lighting installations, that are located in a Service Area.

**Negative Tax Pass Through Amount** has the meaning given to it in clause 5.2(e).
New Connection. In respect of a building, means a connection of a kind described in Schedule 15.

*Non-Regulated Service* refers to services which are not regulated services.

*Other Pass Through Event* means:

(a) a change in Government policy, including:

(i) any change to the level of competition in the electricity industry, including the introduction of additional zones for exclusive supply or sale zones;

(ii) an obligation placed on PNG Power to provide supply to service new areas where the obligation to serve those new areas was not identified at 30 June 2012 and included in the forecasts set out in Schedule 8;

(iii) the requirement that PNG Power undertake or provide additional community service obligation (CSO) services to those CSO services provided at 30 June 2012;

(iv) issues relating to the implementation of the Government’s Electricity Industry Policy;

(b) the requirement to plan for, bring forward or construct assets or undertake operating expenditure associated with generation capacity above that assumed in the forecasts set out in Schedule 8. This includes expenditure associated with the proposed Naoro-Brown project;

(c) an increase in the level of water licence fees;

such that the impact of any single event requires PNG Power to outlay more than K250,000 in operating or capital expenditure above the forecast expenditure (if any) in any Regulatory Year.

*Outage* means any full or partial unavailability of a generating plant or a transmission or distribution network operated by PNG Power (or any part thereof) which results in a disruption to the supply of electricity by PNG Power to a building or a public lighting installation that is located in a Service Area.

*Papua New Guinea Electricity Commission* means the body of that name established under the *Electricity Industry Act*, or its successors under law.

*Permitted FM Pass Through Amount*, at any time in respect of a Force Majeure Event, means the increased costs that PNG Power has actually incurred as at that time (as calculated by PNG Power under clause 5.1(a) or by the Regulator under clause 5.1(e), as appropriate):

(a) in generating, transmitting and distributing electricity for delivery to a building and public lighting installations, and retailing electricity to Customers in respect of a building and public lighting installations, that are located in a Service Area; and

(b) in complying with the provisions of any legislation, or of any codes or guidelines made or published by the Regulator under the *ICCC Act*, which must be complied with in relation to the generation, transmission, distribution or retail of such electricity,

as a result of the occurrence of that Force Majeure Event.

*Permitted Tax Pass Through Amount*, in respect of a Tax Change Event, means the increase in costs that PNG Power has incurred and is likely to incur over the term of this Contract (as calculated by PNG Power under clause 5.2(a) or by the Regulator under clause 5.2(c), as appropriate) in generating, transmitting and distributing electricity for delivery to a building and public lighting
installations, and retailing electricity to Customers in respect of a building and public lighting installations, that are located in a Service Area as a result of the occurrence of the Tax Change Event.

**Planned Outage** means an Outage that is scheduled for the purposes of routine maintenance and has been publicly notified at least 5 days in advance.

**PNG Power** means PNG Power Ltd (company number 1-44680), and its subsidiaries and related parties, or any person that subsequently carries on substantially the same business, using substantially the same assets, as the business carried on and assets used by PNG Power Ltd as at the Commencement Date.

**PNG Power Management** means PNG Power (Management) Ltd (company number 1-44679), or its successors under law.

**Positive Tax Change Event** means a Tax Change Event which results in PNG Power incurring materially higher costs than it would have incurred but for that event in generating, transmitting or distributing electricity for delivery to a building or public lighting installations, or retailing electricity to Customers in respect of a building or public lighting installations, that are located in a Service Area.

**Positive Tax Pass Through Amount** has the meaning given to it in clause 5.2(a).

**Quarter** means a period of three months from 1 January to 31 March (both dates inclusive), 1 April to 30 June (both dates inclusive), 1 July to 30 September (both dates inclusive) or 1 October to 31 December (both dates inclusive).

**Quarterly Price Adjustment** means changing prices on a quarterly basis.

**Regulator** means the Independent Consumer and Competition Commission established under the *ICCC Act*, or its successors under law.

**Regulated entity** has the same meaning as the term is defined in the *ICCC Act*.

**Regulatory Principles** means the principles set out in Schedule 14.

**Regulated Services** means such services as so defined in the *ICCC Act*. It includes the supply and sale of electricity, the Scheduled services and the Excluded services. It further includes any new service or existing non-regulated services which the Regulator declares as per clause 11.2 of this contract to be a regulated service.

**Regulatory Year** means a period of 12 months commencing on 1 January of a year during the term of this Contract.

**Relevant Tax** means:

(a) any Tax payable by PNG Power other than:

   (i) income tax or any tax on fringe benefits or capital gains;

   (ii) any tax on payroll;

   (iii) land tax or any other tax on the ownership or occupancy of a building;

   (iv) customs and import duties;
(v) municipal rates, taxes and other charges imposed by the National Capital District Commission, any Provincial or Local-level Governments or any other local authorities;

(vi) stamp duty, withholding tax or similar taxes and duties;

(vii) penalties, fines, interest, charges, fees or other amounts for late payments relating to any Tax; or

(viii) any Tax that replaces or is the equivalent of any of the Taxes referred to in paragraph (i) to (vi); and

(b) any licence fees payable by PNG Power under section 24J of the Electricity Industry Act.

Reliability Improvement Fund means a separate fund managed by PNG Power as a separate fund separated from any other capital or operational activity within PNG Power. Quarterly reports of the value and transactions of the Reliability Improvement Fund are to be provided to the Regulator as set out in clause 6.4

Reliability Rebate means the payment to be made by PNG Power to the Reliability Improvement Fund when the USE performance target for each Service Area is not exceeded for the relevant period.

Required Connection Date, in respect of a New Connection, means the relevant date set out in Schedule 15.

Required Notice, in respect of a Planned Outage that affects a building in a Service Area, means a notice of that Planned Outage that:

(a) provides detail of the commencement and duration of the outage;

(b) is broadcast in that Service Area by way of radio or television announcement during the hours of 8.00 am and 7.00 pm on any day;

(c) is published in a daily newspaper circulating in that Service Area; or

(d) is delivered by mail to each Customer in respect of a building that is affected by the Planned Outage, such broadcast, publication or delivery being made at least 5 days (not including the day on which the broadcast, publication or delivery is made) prior to the date on which the Planned Outage commences.

Required Tax Pass Through Amount, in respect of a Tax Change Event, means the costs that PNG Power has saved or incurred and is likely to save or incur over the term of this Contract (as calculated by the Regulator under clause 5.2(e) in generating, transmitting and distributing electricity for delivery to a building and public lighting installations, and retailing electricity to Customers in respect of a building and public lighting installations, that are located in a Service Area as a result of the occurrence of the Tax Change Event.

Required Water Pass Through Amount has the meaning given to it in clause 5.3(f) (i).

Scheduled Services means the services described in Schedule 10.

Service Area means a service area listed in Schedule 9.

Subsequent Regulatory Year means any Regulatory Year after the First Regulatory Year.
Supply and Sale of electricity means all of the services required:

(a) to generate electricity and to deliver, or support the delivery of, electricity to a Connection Point (including maintenance of the capability of the relevant generating plant to generate electricity and of the relevant transmission or distribution network to transfer electricity through the network and deliver it to, and allow it to be taken from, the Connection Point, and the management, maintenance and operation of that generating plant and that transmission or distribution network); and

(b) to sell that electricity,

except for:

(c) Excluded Services;

(d) Scheduled Services; and

(e) Unregulated Services.

Tariff Component means an individual price element (whether expressed as a fixed or variable charge, a minimum charge or otherwise) consisting of part of a tariff.

Tax means any tax, levy, impost, deduction, charge, rate, duty or withholding which is levied or imposed by the National Government, a Provincial or Local-level Government or any agency, department, instrumentality or other authority of the National Government or of a Provincial or Local-level Government.

Tax Change Event means:

(a) a change in (or change in application or official interpretation of) a Relevant Tax or the way in which a Relevant Tax is calculated;

(b) the removal of a Relevant Tax; or

(c) the imposition of a Relevant Tax,

which results in PNG Power incurring materially higher or lower costs than it would have incurred but for that event in generating, transmitting or distributing electricity for delivery to a building or public lighting installations, or retailing electricity to Customers in respect of a building or public lighting installations, that are located in a Service Area.

Third Party Access refers to a party other than PNG Power having access to and use of the infrastructure of PNG Power.

Third Party Access Code refers to a document which defines the rights and obligations for a party other than PNG Power having access to and use of the infrastructure of PNG Power, for the delivery of electricity to Customers, and may include or require the development of a Grid Code which defines the technical, safety and operational requirements for interconnecting electricity networks.

Total Energy Delivered (TED), in respect of a Service Area for a specified period, means the amount of electricity metered and billed for the Service Area for the relevant period.

Total Forecast Capital Expenditure means the sum of the Yearly Forecast Capital Expenditures in respect of Regulatory Years 2013 to 2017 (both inclusive).

Uncontrollable Cumulative Expenditure has the meaning given to it in clause 4.1(a) (v).
**Uncontrollable Outage** means an Outage which is caused by an event or Force Majeure event the nature or extent of which could not reasonably have been foreseen or prevented by PNG Power.

**Undelivered Energy, (UE),** in respect of a Service Area for a specified period, means the amount of energy (in kWh) not delivered in that Service Area for that period as a result of Unplanned Outages, other than outages as a result of a Force Majeure Event. Energy which is undelivered due to a Force Majeure is excluded from the UE calculation. The calculation methodology must be in a form acceptable to the Regulator. Undelivered Energy (UE) is to be calculated as:

\[
UE \text{ (kWh)} = (\text{Duration of Unplanned Outage in Hours}) \times (\text{Hourly Delivered Energy for the same period})
\]

Where the same period is the same time for the previous week, provided there was no outage.

If previous week is not an uninterrupted period for the time of this outage the next suitable week is to be selected.

PNG Power will supply the Regulator with a report showing the UE data calculation for each Service Area.

**Unplanned Outage** means an interruption caused by failure of equipment, human error or natural causes, and includes all outages, except Planned Outages which have occurred after the issue of the Required Notice.

**Unregulated Services** means services which are not regulated services.

**Unserved Energy Ratio (USE),** means the proportion of unserved energy compared to the total energy requirement of the Service Area for each period. The total energy requirement is the sum of the energy delivered in the period and the undelivered energy in the period. In respect of a Service Area (s) for a specified period (p) (USEs,p), is calculated as:

\[
\text{USE}_{s,p} = \frac{\sum \text{UE}_{s,p}}{(\sum \text{TED}_{s,p} + \sum \text{UE}_{s,p})}
\]

where:

- \(\text{UE}_{s,p}\) is the Undelivered Energy in respect of that Service Area for that period; and

- \(\text{TED}_{s,p}\) is the Total Energy Delivered in respect of that Service Area for that period.

**USE Performance Target (RT)\text{,}** means the target USE performance for the relevant Service Area and period. Each Service Area USE Performance Target is listed in Schedule 13.

**Water Access Pass Through Amount.** in respect of any Regulatory Year \(t\) (being a Subsequent Regulatory Year), means the amount \(\text{WAPTA}_t\) (expressed in Kina) calculated as follows:

\[
\text{WAPTA}_t = \text{WAP}_{t-1} - (156,048 \times \delta\text{PNGCPI}_{t-1})
\]

where:

- \(\text{WAP}_{t-1}\) is the aggregate of the payments of fees (expressed in Kina) referable to the year ending on 30 September in Regulatory Year \(t-1\) which have been made by PNG Power under the Water Use Permits; and

- \(\delta\text{PNGCPI}_{t-1}\) is calculated as:

\[
\delta\text{PNGCPI}_{t-1} = (\text{PNGCPI}_{t-1} / \text{PNGCPI}_{t-2} - 1)
\]
where:

- PNGCPI_{t-1} is the Adjusted PNGCPI for the 12 month period ending on 30 September in Regulatory Year t-1 and is calculated in accordance with paragraph B.1(a) of Schedule 3; and
- PNGCPI_{t-2} is the Adjusted PNGCPI for the 12 month period ending on 30 September in Regulatory Year t-2 and is calculated in accordance with paragraph B.1(a) of Schedule 3.

**Water Use Permits** means the water use permits transferred to PNG Power as at the Commencement Date pursuant to a notice published in the National Gazette under section 7(2) of the Electricity Commission (Privatization) Act 2002 and includes all water use permits issued from time to time in full or partial replacement of those water use permits.

**Weighted Average Basket of Tariffs** means the weighted average of all tariffs charged by PNG Power for all Customer categories for all service areas, calculated in accordance with Schedule 5. The Weighted Average Basket of Tariffs for Regulatory Year t, means the amount (WABT_t) calculated in accordance with Schedule 5.

### 1.2 Principles of Interpretation

(a) Unless the contrary intention appears, the following principles of interpretation apply to this Contract:

(i) This contract is to be read and interpreted together with, and is subject to, the objectives in section 5 of the ICCC Act;

(ii) All words, expressions and obligations are to be interpreted within the meaning of the ICCC Act 2002, Electricity Industry Act Chapter 78, and The Final Report on the Electricity Regulatory Contract Review dated 8th November 2013, all of which are collectively referred to as the ‘linked documents’, and including generally accepted regulatory principles and regulatory practice in relation to those words, expressions and obligations;

(iii) All words, expressions and obligations within this Contract are to be interpreted together with, and in the context of, the contents of the linked documents and generally accepted regulatory principles and regulatory practice in relation to the relevant words, expressions and obligations in this Contract;

(iv) The linked documents form an integral part of this Contract; are inextricably linked with it; and are not severable from it;

(v) The parties are bound by the objectives, submissions, statements, principles and intentions expressed in the linked documents which shall be used in interpreting this Contract;

(vi) words denoting persons include corporations, unincorporated associations, firms, governments and governmental agencies;

(vii) a reference to a person includes a person’s agents, successors and permitted assigns, persons who have control over any assets of a person and receivers, managers, trustees, administrators and liquidators and similar persons appointed over:
A. a person; or
B. any assets of a person;

(viii) headings are only included for convenience and do not affect the interpretation of this Contract;
(ix) a reference to a clause or Schedule is to a clause of, or Schedule to, this Contract;
(x) a reference to an agreement, document or regulatory instrument (including this Contract) is a reference to that agreement, document or regulatory instrument as varied, amended or replaced from time to time (whether or not the parties thereto remain the same);
(xi) a reference to legislation is a reference to legislation in force in Papua New Guinea; and
(xii) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(b) All calculations made under or for the purposes of this Contract must be rounded to four significant digits; and

(c) When a calculation is required under this Contract:
(i) Regulatory Year “t”, Subsequent Regulatory Year “t-1” or calendar year “t” is the Regulatory Year, Subsequent Regulatory Year or calendar year (as the case may be) in respect of which the calculation is being made;
(ii) Regulatory Year “t-1”, Subsequent Regulatory Year “t-1” or calendar year “t-1” is the Regulatory Year, Subsequent Regulatory Year or calendar year (as the case may be) immediately preceding Regulatory Year “t”, Subsequent Regulatory Year “t” or calendar year “t”; and
(iii) Regulatory Year “t-2”, Subsequent Regulatory Year “t-2” or calendar year “t-2” is the Regulatory Year, Subsequent Regulatory Year or calendar year (as the case may be) immediately preceding Regulatory Year “t-1”, Subsequent Regulatory Year “t-1” or calendar year “t-1”.

1.3 Regulatory Principles

This Contract shall be read in accordance with the Regulatory Principles as provided under Schedule 14 of this contract.

1.4 Revoking or altering decisions

(a) If the Regulator has made a decision under this Contract and later concludes that the decision was made on the basis of information provided to the Regulator that was false or misleading in a material particular, then, subject to clause 1.4(b), the Regulator may revoke the decision and make a new decision in substitution for the revoked decision.

(b) Before the Regulator revokes and substitutes a decision pursuant to clause 1.4(a) the Regulator must first:
(i) notify PNG Power of the proposed revocation and of the proposed new decision (including the proposed date of effect of the revocation and new decision), and allow PNG Power a reasonable opportunity to make submissions to the Regulator regarding the proposed revocation and the proposed new decision (including submissions as to whether the original decision was based on information that was false or misleading in a material particular); and

(ii) take into account any matters contained in a submission made by PNG Power pursuant to paragraph (i).

(c) A new decision made under clause 1.4(a) applies from:

(i) if notice of the new decision is required to be published under clause 1.5(a)(ii) – the later of the date on which that notice is so published and any date specified by the Regulator in that notice as the date from which the new decision is to apply; and

(ii) if notice of the new decision is not required to be published under clause 1.5(a)(ii) - the later of the date the new decision is made and any date specified by the Regulator in making that new decision as the date from which the new decision is to apply.

(d) A new decision made under clause 1.4(a) must only differ from the revoked decision to the extent necessary to correct for:

(i) the false or misleading information on which the revoked decision was based; and

(ii) the application of the revoked decision during the period in respect of which that decision was in effect.

1.5 Notices

(a) The Regulator must ensure that a notice of each decision made by the Regulator under this Contract (other than a decision made pursuant to clause 1.6) is:

(i) sent to the Ministers responsible for the Electricity Industry Act and the ICCC Act;

(ii) published in the National Gazette and a newspaper circulating nationally; and

(iii) sent to PNG Power.

(b) The Regulator must ensure that a copy of each decision made by the Regulator under this Contract, together with a copy of its reasons for that decision, is:

(i) sent to the Ministers responsible for the Electricity Industry Act and the ICCC Act;

(ii) sent to PNG Power; and

(iii) made available for inspection and purchase by members of the public, and on its web site.
1.6 Modification of time periods

The Regulator may, either of its own motion or upon request by PNG power, extend, by written notice to PNG Power:

(a) the time by which a thing required to be done by PNG Power or the Regulator under this Contract must be done; or

(b) the period within which a thing required to be done by PNG Power or the Regulator must be done.

1.7 Term

The term of this Contract commences retrospectively on the 01st January 2013 and ends on 31 December 2017 (both dates inclusive).

1.8 Final Report on the Electricity Regulatory Contract Review

(a) The principal objectives of the Final Report on the Electricity Regulatory Contract Review (hereafter “the Final Electricity Report” dated 8th November 2013 and marked as “ANNEXURE A” are to determine if the current price control mechanism is appropriate for providing reliable, effective and efficient electricity services throughout Papua New Guinea; and to set a new price path for PNG Power for the subsequent regulatory period commencing 1st January 2013 and ending on 31st December 2017.

(b) The Final Electricity Report forms part of this contract and is binding on PNG Power and the Regulator.

(c) Where there is a conflict between any provision in the Contract and the Final Electricity Report which cannot be resolved by applying the principles of interpretation set out in clause 1.2, this Contract shall have precedence over the Final Electricity Report in respect of that particular issue.

2. Tariffs

2.1 Customer categorisation

(a) PNG Power must classify each of its Customers in respect of a building as a Domestic Customer, a General Supply Customer or an Industrial Customer in respect of that building in accordance with the criteria set out in Schedule 12. Any dispute as to whether PNG Power has correctly classified a Customer in respect of a building in accordance with those criteria will be determined by the Regulator.

(b) PNG Power must classify each building that is connected to a transmission or distribution network operated by PNG Power and that is located in a Service Area by reference to that Service Area.

(c) Where a Customer is classified as a Domestic Customer, a General Supply Customer or an Industrial Customer as at 31st December 2012, the same classification shall apply from the Commencement Date until the classification is amended by PNG Power.

(d) At any stage during the course of the regulatory period PNG Power may review the classification of a Customer into one of the categories specified above and amend the
classification if PNG Power is of the view that the original classification was not, or is no longer, appropriate.

(e) Where a Third Party Access Code is determined by the ICCC, there may be the need to introduce a Wholesale Network Customer category to support the Third Party Access Code, and the rights and obligations for that new Customer category shall be approved by the ICCC at the time of determining the Third Party Access Code.

2.2 Weighted Average Basket of Tariffs and Maximum Weighted Average Price Cap

(a) As of the Commencement Date and during the term of this Contract, the tariff to be applied by PNG Power for each Regulatory Year and the tariff for any Customer category in any service area may be less than, equal to, or greater than, the MWAP, provided however that the weighted average of all PNG Power’s tariffs for all Customer categories in all service areas taken together shall not exceed the MWAP.

(b) PNG Power may elect to have a separate pricing (tariff) plan for every Customer type for each service area. The types of Customers include:

(i) Domestic Credit Customers;

(ii) General Supply Credit Customers;

(iii) Easipay Domestic Customers;

(iv) Easipay General Supply Customers;

(v) Industrial Credit Customers; and

(vi) Public Lighting Credit Customers.

(c) PNG Power shall not discriminate between Customers on any basis other than their service area and their Customer type, except for large load Customers who have a load of more than 10MW, where PNG Power may discriminate only on the basis of the cost to deliver service to that particular Customer, and for no other reason.

(d) If PNG Power wishes to vary prices (tariffs) by their service area, then PNG Power shall apply to the Regulator at the time of the annual price adjustment, and shall supply the information listed in Schedule 7 for each service area where the price is proposed to be varied, a cost based justification for making the change, supported by evidence that costs are different and the rationale for making the change. The Regulator may consider the proposal in terms of its effect upon future investment, and the overall efficiency of the industry, any competition issues and the impact the price change may have on the implementation of government electricity industry policy.

(i) If PNG Power chooses to vary prices (tariffs) by service area then they must provide the information listed in Schedule 7 for each service area, where the price is to be varied.

(e) The tariffs for the Supply and Sale of electricity that are set out in a statement for a Subsequent Regulatory Year that is given by PNG Power to the Regulator pursuant to clause 3.1(a) must be such that:

\[ WABT_t \leq MWAP_t \]

Where:
WABT is the Weighted Average Basket of Tariffs (expressed in K/MWh) for that Subsequent Regulatory Year and is calculated in accordance with paragraph D of Schedule 5; and

MWAP, is the Maximum Weighted Annual Price Cap (expressed in K/MWh) for that Subsequent Regulatory Year.

(f) In any particular service area, PNG Power must maintain the price relativities between types of Customer as specified by Schedule 4.

(g) PNG Power must continue to offer pricing plans to Customers in all service areas, where the structure of those pricing plans is the same as the structure as shown in Schedule 3.

(h) PNG Power must have the capability to implement different prices for Customers in different service areas, no later than 1st of January 2015. This requirement must be met even if the capability is not used.

(i) If PNG Power chooses not to vary its prices between service areas, after 1st of January 2015 then the Regulator may choose to direct PNG Power to do so in a manner that complies with clause 2.2(a). In choosing to use this clause, the Regulator must consider:

(i) The regulatory principles in Schedule 14;
(ii) The best interests of consumers in all regions and for PNG as a whole.

2.3 Maximum tariffs for Scheduled Services

The maximum amount that PNG Power may charge a Customer for a Scheduled Service which it provides during a Regulatory Year (PSS) is the amount calculated as follows (rounded to the nearest Kina):

\[ PSS = PSS_0 \times \delta PNGCPI_{t-1} \]

Where:

PSS_0 is the maximum charge for that Scheduled Service as set out in Schedule 10; and

\( \delta PNGCPI_{t-1} \) is calculated in accordance with paragraph B of Schedule 5.

2.4 Tariffs for Excluded Services

PNG Power must charge Customers for Excluded Services on a fair and reasonable basis and, in the event of a dispute in respect of the amount of a charge for an Excluded Service, PNG Power must only charge such amount for that Excluded Service as the Regulator determines to be fair and reasonable. In deciding what is fair and reasonable the Regulator must be guided by the regulatory principles in Schedule 14.

2.5 Prepayment for electricity consumed by Domestic Customers and associated services

The minimum amount that PNG Power may charge in any Subsequent Regulatory Year \( t \) for a receipt that is used to enable the consumption of electricity by a Domestic Customer at a building that is located in a Service Area, where the amount of electricity consumed at that building is measured using a prepayment meter, is an amount that does not exceed the amount calculated under Schedule 2 (rounded to the nearest Kina).
2.6 Prepayment for electricity consumed by General Supply Customers and associated services

The minimum amount that PNG Power may charge in any Subsequent Regulatory Year for a receipt that is used to enable the consumption of electricity by a General Supply Customer at a building that is located in a Service Area, where the amount of electricity consumed at that building is measured using a prepayment meter, is an amount that does not exceed the amount calculated under Schedule 2 (rounded to the nearest Kina).

2.7 Discrimination

(a) The tariffs PNG Power charges for the Supply and Sale of electricity to Customers in respect of a building (including any discounts allowed in respect of those tariffs) must not discriminate unreasonably between Customers who are in substantially the same circumstances.

(b) If the Regulator, after consulting with PNG Power, notifies PNG Power that any tariff (including any discounts allowed in respect of those tariffs) which PNG Power is charging for the Supply and Sale of such electricity does unreasonably discriminate between such Customers, then PNG Power must immediately change that tariff (including any discounts allowed in respect of that tariff) so as to remove that discrimination and must advise the Regulator of the changed tariff within 30 days of its removal.

2.8 Large Load Customers

If an individual Customer at a building has a load of more than 10MW then subject to clause 2.7 and 2.2 (c)(i):

a) PNG Power may set individual prices to ensure that they are competitive. These prices may be different from (higher or lower) than any other Customers provided that the price PNG Power charges each individual Customer must be equal to or above PNG Power’s cost of providing service to that particular Customer; and

b) If PNG Power does choose to offer special prices to individual Customers then it must demonstrate to the Regulator, at its request, at any time, the differential cost of providing service to this Customer, including generation, distribution, transmission or retailing and a contribution to joint or common costs, including overheads.

3. Altering Tariffs

3.1 Annual variation

(a) PNG Power shall, for each Subsequent Regulatory Year, give the Regulator a statement in accordance with clause 3.1(b) that:

(i) sets out PNG Power’s proposed tariffs for the Supply and Sale of electricity for that Subsequent Regulatory Year; and

(ii) demonstrates compliance of those proposed tariffs and of each Tariff Component of those proposed tariffs with the relevant requirements set out in clause 2.2 and Schedules 1,2,3,4,5,6 and 8.
(b) A statement referred to in clause 3.1(a) shall be given to the Regulator by the second Friday in November of the Regulatory Year immediately preceding the relevant Subsequent Regulatory Year.

(c) The Regulator must not approve a statement given by PNG Power under clause 3.1(a), if:
   (i) the statement does not demonstrate compliance of the proposed tariffs and of each Tariff Component of those proposed tariffs with the relevant requirements set out in clause 2.2 and Schedules 1,2,3,4,5,6 and 8; or
   (ii) the Regulator is not satisfied that the amount of any Tariff Component of a proposed tariff that is set out in that statement is fair and reasonable (for these purposes the Regulator is deemed to be so satisfied in respect of the amount of any such Tariff Component where the amount of the Tariff Component complies with such of the requirements, (if any), of clauses 2.2(c), (d), (e), (f) or (g) as are applicable).

(d) The Regulator must approve a statement given by PNG Power under clause 3.1(a), if:
   (i) the statement demonstrates compliance of the proposed tariffs and of each Tariff Component of those proposed tariffs with the relevant requirements set out in clause 2.2 and Schedules 1,2,3,4,5,6 and 8; and
   (ii) the Regulator is satisfied that the amount of any Tariff Component of a proposed tariff that is set out in that statement is fair and reasonable (for these purposes the Regulator is deemed to be so satisfied in respect of the amount of any such Tariff Component where the amount of that Tariff Component complies with such of the requirements, (if any), of clauses 2.2(c), (d), (e), (f) or (g) as are applicable).

(e) If, the Regulator does not notify PNG Power of the Regulator’s decision regarding a statement given by PNG Power under clause 3.1(a) by the first Monday in December of the Regulatory Year immediately preceding the relevant Subsequent Regulatory Year, the Regulator is deemed to have approved the statement with effect from that day.

(f) The tariffs in any statement given by PNG Power under clause 3.1(a), being a statement which is approved or deemed to have been approved by the Regulator, apply from the later of:
   (i) the date on which the Regulator approves or is deemed to have approved the statement; and
   (ii) the start of the Subsequent Regulatory Year in respect of which the tariffs are to apply.

(g) If PNG Power does not provide a statement to the Regulator as required by and in accordance with clause 3.1(a), or such a statement is so provided but (by the first Monday in December of the Regulatory Year immediately preceding the relevant Subsequent Regulatory Year) the Regulator notifies PNG Power of the Regulator’s decision not to approve that statement, then the Regulator may reset the relevant tariffs for the relevant Subsequent Regulatory Year in a manner in which the Regulator could have approved the tariffs if they were included in a statement given by PNG Power under clause 3.1(a) or determine that the relevant tariffs for the Regulatory Year immediately preceding the relevant Subsequent Regulatory Year, shall apply for the whole of the relevant Subsequent
Regulatory Year or until the Regulator has reset the relevant tariffs for the relevant Subsequent Regulatory Year. The Regulator must notify PNG Power in writing of the tariffs so set by the Regulator. The tariffs set by the Regulator apply from the later of:

(i) the date on which the Regulator notifies PNG Power of the tariffs; and

(ii) the start of the Subsequent Regulatory Year in respect of which the tariffs are to apply.

3.2 Quarterly variation

(a) PNG Power shall, for each Subsequent Regulatory quarter, give the Regulator a statement in accordance with clause 3.2(b) that:

(i) sets out weighted average fuel prices (weighted by litres purchased) in every generation system listed in Schedule 9 expressed in Kina per litre, and the Average fuel charges for Kanudi (expressed in kina /MWh) for the preceding quarter;

(ii) sets out PNG Power’s proposed tariffs for the Supply and Sale of electricity for that Subsequent Regulatory quarter;

(iii) uses the forecast demand figures, system losses, forecast hydro-generation quantities, forecast IPP purchased quantities, conversion factors and calculations shown in Schedule 8; and

(iv) demonstrates compliance of those proposed tariffs and of each Tariff Component of those proposed tariffs with the relevant requirements set out in clause 2.2 and Schedules 1,2,3,4,5,6 and 8.

(b) A statement referred to in clause 3.2(a) shall be given to the Regulator by the second Friday in January, April, July and October.

(c) The Regulator must not approve a statement given by PNG Power under clause 3.2(a), if:

(i) the statement does not demonstrate compliance of the proposed tariffs and of each Tariff Component of those proposed tariffs with the relevant requirements set out in clause 2.2 and Schedules 1,2,3,4,5,6 and 8; or

(ii) the Regulator is not satisfied that the amount of any Tariff Component of a proposed tariff that is set out in that statement is fair and reasonable (for these purposes the Regulator is deemed to be so satisfied in respect of the amount of any such Tariff Component where the amount of the Tariff Component complies with such of the requirements, (if any), of clauses 2.2(c), (d), (e), (f) or (g) as are applicable).

(d) The Regulator must approve a statement given by PNG Power under clause 3.2(a), if:

(i) the statement demonstrates compliance of the proposed tariffs, and of each Tariff Component of those proposed tariffs with the relevant requirements set out in clause 2.2 and Schedules 1,2,3,4,5,6 and 8; and

(ii) the Regulator is satisfied that the amount of any Tariff Component of a proposed tariff that is set out in that statement is fair and reasonable (for these purposes the Regulator is deemed to be so satisfied in respect of the amount of any such Tariff
Component where the amount of that Tariff Component complies with such of the requirements, (if any), of clauses 2.2(c), (d), (e), (f) or (g) as are applicable).

(e) If the Regulator does not notify PNG Power of the Regulator’s decision regarding a statement given by PNG Power under clause 3.2(a) by the last day of January, April, July or October, the Regulator is deemed to have approved the statement with effect from that day.

(f) The tariffs in any statement given by PNG Power under clause 3.2(a), being a statement which is approved or deemed to have been approved by the Regulator, apply from the later of:
   (i) the date on which the Regulator approves or is deemed to have approved the statement; and
   (ii) the start of the Subsequent Regulatory quarter in respect of which the tariffs are to apply.

(g) If PNG Power does not provide a statement to the Regulator as required by and in accordance with clause 3.2(a), or such a statement is so provided but (by the second last day of January, April, July or October, as the case my be, of the Regulatory quarter immediately preceding the relevant Subsequent Regulatory quarter) the Regulator notifies PNG Power of its decision not to approve that statement, then the Regulator may reset the relevant tariffs for the relevant Subsequent Regulatory quarter in a manner in which the Regulator could have approved the tariffs, if they were included in a statement given by PNG Power under clause 3.2(a) or determine that the relevant tariffs for the Regulatory quarter immediately preceding the relevant Subsequent Regulatory quarter, shall apply for the whole of the relevant Subsequent Regulatory quarter or until the Regulator has reset the relevant tariffs for the relevant Subsequent Regulatory quarter. The Regulator must notify PNG Power in writing of the tariffs so set by the Regulator. The tariffs set by the Regulator apply from the later of:
   (i) the date on which the Regulator notifies PNG Power of the tariffs; and
   (ii) the start of the Subsequent Regulatory quarter in respect of which the tariffs are to apply.

3.3 Six month variation

(a) If the change in the Cumulative Weighted Index over the 6 month period ending on 31st March in any Subsequent Regulatory Year (calculated as set out in clause 3.3(b)) exceeds 1.10, PNG Power may give the Regulator a statement in accordance with clause 3.3(b) that:
   (i) sets out a proposed variation to the existing tariffs for the Supply and Sale of electricity for the last 6 months of that Subsequent Regulatory Year; and
   (ii) demonstrates compliance of the tariffs for the Supply and Sale of electricity for the last 6 months of that Subsequent Regulatory Year (incorporating the proposed variation to the existing tariffs), and of each Tariff Component of those tariffs (as
proposed to be varied), with the relevant requirements set out in clause 2.2 and Schedules 1, 2, 3, 4, 5, 6 and 8.

(b) For the purposes of clause 3.3(a), the change in the Cumulative Weighted Index over the 6 month period ending on 31 March in a Subsequent Regulatory Year $t$ ($CWI_{m,t}$) is calculated in the same manner as $CWI_i$ in paragraph B of Schedule 5 except that:

(i) $PNGCPI_{t-1}$ is the Adjusted PNG CPI for the 6 month period ending on 31st March in Subsequent Regulatory Year $t$ and is calculated in accordance with paragraph B.1(c) of Schedule 6;

(ii) $AER_{t-1}$ is the Kina/Australian Dollar Exchange Rate for the 6 month period ending on 31st March in Subsequent Regulatory Year $t$ and is calculated in accordance with paragraph B.2(b) of Schedule 6;

(iii) $ACPI_{t-1}$ is the Australian CPI for the 6 month period ending on 31st March in Subsequent Regulatory Year $t$ and is calculated in accordance with paragraph B.3(b) of Schedule 6;

(iv) $USER_{t-1}$ is the Kina/United States Dollar Exchange Rate for the 6 month period ending on 31st March in Subsequent Regulatory Year $t$ and is calculated in accordance with paragraph B.4(b) of Schedule 6; and

(v) $USCPI_{t-1}$ is the US CPI for the 6 month period ending on 31st March in Subsequent Regulatory Year $t$ and is calculated in accordance with paragraph B.5(b) of Schedule 6;

(c) For the purpose of the application of clause 3.3(a)(ii):

A. the Maximum Weighted Annual Price Cap (expressed in K/MWh) for the Subsequent Regulatory Year $t$ is calculated in the same manner as $MWAP$ in respective paragraph A of Schedules 1, 5 and 6 except that $CWI_i$ is $CWI_{m,t}$ as calculated in accordance with this clause 3.3(a); and

B. a reference in clause 2.2 to a statement that is given by PNG Power to the Regulator pursuant to clause 3.1(a) will be construed as a reference to the statement that is given by PNG Power to the Regulator pursuant to clause 3.3(a), with the necessary modifications.

(d) A statement referred to in clause 3.3(a) must be given to the Regulator by the second Friday in May of the relevant Subsequent Regulatory Year.

(e) The Regulator must not approve a statement given by PNG Power under clause 3.3(a), if:

(i) the statement does not demonstrate compliance of the tariffs for the Supply and Sale of electricity for the last 6 months of the relevant Subsequent Regulatory Year (incorporating the proposed variation to the existing tariffs) with the relevant requirements set out in clause 2.2 and Schedules 2 and 3, as modified in accordance with clause 3.3(a); or

(ii) the Regulator is not satisfied that the amount of any Tariff Component of a proposed tariff that is set out in that statement is fair and reasonable (for these purposes the Regulator is deemed to be so satisfied in respect of the amount of any such Tariff Component where the amount of the Tariff Component complies with
such of the requirements, (if any), of clauses 2.2(c), (d), (e), (f) or (g) as are applicable, as modified in accordance with clause 3.3(a)).

(f) The Regulator must approve a statement given by PNG Power under clause 3.3(a), if:

   (i) the statement demonstrates compliance of the tariffs for the Supply and Sale of electricity for the last six months of the relevant Subsequent Regulatory Year (incorporating the proposed variation to the existing tariffs) with the relevant requirements set out in clause 2.2 and Schedules 5 and 6, as modified in accordance with clause 3.3(a); and

   (ii) the Regulator is satisfied that the amount of any Tariff Component of a proposed tariff that is set out in that statement is fair and reasonable (for these purposes the Regulator is deemed to be so satisfied in respect of the amount of any such Tariff Component where the amount of that Tariff Component complies with such of the requirements, (if any), of clauses 2.2(c), (d), (e), (f) or (g) as are applicable, as modified in accordance with clause 3.3(a)).

(g) If the Regulator does not notify PNG Power of the Regulator’s decision regarding a statement given by PNG Power under clause 3.3(a) by the first Monday in June of the relevant Subsequent Regulatory Year, the Regulator is deemed to have approved the statement with effect from that day.

(h) The variation to the tariffs as set out in any statement given by PNG Power under clause 3.3(a), being a statement which is approved or deemed to have been approved by the Regulator, applies from the later of:

   (i) the date on which the Regulator approves or is deemed to have approved the statement; and

   (ii) 1st July of the relevant Subsequent Regulatory Year.

3.4 New Pricing Structures

(a) PNG Power may apply to the Regulator at any annual pricing review to introduce new pricing plans or tariffs, modify existing pricing plans or tariffs, or remove existing pricing plans or tariffs.

(b) Together with any application it makes under clause 3.4(a), PNG Power shall submit its statement of reasons for wanting to make the proposed changes.

(c) PNG Power shall within the first eighteen months of the regulatory period demonstrate to the Regulator’s satisfaction , including through a report by an independent international consultant appointed by the Regulator at the cost of PNG Power, if the Regulator so requires, that it has investigated the cost and benefits associated with the implementation of:

   (i) time of use pricing; and

   (ii) feed in tariffs for small scale network connected generation including Photovoltaic Generation ,other renewable energy sources, and
where a proposal is made to introduce pricing plans or tariffs in support of such initiatives, it must comply with the Regulatory Principles in Schedule 14, and further no other Customer’s pricing plan or tariff is to be set in a manner that over-recovers the costs relating to that Customer to make up any under-recovery of to cross subsidise the fair and reasonable costs of any other Customer following the introduction of these new pricing plans or tariffs.

(d) The Regulator in reviewing the application in clause 3.4(a) together with the statement of reasons under clause 3.4(b) shall take into account the impact of the application of the proposed change of the pricing plan or tariff on:

(i) the Customers;
(ii) the legitimate commercial interests of PNG Power;
(iii) objectives of the government’s electricity industry policy;
(iv) the regulatory principles as describe in Schedule 14; and
(v) any other issue which the Regulator thinks is relevant to the decision.

(e) The Regulator shall, as soon as is practicable, by written notice to PNG Power, advise of its decision on the application made under clause 3.4(a). If approved, the changes shall be included in the calculation of the Weighted Average Basket of Tariffs and in Schedule 3 of this contract.

Where no proposal is made by PNG Power to introduce pricing plans or tariffs in support of time of use pricing or feed in tariffs for small scale network connected generation including Photovoltaic Generation, the Regulator may, after considering the information provided by PNG Power or a report by the independent international consultant, regarding the costs and benefits of the introduction of such pricing plans, seek an amendment of the Contract to introduce such pricing plans and PNG Power shall not unreasonably withhold its consent to such amendment.

The Regulator shall have regard to the Regulatory Principles in Schedule 14 in considering the information provided by PNG Power or the report provided by the Consultant in seeking such amendment.

(f) Where a Third Party Access Code is determined by the ICCC, there may be the need to unbundle the transmission and distribution network tariff components from the Supply and Sale of electricity tariff components, in order to support competition in generation and/or connection of IPPs to PNG Power’s networks, such electricity suppliers once licenced by the ICCC for the purpose of competing for Supply and Sale of electricity to a Customer in the Wholesale Network Customer category will be supported by the Third Party Access Code. The unbundling of tariffs may include the obligation on PNG Power to separately identify on the Customer bill the network tariffs and costs, and the Supply and Sale of electricity tariffs and costs. Consultation and definition of the rights and obligations for that new electricity supply and/or or IPP connection shall be approved by the ICCC at the time of determining the Third Party Access Code.
4. **Mid-term Review of Expenditure and Demand Forecast**

4.1 **Process for Mid-term Review of Expenditure**

(a) PNG Power must, in accordance with clause 4.1(b), submit an Expenditure Progress Report for the calendar years 2013 to 2015 (inclusive) plus an expenditure forecast for the years 2016 and 2017 that sets out:

(i) the Actual Cumulative Expenditure which is to include the Actual Cumulative Capital Expenditure and the Actual Cumulative Operational Expenditure:

   A. For the Actual Cumulative Capital Expenditure the report must be broken down into individual projects showing the budgeted amount and the actual amount, the dates of spending and a description of the assets built or acquired, as a result of the spending, including a description of the quantitative capacity provided by the assets and how it fits within the definition of ‘capital expenditure’ in sub-clause 1.1 herein.

   B. For the Actual Cumulative Operational Expenditure the report must be broken down into major cost categories (above K500,000) showing the budgeted amount and the actual amount, and a description of the expenditure,

(ii) The Forecast expenditure, which is to include:

   A. The Forecast Capital Expenditure, for which the report must be broken down into individual projects showing the budgeted amount and the actual amount, the projected dates of spending, and a description of the assets to be built or acquired, as a result of the spending.

   B. The Forecast Operational Expenditure, for which the report must be broken down into major cost categories (above K500,000) showing the budgeted amount and the actual amount, and a description of the expenditure,

(iii) Each item listed in Schedule 16 must be listed and reported against.

(iv) Any amounts which have been funded by grants, donations, interest free or concessional interest loans, or Funded CSO’s must be separately identified as required under clause 6.5, with full details of such funding.

   A. These are not to be treated as Capital Expenditure by PNG Power to the extent of the benefit.

(v) the amount (if any) of that Actual Cumulative Expenditure which is attributable to:

   A. the connection, after the Commencement Date, of a single new load in excess of 30MW (including any capital expenditures required to augment the transmission or distribution network operated by PNG Power, or to increase the capacity of any generating plant operated by PNG Power, so as to enable that load to be serviced); or
B. the reinstatement or repair of any transmission or distribution network or any generating plant operated by PNG Power where the need for that reinstatement or repair has arisen as a result of damage or destruction caused by the occurrence, after the Commencement Date, of a cyclone, storm, flood, earthquake, tidal wave, landslide, act of public enemy, war (declared or undeclared), sabotage, revolution, riot, insurrection or civil commotion,

(such amount of the Actual Cumulative Expenditure referred to in this clause 4.2(a)(ii) being referred to as the Uncontrollable Cumulative Expenditure); and

(vi) The Adjusted Cumulative Expenditure includes [and is the total of] the Adjusted Cumulative Capital Expenditure and the Adjusted Cumulative Operational Expenditure.

(vii) if the Actual Cumulative Capital Expenditure reduced by the Uncontrollable Cumulative Expenditure (such reduced amount being referred to as the Adjusted Cumulative Expenditure) is less than 80% of the estimated Total Forecast Capital Expenditure, and PNG Power considers that the difference between the Adjusted Cumulative Expenditure and the estimated Total Forecast Capital Expenditure is the result of more efficient capital expenditure, the details of such efficient capital expenditure must be provided.

(b) The Expenditure Progress Report referred to in clause 4.1(a) must be given to the Regulator not earlier than 31st July 2015 and not later than 31st August 2015, and must be certified under generally accepted accounting principles as 'true and fair' by a registered company auditor (as defined in Section 2 of the Accountants Act 1996) nominated by the Regulator and the Terms of Reference for the auditor shall be framed by the Regulator.

(c) The Regulator may, within 30 days after the Expenditure Progress Report referred to in clause 4.1(a) is submitted to the Regulator, give written notice to PNG Power that it shall appoint an appropriately qualified independent international consultant for the purposes of this clause 4.1. As soon as reasonably practicable after the giving of any such notice the Regulator shall appoint an appropriately qualified independent international consultant ('consultant') to report to the Regulator and PNG Power, by 15th December 2015, as to:

(i) Any items in the capital budget set out in Schedule 16 which are found not to be prudent and efficient by the consultant;

(ii) Any items of operational expenditure which are found not to be prudent and efficient by the consultant;

(iii) Any adjustment that should be made to the Actual cumulative capital expenditure or the forecast capital expenditure in light of the items identified in 4.1 (c) (i) and the adjusted total figure is the adjusted cumulative capital expenditure;

(iv) Any adjustment that should be made to the Actual cumulative operational expenditure or the forecast operational expenditure in light of the items identified in 4.1 (c) (ii) and the adjusted total figure is the adjusted cumulative operational expenditure;
(v) if the Adjusted Cumulative Expenditure on any individual item or total Adjusted Cumulative Expenditure is less than the Forecast Expenditure whether, in the consultant’s opinion, the difference between the Adjusted Cumulative Expenditure and the Forecast Expenditure is entirely or partially the result of more efficient expenditure; and

(vi) if the Adjusted Cumulative Expenditure is less than the Forecast Expenditure for any item or the total Adjusted Cumulative Expenditure in the international consultant’s opinion the difference between the Adjusted Cumulative Expenditure and the Forecast Expenditure is not entirely the result of more efficient expenditure – the amount of expenditure which it considers to be in excess of the Adjusted Cumulative Expenditure that PNG Power would need to make as at that time so as to avoid there being any imprudent shortfall in expenditure in relation to any transmission or distribution network or any generating plant then operated by PNG Power.

(d) Where the Consultant in accordance with clause 4.1 (c) (iv) finds that the Adjusted Cumulative Operational Expenditure is less than Forecast Operational Expenditure as the result of more efficient operational expenditure, the efficiency gains shall be retained by PNG Power.

(e) Where the Consultant in accordance with clause 4.1 (c) (iv) finds that the Adjusted Cumulative Operational Expenditure is less than Forecast Operational Expenditure as a result of more efficient operational expenditure and the more efficient operational expenditure is expected to result in lower operational expenditure for the remainder of the regulatory period, the 50% of the future benefit of the efficiency gains shall be removed from the revenue requirement and passed on to customers via a reduction in the Smoothing factor in accordance with Schedule 17.

(f) Subject to Clauses 3 and 5 of this Contract, any Cumulative Operational Expenditure in excess of Forecasts Operational Expenditure shall be borne by PNG Power and not passed on to Customers. The consultant appointed according to clause 4.1 (c) will follow a process similar to that described in Schedule 17.

(g) After considering the Expenditure Progress Report submitted by PNG Power and making any other enquiries which the Regulator deems necessary, any report provided in accordance with clause 4.1(c) by the consultant (if any) appointed pursuant to that clause, and any further information obtained by the Regulator pursuant to clause 4.1(e) or provided by PNG Power, the Regulator must, not earlier than 1st November 2015 and not later than 30th November 2015, notify PNG Power of its determinations as to the following matters:

(i) the findings of the consultant (if one is appointed) under 4.1 (c);

(ii) any adjustments the Regulator has elected to make to the cumulative expenditure and the forecast expenditure in light of the consultant’s report; and

(iii) Any adjustment to the Smoothing Factor (X) as described in Schedule 6. If the Regulator does adjust the X Factor in Schedule 6, then this will apply to the regulatory years for 2016 and 2017.
If the Regulator fails to notify PNG Power of its determinations by 30\textsuperscript{th} November 2015, then PNG Power’s proposed tariffs for the subsequent year will be deemed approved.

(h) PNG Power must, at its expense, provide the Regulator and any consultant appointed pursuant to clause 4.1(c) with such access to PNG Power’s records, employees and contractors as the Regulator or the consultant requires for the purposes of this clause 4.1.

(i) The reasonable costs of any consultant appointed pursuant to clause 4.1(c) shall be borne by PNG Power.

(j) Where PNG Power fails to comply with clause 4.1(b), the Regulator shall not assess the subsequent tariff for 2016.

(k) Notwithstanding clause 4.1(c), the Regulator may, on its own accord, carry out a physical inspection as to the state and operational condition of PNG Power’s assets throughout the country, where the Regulator deems necessary and prepare a report of the Regulator’s findings and such report may be taken into consideration by the consultant in the consultant’s final report.

(l) The reasonable cost of the physical inspection carried out by the Regulator under 4.1(i) must be borne by PNG Power.

4.2 **Process for Review of Demand Forecasts**

(a) The Regulator shall, if it considers it necessary or desirable, appoint an appropriately qualified independent international consultant to assess the robustness of demand forecasts, included latent or unmet demand. The reasonable cost of such independent consultant shall be met by PNG Power.

(b) If the forecasts of demand are found not to be robust by the consultant, the Commission shall make adjustment to the Smoothing Factor (X) to reflect only robust demand forecasts. If the Regulator does adjust the X Factor in Schedule 6, then this will apply to the regulatory years for 2016 and 2017.

5. **Regulated Pass Through**

5.1 **Force Majeure Event Pass Through**

 Application by PNG Power

(a) If a Force Majeure Event occurs, PNG Power may seek the Regulator’s approval to charge Customers, in addition to the maximum amounts that PNG Power is otherwise permitted to charge Customers for the Supply and Sale of electricity pursuant to clauses 2 and 3, an amount (\textit{FM Pass Through Amount}) that is not greater than the Permitted FM Pass Through Amount (as calculated by PNG Power) in respect of that Force Majeure Event as at the date of the Force Majeure Event Claim (if any) given to the Regulator pursuant to clause 5.1(d) in respect of that Force Majeure Event.

(b) To seek the Regulator’s approval to pass through a FM Pass Through Amount under clause 5.1(a), PNG Power must give the Regulator:
(i) a Force Majeure Event Notice pursuant to clause 5.1(c) within 3 months of the Force Majeure Event occurring; and

(ii) a Force Majeure Event Claim pursuant to clause 5.1(d) within 12 months of the Force Majeure Event occurring.

(c) A Force Majeure Event Notice must specify:

(i) details of the Force Majeure Event concerned; and

(ii) the date the Force Majeure Event occurred.

(d) A Force Majeure Event Claim must specify:

(i) details of the Force Majeure Event concerned;

(ii) the date the Force Majeure Event occurred;

(iii) the increase in costs that PNG Power has actually incurred as at the date of the Force Majeure Event Claim:

A. in generating, transmitting and distributing electricity for delivery to a building and public lighting installations, and retailing electricity to Customers in respect of a building and public lighting installations, that are located in a Service Area; and

B. in complying with the provisions of any legislation, or of any codes or guidelines made or published by the Regulator under the *ICCC Act*, which must be complied with in relation to the generation, transmission, distribution or retail of such electricity, as a result of the occurrence of the Force Majeure Event;

(iv) the extent (if any) to which PNG Power has the benefit of any insurance against the consequences of the Force Majeure Event;

(v) the FM Pass Through Amount PNG Power proposes in relation to the Force Majeure Event;

(vi) the basis on which PNG Power proposes to apply the FM Pass Through Amount to Customers; and

(vii) the date from, and period over, which PNG Power proposes to apply the FM Pass Through Amount to Customers,

and must be accompanied by evidence of the increase in costs referred to in paragraph (iii).

Approval by Regulator

(e) If the Regulator receives a Force Majeure Event Claim under clause 5.1(d) in relation to a Force Majeure Event, the Regulator must decide whether the Force Majeure Event occurred and, if the Regulator decides the Force Majeure Event occurred, the Regulator must decide:

(i) the Permitted FM Pass Through Amount in respect of the Force Majeure Event;

(ii) the basis on which the FM Pass Through Amount proposed by PNG Power in relation to the Force Majeure Event or the Permitted FM Pass Through Amount in respect of the Force Majeure Event as determined by the Regulator (whichever is
the lesser) (the Approved FM Pass Through Amount) may be applied to Customers; and

(iii) the date from, and period over, which the Approved FM Pass Through Amount in respect of the Force Majeure Event may be applied to Customers,

and notify PNG Power in writing of the Regulator’s decision and the reasons for the Regulator’s decision.

(f) If the Regulator does not give a notice to PNG Power under clause 5.1(e) within 20 Business Days of receiving:

(i) a Force Majeure Event Claim from PNG Power under clause 5.1(d); and

(ii) such evidence of the increase in costs referred to in clause 5.1(d)(iii) and all other information from PNG Power previously requested by the Regulator as is required by the Regulator,

then, on the 21st Business Day after receiving the later of that Force Majeure Event Claim and that evidence or all other information previously requested from PNG Power, the Regulator is deemed to have notified PNG Power of its decision that:

(iii) the FM Pass Through Amount proposed by PNG Power in relation to the relevant Force Majeure Event in the Force Majeure Event Claim be the Approved FM Pass Through Amount in respect of that Force Majeure Event; and

(iv) the basis on, date from and period over which that Approved FM Pass Through Amount may be applied to Customers are as specified in the Force Majeure Event Claim.

Relevant Factors

(g) In making a decision under clause 5.1(e), the Regulator must take into account:

(i) the matters and proposals set out in the Force Majeure Event Claim;

(ii) the extent to which it would have been reasonable for PNG Power to have procured insurance against the consequences of the Force Majeure Event; and

(iii) any amount recoverable by PNG Power under insurances against the consequences of the Force Majeure Event and of which PNG Power has the benefit,

and, subject to the requirement that PNG Power is not to be compensated for losses against which it would have been reasonable for PNG Power to have been insured, or for losses to the extent they are able to be compensated for by claiming under insurances of which PNG Power has the benefit, the Regulator must seek to ensure that PNG Power is fully but not over-compensated for the increase in costs referred to in clause 5.1(d)(iii) to the extent that it was reasonable for PNG Power to incur those costs, taking into account:

(iv) the relative amounts of electricity supplied by PNG Power to each Customer;

(v) the time cost of money for the period over which the Approved FM Pass Through Amount is to be applied;

(vi) the basis on and period over which the Approved FM Pass Through Amount is to be applied;
any previous application of this clause 5.1 which has resulted in PNG Power recovering an amount either more or less than the amount required to fully but not over-compensate it in respect of a previous Force Majeure Event in accordance with this clause 5.1; and

(viii) any other factors the Regulator considers relevant.

Application of Approved FM Pass Through Amount

PNG Power may, after:

(i) receipt or deemed receipt of a notice under clause 5.1(e) or (f) allowing PNG Power to pass through an Approved FM Pass Through Amount; and

(ii) publishing a notice in a daily newspaper circulating nationally that sets out:

A. the Approved FM Pass Through Amount which the Regulator has approved or is deemed to have approved;

B. the circumstances giving rise to the Approved FM Pass Through Amount; and

C. the basis on, date from and period over which PNG Power will apply the Approved FM Pass Through Amount to Customers,

apply the Approved FM Pass Through Amount on the basis, from the date and over the period specified or deemed to be specified in the notice from the Regulator.

(i) The effect of an Approved FM Pass Through Amount must be:

(i) shown on the bill of each affected Customer; or

(ii) otherwise notified to such Customers in a manner approved by the Regulator.

Relevance of Approved FM Pass Through Amount

(j) An Approved FM Pass Through Amount applied by PNG Power under this clause 5.1 is not to be taken into account in the application of clauses 2 and 3.

5.2 Tax Pass Through

Application by PNG Power

(a) If a Positive Tax Change Event occurs, PNG Power may seek the Regulator’s approval to charge Customers, either in addition to the maximum amounts that PNG Power is otherwise permitted to charge Customers for the Supply and Sale of electricity pursuant to clauses 2 and 3 or as part of the calculation of the Maximum Annual Price Cap for a Subsequent Regulatory Year, an amount (Positive Tax Pass Through Amount) that is not greater than the Permitted Tax Pass Through Amount (as calculated by PNG Power) in respect of that Tax Change Event.

(b) To seek the Regulator’s approval to pass through a Positive Tax Pass Through Amount under clause 5.2(a), PNG Power must give the Regulator a statement within 3 months of the Tax Change Event occurring, specifying:

(i) details of the Tax Change Event concerned;

(ii) the date the Tax Change Event took effect;
(iii) the increase in costs that PNG Power has incurred and is likely to incur over the term of this Contract in generating, transmitting and distributing electricity for delivery to a building and public lighting installations, and retailing electricity to Customers in respect of a building and public lighting installations, that are located in a Service Area as a result of the occurrence of the Tax Change Event;

(iv) the Positive Tax Pass Through Amount PNG Power proposes in relation to the Tax Change Event;

(v) the basis on which PNG Power proposes to apply the Positive Tax Pass Through Amount to Customers; and

(vi) the date from, and period over, which PNG Power proposes to apply the Positive Tax Pass Through Amount to Customers,

and accompanied by evidence of the actual and likely increase in costs referred to in paragraph (iii).

(c) If the Regulator receives a statement under clause 5.2(b) in relation to a Positive Tax Change Event, the Regulator must decide whether that Tax Change Event occurred and, if the Regulator decides the Tax Change Event occurred, the Regulator must decide:

(i) the Permitted Tax Pass Through Amount in respect of that Tax Change Event;

(ii) the basis on which the Positive Tax Pass Through Amount proposed by PNG Power in relation to that Tax Change Event or the Permitted Tax Pass Through Amount in respect of that Tax Change Event as determined by the Regulator (whichever is the lesser) (the Approved Tax Pass Through Amount) may be applied to Customers, including whether this amount is to be applied in the calculation of the Maximum Annual Price Cap for a Subsequent Regulatory Year pursuant to clause 2.2 and Schedules 1,2,3,4,5,6 and 8 or otherwise; and

(iii) the date from, and period over, which the Approved Tax Pass Through Amount in respect of that Tax Change Event may be applied to Customers,

and notify PNG Power in writing of the Regulator’s decision and the reasons for the Regulator’s decision.

(d) If the Regulator does not give a notice to PNG Power under clause 5.2(c) within 20 Business Days of receiving:

(i) a statement from PNG Power under clause 5.2(b); and

(ii) such evidence of the actual and likely increase in costs referred to in clause 5.2(b)(iii) and all other information from PNG Power previously requested by the Regulator as is required by the Regulator,

then, on the 21st Business Day after receiving the later of PNG Power’s statement and that evidence or all other information previously requested from PNG Power, the Regulator is deemed to have notified PNG Power of its decision that:

(iii) the Positive Tax Pass Through Amount proposed by PNG Power in relation to the relevant Tax Change Event in PNG Power’s statement be the Approved Tax Pass Through Amount in respect of that Tax Change Event; and
(iv) the basis on, date from and period over which that Approved Tax Pass Through Amount may be applied to Customers are as specified in PNG Power’s statement.

**Required Tax Pass Through**

(e) If a Negative Tax Change Event occurs, the Regulator may require PNG Power to pass through to Customers an aggregate amount (**Negative Tax Pass Through Amount**) that is not greater than the Required Tax Pass Through Amount (as determined by the Regulator) in respect of that Tax Change Event. In such a case, the Regulator must decide:

(i) the Negative Tax Pass Through Amount in respect of that Tax Change Event;

(ii) the basis on which that Negative Tax Pass Through Amount must be applied to Customers, including whether this amount is to be applied in the calculation of the Maximum Annual Price Cap for a Subsequent Regulatory Year pursuant to clause 2.2 and Schedules 1,2,3,4,5,6 and 8 or otherwise; and

(iii) the date from, and period over, which the Negative Tax Pass Through Amount in respect of that Tax Change Event must be applied to Customers,

and notify PNG Power in writing of the Regulator’s decision and the reasons for the Regulator’s decision.

(f) PNG Power must provide the Regulator with such information as the Regulator requires for the purpose of making a decision under clause 5.2(e) within the time specified by the Regulator.

**Relevant Factors**

(g) In making a decision under clause 5.2(c) or 5.2(e) PNG Power must provide the Regulator with such information as the Regulator requires for the purpose of making a decision under clause 5.2(c) or 5.2(e) and the period specified in clause 5.2(d) is extended by the duration of the period commencing on the date that PNG Power is notified of that requirement and expiring on the date on which the relevant documents and information are produced and furnished to the Regulator.

(h) In making a decision under clause 5.2(c) or 5.2(e), the Regulator must take into account the matters and proposals set out in PNG Power’s statement and:

(i) in the case of a decision under clause 5.2(c) - the Regulator must ensure that PNG Power is fully but not over-compensated for the actual and likely increase in costs referred to in clause 5.2(b)(iii); and

(ii) in the case of a decision under clause 5.2(e) – the Regulator must ensure that the aggregate amount that PNG Power is required to pass through to Customers is an amount that is equivalent to (but not more than) the costs that PNG Power has saved and is likely to save over the term of this Contract in generating, transmitting and distributing electricity for delivery to a building and public lighting installations, and retailing electricity to Customers in respect of a building and public lighting installations, that are located in a Service Area as a result of the occurrence of the Negative Tax Change Event, taking into account:

(iii) the relative amounts of electricity supplied by PNG Power to each Customer;
(iv) the time cost of money for the period over which the Approved Tax Pass Through Amount or the Negative Tax Pass Through Amount (as the case may be) is to be applied;

(v) the basis on and period over which the Approved Tax Pass Through Amount or the Negative Tax Pass Through Amount (as the case may be) is to be applied;

(vi) any previous application of this clause 5.2 which has resulted in an Approved Tax Pass Through Amount or a Negative Tax Pass Through Amount in respect of a previous Tax Change Event being more or less than the amount which it should have been for the purposes of this clause 5.2;

(vii) any change in the way or rate at which another Tax is calculated, or the removal or imposition of another Tax, which, in the Regulator’s opinion, is complementary to the Tax Change Event concerned;

(viii) the effect of any other previous Tax Change Event that has occurred since the later of the Commencement Date and the last decision made under this clause 5.2 in relation to a Tax Change Event; and

(ix) any other factors the Regulator considers relevant.

Application of Approved Tax Pass Through Amount or Negative Tax Pass Through Amount

(i) PNG Power may, after:

   (i) receipt of a notice under clause 5.2(c) or (d) allowing PNG Power to pass through an Approved Tax Pass Through Amount; and

   (ii) publishing a notice in a daily newspaper circulating nationally that sets out:

   A. the Approved Tax Pass Through Amount which the Regulator has approved or is deemed to have approved;

   B. the circumstances giving rise to the Approved Tax Pass Through Amount; and

   C. the basis on, date from and period over PNG Power will apply the Approved Tax Pass Through Amount to Customers,

   apply the Approved Tax Pass Through Amount on the basis, from the date and over the period specified or deemed to be specified in the notice from the Regulator.

(j) PNG Power must, after receipt of a notice under clause 5.2(e) requiring PNG Power to pass through a Negative Tax Pass Through Amount to Customers, apply the Negative Tax Pass Through Amount on the basis, from the date and over the period specified in the notice from the Regulator.

(k) The effect of an Approved Tax Pass Through Amount or a Negative Tax Pass Through Amount must be:

   (i) shown on the bill of each affected Customer; or

   (ii) otherwise notified to such Customers in a manner approved by the Regulator.
Relevance of Approved Tax Pass Through Amount or Negative Tax Pass Through Amount

(l) An Approved Tax Pass Through Amount or a Negative Tax Pass Through Amount applied by PNG Power under this clause 5.2 is only to be taken into account in the application of clauses 2 and 3 to the extent that the manner in which it has been applied is through the inclusion of an amount as “TPTA” in the formula used to calculate the Maximum Annual Price Cap for a Subsequent Regulatory Year as set out in Schedule 2.

5.3 Water Access Pass Through Amounts

Application by PNG Power

(a) In any Subsequent Regulatory Year (the Subsequent Regulatory Year), PNG Power may seek the Regulator’s approval to charge Customers, in addition to the maximum amounts that PNG Power is otherwise permitted to charge Customers for the Supply and Sale of electricity pursuant to clauses 2 and 3 during the immediately succeeding Regulatory Year (the Relevant Regulatory Year), an amount that is not greater than the Water Access Pass Through Amount in respect of the Relevant Regulatory Year (to the extent that amount is positive).

(b) To seek the Regulator’s approval to pass through an amount under clause 5.3(a), PNG Power must give the Regulator a statement, by the second Friday in November of the Subsequent Regulatory Year, specifying:

(i) that amount;
(ii) the payments of fees referable to year ending on 30 September in the Subsequent Regulatory Year which have been made by PNG Power under the Water Use Permits;
(iii) the basis on which PNG Power proposes to apply the amount referred to in paragraph (i) to Customers; and
(iv) the date from, and period over, which PNG Power proposes to apply the amount referred to in paragraph (i) to Customers,

and must be accompanied by evidence of the payments referred to in paragraph (ii).

(c) If the Regulator receives a statement under clause 5.3(b), the Regulator must decide:

(i) the Water Access Pass Through Amount in respect of the Relevant Regulatory Year;
(ii) the basis on which the amount referred to in clause 5.3(b)(i) or the amount referred to in clause 5.3(c)(i) as determined by the Regulator (whichever is the lesser) (the Approved Water Pass Through Amount) may be applied to Customers; and
(iii) the date from, and period over, which the Approved Water Pass Through Amount may be applied to Customers,

and notify PNG Power in writing of the Regulator’s decision and the reasons for the Regulator’s decision.

(d) If the Regulator does not give a notice to PNG Power under clause 5.3(c) within 20 Business Days of receiving:
(i) a statement from PNG Power under clause 5.3(b); and
(ii) such evidence of the payments referred to in clause 5.3(b)(ii) and all other information from PNG Power previously requested by the Regulator as is required by the Regulator,

then, on the 21st Business Day after receiving the later of PNG Power’s statement and that evidence or all other information previously requested from PNG Power, the Regulator is deemed to have notified PNG Power of its decision that:

(iii) the amount referred to in clause 5.3(b)(i) be the Approved Water Pass Through Amount; and
(iv) the basis on, date from and period over which that amount may be applied are as specified in PNG Power’s statement.

Required Water Pass Through

(e) The Regulator may require PNG Power to pass through to Customers an amount that is equal to the Water Access Pass Through Amount in respect of any Regulatory Year (to the extent that amount is negative).

(f) If the Regulator requires PNG Power to pass through to Customers an amount under clause 5.3(e), the Regulator must decide:

(i) that amount (such amount being referred to as a Required Water Pass Through Amount);
(ii) the basis of which that Required Water Pass Through Amount must be applied to Customers; and
(iii) the date from, and period over, which that Required Water Pass Through Amount must be applied to Customers,

and notify PNG Power in writing of the Regulator’s decision and the reasons for the Regulator’s decision.

(g) PNG Power must provide the Regulator with such information as the Regulator requires for the purpose of making a decision under clause 5.3(f) and the period specified in clause 5.3(d) is extended by the duration of the period commencing on the date that PNG Power is notified of that requirement and expiring on the date on which the relevant documents and information are produced and furnished to the Regulator.

Application of Approved Water Pass Through Amount or Required Water Pass Through Amount

(h) PNG Power may, after:

(i) receipt or deemed receipt of a notice under clause 5.3(c) or (d) allowing PNG Power to pass through an Approved Water Pass Through Amount; and
(ii) publishing a notice in a daily newspaper circulating nationally that sets out:

A. the Approved Water Pass Through Amount which the Regulator has approved or is deemed to have approved;
B. the circumstances giving rise to the Approved Water Pass Through Amount; and

C. the basis on, date from and period over which PNG Power will apply the Approved Water Pass Through Amount to Customers,

apply the Approved Water Pass Through Amount on the basis, from the date and over the period specified or deemed to be specified in the notice from the Regulator.

(i) PNG Power must, after receipt of a notice under clause 5.3(f) requiring PNG Power to pass through a Required Water Pass Through Amount to Customers, apply the Required Water Pass Through Amount on the basis, from the date and over the period specified in the notice from the Regulator.

(j) The effect of an Approved Water Pass Through Amount or a Required Water Pass Through Amount must be:

(i) shown on the bill of each affected Customer; or

(ii) otherwise notified to such Customers in a manner approved by the Regulator.

Relevance of Approved Water Pass Through Amount or Required Water Pass Through Amount

(k) An Approved Water Pass Through Amount or a Required Water Pass Through Amount applied by PNG Power under this clause 5.3 is not to be taken into account in the application of clauses 2 and 3.

5.4 Other pass through

(a) Should PNG Power incur additional cost due to:

(i) Any change to the level of competition in the electricity industry, including the introduction of additional service areas for exclusive Supply or Sale of electricity by PNG Power;

(ii) An obligation placed on PNG Power to supply service to new areas where the obligation to serve those new areas was not identified at 30th March 2012 and included in PNG Power’s forecasts;

(iii) Any requirement for PNG Power to provide additional CSO services to those CSO services provided at 30th March 2012;

(iv) Any purchase of power by PNG Power from Independent Power Producers, other than those already contracted to PNG Power at the Commencement Date of this Contract, so long as those purchases are in accordance with the Third Party Access Code the Procurement and Tender principles under clause 8.2 of this Contract, following proper competitive tendering procedures and the costs are considered prudent by the Regulator;

(v) Any net costs incurred by PNG power in providing access to its network in accordance with the Third Party Access Code. For the avoidance of doubt, PNG Power should not recover any costs of providing network services more than once (through the MWAP and through network charges in accordance with the Third Party Access code);

(vi) The requirement to plan for, bring forward or construct assets or undertake operating expenditure associated with generation capacity above that assumed in its forecasts; and

(vii) An increase in the level of water licence fees,
and the annual cost of any of these changed circumstances is more than 250,000 Kina in any one year, then PNG Power may apply to the Regulator for a review of the MWAP.

(b) In its application, PNG Power must describe the circumstances which give rise to the additional costs and make available to the Regulator any information that the Regulator may require to consider the issue.

(c) The reasonable cost of any such review shall be borne by PNG Power, including the Regulator’s cost of getting expert advice.

(d) In considering PNG Power’s application, the Regulator will take into account the regulatory principles described in Schedule 14 and such other relevant matters as the Regulator considers appropriate.

6. Methods of Calculation, Reporting and Customer Rebates

6.1 Methods of Calculation

(a) PNG Power must, within four months after the signing of this Regulatory Contract, whichever is the later, provide a statement which sets out the method which PNG Power proposes to use to calculate:

(i) Undelivered Energy (based on energy that would have been provided previously for the same period); and

(ii) Total Energy Delivered (total metered and billed for the period for each Service Area). The method is to include format of data collection process, calculation and method of reporting.

6.2 Quarterly Reports

(a) PNG Power must, for each Quarter (commencing with the first Quarter in 2013), give the Regulator a statement that sets out for each Service Area for each month in the relevant Quarter:

(i) the Undelivered Energy in respect of that Service Area;

(ii) the Total Energy Delivered in respect of the Service Area;

(iii) the Unserved Energy Ratio in respect of that Service Area;

(iv) A list of Planned Outages including details of the issue of Required Notice occurring during that month which affected a building that are located in that Service Area;

(v) the number of New Connections made in respect of a building that are located in that Service Area; and

(vi) the number of New Connections in relation to a building that are located in that Service Area which were not made by the Required Connection Date.

(b) The statement referred to in clause 6.2(a) must be in such form (if any) as is required by the Regulator.
(c) A statement for a Quarter referred to in clauses 6.2(a) must be given to the Regulator by the last Business Day of the month which immediately follows the end of that Quarter.

(d) PNG Power must provide to the Regulator any additional information that the Regulator requires in connection with the information contained in a statement referred to in clause 6.2(a) within such time as the Regulator requires.

6.3 Reliability Standards Rebate

(a) For each Quarter, where USE is greater than the RT in any service area then PNG Power must transfer the Rebate for that Service Area to the Reliability Improvement Fund. The rebate amount \( R_s \) which is the greater of zero and the amount calculated as follows:

\[
R_s = (USE_{sp} - RT_s) \times TED_{s,p} \times WMAP_t \times 2
\]

Where:

- \( USE_{sp} \) is the calculated Unserved Energy Ratio expressed as a percentage calculated for the period and Service Area;
- \( RT_s \) is the Reliability Target for that period as set out in Schedule 9 for that Service Area;
- \( TED_{s,p} \) is the total energy demand for the period for the Service Area; and
- \( WMAP_t \) is the Weighted Maximum Annual Price Cap for that Regulatory Year.

(b) The amount referred to in clause 6.3(a) must be transferred into the Reliability Improvement Fund by the last Business Day of the month following the end of the period.

(c) PNG Power must, for each period, give the Regulator a statement that sets out for each Service Area for that period:

(i) the Undelivered Energy in respect of each such Service Area;
(ii) the Total Energy Delivered in respect of each such Service Area;
(iii) the Unserved Energy Ratio in respect of each such Service Area; and
(iv) the value transferred to the Reliability Improvement Fund for that period.

(d) The statement referred to in clause 6.3(c) must be in such form (if any) as is required by the Regulator.

(e) A statement for a period referred to in clause 6.3(c) must be given to the Regulator by last day of the month immediately succeeding the period.

(f) PNG Power must:

(i) provide to the Regulator any additional information that the Regulator requires in connection with the information contained in the statement referred to in clause 6.3(c) within such time as the Regulator requires; and
(ii) if required by the Regulator, and within such time as the Regulator stipulates, provide to the Regulator evidence that PNG Power has paid any amount required to be paid pursuant to clause 6.3(a).
6.4 Expenditure from Reliability Improvement Fund

(a) PNG Power must establish an internal separate fund for the management of the Reliability Improvement Fund. The Reliability Improvement Fund must be isolated from all other operational and capital expenditure.

(b) PNG Power is to identify plan and estimate the cost of investment projects to improve reliability. Proposed projects are to be submitted to the Regulator for review and approval and made available to the public once approved by the Regulator. The project proposal is to include as a minimum, the Service Area, the project scope, estimated cost and forecast improvement in reliability performance.

(c) The release of funds from the Reliability Improvement Fund shall be approved by the Regulator.

(d) Each project proposal must be reviewed by the Regulator within 30 days of receipt from PNG Power and a response providing either approval or detail of the reasons for not providing approval. Failure by the Regulator to respond within 30 days does not constitute approval of the proposal.

(e) After provision of notice, the Regulator may audit, or request an independent audit of, the Reliability Improvement Fund.

(f) If no suitable projects can be identified which have a reasonable expectation that they will improve reliability, then the money must be held in the fund until such time as an appropriate project can be identified by PNG Power which meets these requirements.

(g) Any assets or capital projects carried out using funds from the Reliability Improvement Fund must be identified separately in PNG Power’s asset register.

(h) Any assets or capital projects carried out using funds from the Reliability Improvement Fund will not be considered to be part of PNG Power’s Accumulated Capital spending as part of the mid-term capital spending review.

(i) When the building block method is used to set prices for PNG Power for the beginning of the next regulatory contract commencing from 1st January 2018, any assets or capital spending which was funded by the Reliability Improvement Fund will be excluded from the regulatory asset base and PNG Power will not be entitled to a return on these assets or to recover the depreciation on these assets under the regulated price, until such time as these assets are replaced by PNG Power in the normal course of business.

(j) PNG Power must:

(i) provide to the Regulator any additional information that the Regulator requires in connection with the information contained in the statement referred to in clause 6.4(e) within such time as the Regulator requires; and

(ii) if required by the Regulator, and within such time as the Regulator stipulates, provide to the Regulator evidence that PNG Power has paid any amount required to be paid pursuant to clause 6.4(a) or (c) as required by this clause 6.4.
6.5  Funding from third parties

(a) Any assets or capital projects carried out using funds from third parties in the form of gifts, donations, interest free or concessional-interest loans or Community Service Obligations funded by Government or other party, (‘funding from third parties’) intended to make prices cheaper for Customers in a particular service area must be identified separately in PNG Power’s asset register. For the purposes of clarity:

(i) Funding from third parties means that the third party has gifted, donated or made available funding which does not need to be paid back by PNG Power and/or no or concessional interest is payable on this funding by PNG Power and generally provided for the purpose of providing cheaper electricity or affordable electricity to Customers in a particular service area.

(ii) This is different from funding provided by PNG Power’s shareholders on which the shareholders expect to receive a return on their investment.

(b) Any assets or capital projects carried out using funds as described in clause 6.5 (a) will not be considered to be part of PNG Power’s Accumulated Capital spending as part of the mid-term capital spending review if entirely funded by third parties; or their value adjusted for the concessional portion of any interest rate that is below that generally prevailing in the market, for loan funds provided at concessional interest.

(c) When the building block method is used to set prices for PNG Power for the beginning of the next regulatory contract commencing from 1st January 2018, any assets or capital spending which was funded using funds as describe in clause 6.5 (a) will be excluded from the regulatory asset base and PNG Power will not be entitled to a return on these assets or to recover the depreciation on these assets under the regulated price, until such time as these assets are replaced by PNG Power in the normal course of business.

(d) The Regulator shall, if it considers it necessary or desirable, require PNG Power to publicise the details of the assets and capital projects it proposes to acquire using third party funding or financial assistance of any kind, including, but not limited to, concessional interest loans, at a time and in a manner the Regulator considers appropriate.

6.6  Late Connections Rebate

(a) If PNG Power does not complete a New Connection in respect of a building that is located in a Service Area by the Required Connection Date, then PNG Power must pay to the Customer in respect of that building the lesser of:

(i) a sum of K20 for each day during the period commencing on the day after the Required Connection Date and expiring on the day before that New Connection is made; and

(ii) K100.

(b) The amount referred to in clause 6.6(a) must be paid:

(i) by way of deduction against the first bill in respect of electricity supplied to the relevant building which is rendered after the expiry of the period of 10 Business Days commencing on the Required Connection Date; or
where no such bill is rendered within 3 months after the expiry of the period referred to in clause 6.6(b)(i) or where PNG Power so determines, by way of a separate sum which is paid within 4 months after the expiry of that period to the person (if any) who is then the Customer in respect of that building.

PNG Power must, for each Regulatory Year, give the Regulator a statement that sets out for each Service Area for that Regulatory Year:

(i) the number of New Connections made in respect of a building that are located in that Service Area; and

(ii) the number of New Connections in relation to a building that are located in that Service Area which were not made by the Required Connection Date.

The statement referred to in clause 6.6(c) must be in such form (if any) as is required by the Regulator.

A statement for a Regulatory Year referred to in clause 6.6(c) must be given to the Regulator by 31 January of the immediately succeeding Regulatory Year.

PNG Power must:

(i) provide to the Regulator any additional information that the Regulator requires in connection with the information contained in the statement referred to in clause 6.6(c) within such time as the Regulator requires; and

(ii) if required by the Regulator, and within such time as the Regulator stipulates, provide to the Regulator evidence that PNG Power has paid any amount required to be paid pursuant to clause 6.6(a) as required by this clause 6.6.

6.7 Information about Rebates

PNG Power must provide information to its Customers about their eligibility for rebates under this clause 6 such information to be in a form that is acceptable to the Regulator.

6.8 New Reliability Metrics

(a) During the period of the Regulatory Contract, PNG Power must introduce systems, processes and production of IEEE 1366 Standard performance measures.

(b) PNG Power must implement the new measurement regime in accordance with the milestones identified in Schedule 13.

(c) The performance statement of PNG Power in achieving the completion of each milestone in Schedule 13 must be given to the Regulator in accordance with clause 7.2(c)

(d) The introduction of systems, processes and production of the IEEE 1366 standard reliability measurements is to be completed no later than 30th July 2017.

6.9 Market and Cost information

PNG Power must deliver the information listed in Schedule 7 from the date of 1st April 2015. This information must be updated and delivered annually.

This information will also need to be delivered in accordance with clause 2.2(d)(i)
7. Service Standards, Compliance and Enforcement

7.1 Service Standards

(a) PNG Power must ensure that it complies with the service standards set out in this Regulatory Contract, the Final Electricity Report, any conditions in the licence(s) held by PNG Power, the Standard Customer Supply and Sale Contracts and any other guidelines or rules made by the Regulator from time to time to ensure the timely delivery of service to all Service Areas.

(b) PNG Power shall complete the milestones in Schedule 13 in the Introduction of the New Reliability Metrics.

(c) The Regulator may appoint a consultant if the Regulator considers appropriate to do so, to measure PNG Power’s compliance of the SAIDI and SAIFI in Schedule 13.

(d) PNG Power shall achieve the following service standards for each calendar year;

(i) the number of unplanned outages occurring in that year:

A. that affect buildings which are located in a service area and to which electricity is supplied by PNG Power; and

B. of which the required notice is not given,

must not be greater than 5% of the number of planned outages occurring in that year that affect buildings which are located in that service area and to which electricity is supplied by PNG Power; and

(ii) the number of new connections, as provided in Schedule 15 in respect of buildings that are located in a service area which are not completed in that year by the required connection date must not be greater than 2% of the number of new connections in respect of buildings that are located in that service area which have been completed or, if they had been completed by the required connection date, would have been completed, in that year.

(e) The reasonable cost of the appropriate independent international consultant appointed under clause 7.1 (c) shall be met by PNG Power.

7.2 Compliance with Service Standards

(a) PNG Power and the Regulator shall monitor compliance of the service standards in clause 7.1

(b) PNG Power shall report on all service standards in clause 7 to the Regulator at the same time as it provides the Regulator with a statement of its proposed prices for each Subsequent Regulatory Year.

(c) Where PNG Power achieves or fails to complete the milestones under clause 7.1(b) it will further provide a report of its achievement or failure to complete the milestones within one month after the delivery date of each milestone.

(d) The Regulator reserves the right to independently verify the service standards compliance report provided by PNG Power.
7.3 Enforcement of Service Standards

(a) The Regulator, when determining the prices under clause 2 and Schedules 1, 2, 3, 5 and 6 for the Succeeding Regulatory Year, may take into account PNG Power’s failure to comply with the service standards outlined in clause 7.1 (d). Where PNG Power is found not to be in compliance, a reduction of 2 percentage points shall be applied to the X factor; for each service standard which is not met, at the discretion of the Regulator.

(b) Where deemed appropriate by the Regulator, a letter shall be sent to the Chairman of the Independent Public Business Corporation (IPBC) as shareholder of PNG Power, or representative of the shareholders, copied to the Minister responsible for Public Enterprises, and each member of the Board of PNG Power suggesting they consider reducing the Chief Executive Officer’s, and the Senior Management Team’s annual remuneration packages by as much as 10%, within one month of receiving the report and recommendation from the Regulator, without indemnity from PNG Power; because the organisation’s regulatory performance was assessed as sub-standard, and not in compliance with the Regulatory Contract.

(c) The extent to which PNG Power has achieved its service standards referred to in clause 7.1 and 7.2 (c) is a factor which shall be taken into account by the Regulator during the midterm review and during the consideration of the Subsequent Regulatory Contract pursuant to clauses 4 and 12 respectively, and as guided by the Regulatory Principles in Schedule 14.

8. Competitive Capital and Operational Procurement Processes

8.1 Mode of Operation

PNG Power must at all times endeavour to operate as a commercial enterprise as prudently and efficiently as comparable businesses in Papua New Guinea not only with a view to maximising the value of its shareholder’s investment but also to provide Electricity Services of reasonably expected value and standards to the people of Papua New Guinea.

8.2 Procurement and Tender Principles

PNG Power shall comply with and give effect to the following principles when procuring capital or operational items:

(i) PNG Power shall pursue value for money as the core principle underlying all its procurement. PNG power shall only incur capital or operational expenditure that is both prudent and efficient as is determined by the Regulator in accordance with the Final Electricity Report.

(iii) PNG Power shall adopt and follow competitive and non-discriminatory procurement processes by being committed to competition which promotes
economy, efficiency and effectiveness in procurement expenditure and contributes to the competitiveness of suppliers;

(iv) PNG Power shall promote in its work place and in procurement, an organizational structure of efficient, effective and ethical use of its resources; and

(v) PNG Power shall ensure at all times that its procurement is consistent with its general obligations; its functions and objectives and its other general Government obligations and its other general obligations prescribed under the *Electricity Industry Act Ch. 78*.

8.3 Compliance of Prescribed Procurement and Tender Procedure

Without derogating from, but with all intent to give full effect to the Principles in clause 8.2, PNG Power shall, where applicable, comply with all the requirements for, relating to or affecting procurement and tender as prescribed by the *Electricity Industry Act Chapter 78*.

8.4 General Duties and Obligations of PNG Power

(a) PNG Power shall provide to the Regulator its Approved Annual Plans, indicating its annual capital and operational expenditure plans, which it intends to undertake, the value of which is K500,000.00 or more.

(b) The Regulator may require PNG Power to demonstrate the estimates of demand including latent demand underlying the operational or capital expenditures in clause 8.4 (a) at the mid-term review.

(c) The Regulator may, where it considers necessary, require PNG Power to:

(i) provide information associated with the Procurement and Tender of the Capital and Operational Expenditure which is valued at K500,000.00 and above, such information to include but is not limited to;

A. the manner of inviting tenders publicly;

B. the number of tenders received;

C. details of the tenders received;

D. the method used to deal with the tenders;

E. the criteria applied in the evaluation of the tenders;

F. the appointment by PNG Power of advisers in technical matters;

G. the keeping by the PNG Power of records of the performance of each successful tenderer;

H. the manner of regulating the disposal of property no longer required by PNG Power;

I. the method of obtaining and dealing with quotations for –

(1) the purchase and disposal of property and stores; and

(2) the supply of goods and services;

(ii) demonstrate the prudence and efficiency of that Capital and Operational Expenditure,
regarding any capital or operational expenditure or investment that goes to determining current tariffs.

(d) The Regulator shall, if it considers it necessary or desirable, appoint an appropriately qualified independent international consultant to assess the prudence and efficiency of the capital or operational expenditure and the robustness of demand forecasts, included latent or unmet demand. The reasonable cost of such independent consultant shall be met by PNG Power.

(e) If any operational expenditure are found not to be prudent and efficient or forecasts of demand are found not to be robust by the consultant, the Commission shall make adjustment to the Smoothing Factor (X) to reflect only the prudent and efficient operational expenditure and robust demand forecasts. If the Regulator does adjust the X Factor in Schedule 6, then this will apply to the regulatory years for 2016 and 2017.

(f) For the purposes of clause 8.4(e) Demand forecasts are robust if they have been developed using appropriate forecasting methodologies and reflect reasonable data assumptions. In particular, whether all relevant factors and key drivers of demand have been taken into account.

8.5 Effect of General Duties and Obligations of PNG Power

(a) The Regulator shall determine whether PNG Power has applied the principles in clause 8.2 and the objectives of the ICCC Act, to assess the prudence and efficiency of the project and the efficiency of the entity awarded the project.

(b) The Regulator shall, where it considers it necessary or desirable, conduct a physical inspection of the Capital Expenditure or Operational Expenditure Projects.

(c) Where the Regulator finds that a capital or operational expenditure was not tendered according to the principles in clause 8.2, the Regulator will allocate a value to the asset which in its judgment it considers appropriate, as guided by the Regulatory Principles in Schedule 14.

(d) The Capital Expenditure Projects and Operational Expenditure cost incurred contrary to the requirements of the Procurement and Tender Principles under clause 8.2 and the general duties and obligations of PNG Power, shall not be taken into account when formulating the price path for 2015 and a report will be sent by the Regulator to the Chairman of IPBC and the Minister for Public Enterprise.

9. Regulatory and Statutory Accounts

(a) In accordance with this clause PNG Power shall submit to the Regulator two months after the close of each financial year during the regulatory period all of its financial statements and returns in respect of the Regulatory and Statutory Accounts. The Regulatory accounts are to be separately provided in respect of (a) the company as a whole; (b) each grid; and (c) each generation business; respectively.
(b) All financial statements and returns submitted to the Regulator are to be certified by a professional auditor nominated by the Regulator, as being true and fair, under generally accepted accounting principles. For the purposes of this clause, an auditor is required to be a registered company auditor as defined under the Accountants Act 1996.

(c) The auditor must certify that the financial statements and returns are reconciled with the statutory accounts audited by the Auditor General or external auditors.

(d) If the statutory accounts have not been audited by the Auditor General or external auditors the auditor must certify that the financial statements and returns are reconciled with the statutory accounts submitted to the Auditor General or external auditors for audit.

(e) Where the financial statements have not been submitted to the Auditor General or external auditors for audit, the auditor must certify that the financial statements and returns are consistent with generally accepted accounting principles and proper accounting records.

(f) The Chief Financial Officer of PNG Power must declare, by means of a statutory declaration that:

(i) all the records and books of account maintained by PNG Power for the purpose of generating the financial statements have been approved by the Board of PNG Power; and

(ii) declare that all the statutory accounts for the most recent completed financial year to the best of his knowledge and belief are true and fair.

(g) The reasonable cost of the professional auditor in compliance with clause 9 shall be borne by PNG Power.

10. **Power Factor**

(a) PNG Power is required to target a power factor of a minimum of 0.9 for all systems. This includes:

(i) all new Customer contracts (>200 kVA) require a target minimum power factor of 0.9;

(ii) the renewal of existing Customer contracts (>200 kVA) require all connections to target a minimum power factor of 0.9; and

(iii) a provision for PNG Power to apply cost reflective penalties to Customers (>200 kVA) which do not maintain a power factor greater than 0.9 in their Customer contract.

During the term of the Regulatory Contract, PNG Power shall provide to the Regulator on an annual basis a report on the average peak load power factor for the major generation systems, demonstrating the improvements over time.
11. Competition Policy

11.1 Ring Fencing

(a) If the Regulator considers it necessary or desirable to do so in order to promote competition in a market for non-regulated services; or to achieve the objectives of the ICCC Act; or to facilitate more effective regulation of regulated services; or to facilitate the introduction of any future regulation of one or more regulated service(s); it may serve a notice on PNG Power specifying steps PNG Power must take in order to separate its regulated services from non-regulated services provided by PNG Power or Relevant Interest Holder in PNG Power. PNG Power must comply with any such notice within 20 Business Days of service of the notice or within such longer period as the Regulator may allow.

(b) PNG Power shall provide to the Regulator a description of any new non-regulated service it intends to provide, prior to the commencement of the non-regulated service. Where the Regulator requires further information PNG Power shall provide that information within 14 days from the date the request by the Regulator was received by PNG Power or within such other time as specified by the Regulator.

(c) PNG Power must prepare an annual reconciliation between the revenues and costs relating to its non-regulated services and its regulated services. Within this requirement PNG Power must provide an annual statement to the Regulator in the form required by the Regulator one month after the close of the financial regulatory year that the reconciliation refers to.

(d) PNG Power must allocate any costs, revenues and assets that are shared between regulated services, non-regulated services and other activities;

(i) in a manner that ensures there is full attribution of fixed and variable costs and distribution of revenues to respective services; and

(ii) according to a methodology approved by the ICCC.

(e) For the 2015 prices to be approved, the Regulator will need to be provided by PNG Power with a Strategic Capital Plan. The Regulator requires PNG Power to prepare and publish a detailed strategic capital plan by 30th November 2014. The Strategic Capital Plan will have, but is not limited to having, due regard for:

(i) the scalability of projects;

(ii) the potential that individual projects will be stranded by alternative decisions taken by management;

(iii) the financial benefits associated with each project, including a cost/benefit analysis;

(iv) the underlying investment need;

(v) the prioritization of capital expenditure;

(vi) the improvements to underlying services which will be delivered by the capital expenditure;

(vii) the potential involvement of additional parties through either funding or delivery of required services;
(viii) the timeframe required to scope, tender and deliver the services required; and
(ix) the identification and assessment of the probability of the risk factors associated with not undertaking the capital expenditure and associated costs.

Should the Strategic Capital Plan not be provided in accordance with clause 11.1(e) by 30th November 2014, the Regulator will deem that PNG Power is in breach of the contract and will therefore not allow the 2015 price to change by more than CPI. That is the X factor for the 2014 year will be zero per cent (0%).

(f) Without limiting what may be required by the Regulator under clause 11.1 the Regulator may require:
   (i) that PNG Power not provide Non-Regulated Services (although a Relevant Interest
       Holder in PNG Power or a Subsidiary of PNG Power would be free to do so);
   (ii) that any contract, arrangement or understanding between PNG Power and a
       Relevant Interest Holder in PNG Power or a Subsidiary of PNG Power providing
       non-regulated services in relation to the provision of electricity services by PNG
       Power to the shareholder of PNG Power not be entered into unless first approved
       by the Regulator; and/or
   (iii) confidential information provided by a user of electricity services to PNG Power
       not be provided to employees, contractors or advisers of PNG Power or a Relevant
       Interest Holder in PNG Power or a subsidiary of PNG Power involved in the
       provision of non-regulated electricity services.

11.2 Mid Term Review of Competition in the market

(a) Where the Regulator believes that an existing non-regulated service or a new non-regulated
    service is, or may have the potential to be, supplied in a market in which PNG Power has or
    may have a substantial degree of power, the Regulator shall subject to the ICCC Act and
    clause 11.2(b) to (g) declare that non-regulated service to be a regulated service.

(b) Where the Regulator believes that an existing non-regulated service or a new non-regulated
    service is, or may have the potential to be, supplied in a market in which PNG Power has or
    may have a substantial degree of power, it may require PNG Power to submit a written
    statement which makes an assessment of the need for and extent of regulation of the
    provision of electricity services in PNG.

(c) The Submission must be given to the Regulator not earlier than 31st June 2015 and not later
    than 31st July 2015.

(d) After considering:
    (i) the submission made by PNG Power;
    (ii) any submissions made by any other person in relation to the review; and
    (iii) the Regulator’s objectives set out in section 5 of the ICCC Act;

(e) the Regulator must publish a draft report that represents the Regulator’s findings on:
    (i) whether PNG Power has or is likely to acquire a substantial degree of market
        power in the provision of electricity services, and if so at which location and in
connection with the provision of which services substantial power exists or is likely to exist; and

(ii) the need for and extent of continued regulation of the provision of electricity services in PNG, in particular locations which PNG power identifies or the Regulator considers relevant for examination (in particular the need for and extent of declaration of electricity services under the ICCC Act).

(f) The Regulator must publish the draft report referred to in clause 11.2 (d) by 31st October 2015.

(g) In preparing its draft report the Regulator must take into account (but is not necessarily limited to considering):

(i) the key characteristics of the market, including the existence of providers of electricity services other than PNG Power and the ability of consumers to substitute Electricity services;

(ii) the time frames within which the electricity services can be substituted;

(iii) the commercial constraints that may affect the potential for market power;

(iv) the benefits and cost of the need for and extent of continued regulation of the provision of Electricity services in PNG.

(v) whether its findings on the above factors differ between declared areas and between different markets where such areas and markets have been identified by PNG Power or considered relevant by the Regulator; and

(vi) any other factors the Regulator considers relevant.

(h) Submissions to the draft report must be given to the Regulator by 31st November 2015.

(i) After considering the submission made by PNG Power or any other person in relation to the Draft Report the Regulator must publish a final report that presents the Regulator’s findings on;

(i) whether PNG Power has substantial market power in the provision of electricity services and, if so, at which location and in connection with the provision of which electricity services substantial power exists; and

(ii) the need for or extent of continued regulation of the provision of electricity services in PNG (in particular the need for and extent of declaration of electricity services under the ICCC Act).

(j) The report referred to in clause 11.2 (i) must be published by 31st December 2015.

12. Subsequent Regulatory Contract

12.1 Setting Next Regulatory Contract.

(a) PNG Power may, in accordance with clause 12.1(b), submit to the Regulator a draft Electricity Regulatory Contract which PNG Power considers should bind it for a period of 5 years commencing with effect from (and including) 1 January 2018 and any written submission as to its form and content that PNG Power considers appropriate.
The draft Electricity Regulatory Contract and any submissions, as referred to in clause 12.1(a), must be given to the Regulator by 1st April 2017.

After considering:

(i) the draft Electricity Regulatory Contract and any submissions made by PNG Power under clause 12.1(a);
(ii) any submissions made by any other person in relation to the form or content of the Electricity Regulatory Contract which should bind PNG Power following the expiry of this Contract; and
(iii) the particular circumstances of the electricity supply industry in Papua New Guinea,

the Regulator must publish a draft Electricity Regulatory Contract that is proposed to bind PNG Power for a period of 5 years commencing with effect from (and including) 1 January 2018.

In preparing the draft Electricity Contract referred to in clause 12.1(c), the Regulator must also take into account:

(i) the legitimate business interests of PNG Power;
(ii) the legitimate interests of suppliers to, and Customers of, PNG Power;
(iii) the nature and uses of the services the prices of which would be regulated under the draft Electricity Regulatory Contract;
(iv) the costs of supplying the services the prices of which would be regulated under the draft Electricity Regulatory Contract;
(v) the costs of complying with relevant health, safety, environmental, social and other legislation and regulatory requirements applying to the electricity supply industry in Papua New Guinea;
(vi) the return on assets required to sustain past and future investment in the electricity supply industry in Papua New Guinea;
(vii) any relevant international benchmarks for prices, costs and return on assets in comparable industries, taking into account the particular circumstances of Papua New Guinea;
(viii) the financial implications of the draft Electricity Regulatory Contract (if it were to come into force) for PNG Power and the electricity supply industry in Papua New Guinea;
(ix) any other factors specified in or under relevant legislation;
(x) government electricity industry policy; and
(xi) any other factors the Regulator considers relevant.

In addition, the draft Electricity Regulatory Contract referred to in clause 12.1(c):

(i) must not be inconsistent with, and must be prepared in accordance with, the Regulatory Principles in Schedule 14;
(ii) must comply with the requirements of the ICCC Act.
PNG Power, in accordance with clause 12.1(g), make such written submissions to the Regulator as it thinks appropriate in relation to the form and content of the draft Electricity Regulatory Contract referred to in clause 12.1(c).

The submissions referred to in clause 12.1(f) must be given to the Regulator by 30 June 2017.

After considering:

(i) any submissions made by PNG Power under clause 12.1(g); and

(ii) any submissions made by any other person in relation to the form or content of the draft Electricity Regulatory Contract referred to in clause 12.1(c),

the Regulator must publish a final draft of the Electricity Regulatory Contract referred to in clause 12.1(c) by not later than 30 November 2017.

In preparing the final draft of the Electricity Regulatory Contract referred to in clause 12.1(c), the Regulator must also take into account the matters referred to in clause 12.1(d).

In addition, the final draft of the Electricity Regulatory Contract referred to in clause 12.1(c):

(i) must not be inconsistent with, and must be prepared in accordance with, the Regulatory Principles (Schedule 14);

(ii) must comply with the requirements of the ICC Act; and

(iii) must be for a period of five years commencing with effect from (and including) 1 January 2018.

The Regulator may issue statements of regulatory intent which elaborate on how the Regulator will exercise its powers under this clause 12.1.

12.2 Cost of Funding next Regulatory Contract

(a) The Regulator will seek funding from the Papua New Guinea Government to fund the cost of the review of the subsequent Regulatory Contract.

(b) Where the Regulator finds that the Papua New Guinea Government will not fund, or make available the funds for the Review of the Regulatory contract towards the end of 2016;

(i) The reasonable costs of engaging any consultant to assist the Regulator to undertake the review of the next Regulatory Contract must be borne by PNG Power; and

(ii) By 31 January 2017, PNG Power must pay to the Regulator what is deemed to be the reasonable cost by the Regulator to fund the review of the next Regulatory Contract.

(c) The Cost incurred by PNG Power to fund the Review of the Next Regulatory Contract will be taken into account when calculating the Maximum Weighted Average Price (MWAP) under Schedule 5.
13. Amendment of Regulatory Contract

13.1 Agreed Amendments

(a) Subject to clause 13.1(b), this Contract may be varied from time to time by written agreement between the Regulator and PNG Power but any such variation must not be inconsistent with the Regulatory Principles described in Schedule 14 or the requirements of the *ICCC Act* and neither party shall unreasonably withhold consent to amendment at the reasonable request of the other party.

(b) No variation may be made to this Contract (whether pursuant to this clause 13.1 or pursuant to clause 4.1) unless:

(i) at least 40 Business Days prior to any such variation taking effect:
   A. the Regulator has published a notice describing the proposed variation in both the National Gazette and a daily newspaper circulating nationally and inviting the making of submissions in relation to the proposed variation not less than 20 Business Days after the date of publication of that notice;
   B. the Regulator has provided a notice to the Minister responsible for the *Electricity Industry Act* describing the proposed variation; and
   C. the Regulator has made available, for inspection or purchase by the public, copies of the precise form of the proposed variation; and

(ii) the Regulator has considered such submissions in relation to the proposed variation as it receives under clause 13.1(b)(i).

13.2 Amendments made by virtue of the operation of the Independent Consumer and Competition Commission Act 2002

If, with the consent of PNG Power, any service comprising the Supply and Sale of electricity, any Excluded Services or any Schedule Services cease to be regulated services (as that term is defined in the *ICCC Act*), this Contract will be varied, in accordance with the operation of section 33(4) of the *ICCC Act*, by deleting any reference in this Contract to such of those services as have ceased to be regulated services.

14. Information and Documents

(a) Where the Regulator, or an officer authorised in writing for the purpose the Regulator, considers it necessary or desirable, it may give written notice requiring PNG Power to provide information and/or documents regarding any aspect of this Regulatory Contract.

(b) Where the Regulator, or an officer authorised in writing for the purpose the Regulator, considers it necessary or desirable, it may give written notice requiring PNG Power to provide information and/or documents regarding any aspect of this Regulatory Contract and any previous Regulatory Contract that it deems necessary to determine the current tariffs and service standards or to establish whether any information or documents previously provided was false or misleading and PNG Power shall provide the information and/or documents requested within such time specified by the Regulator.
PNG Power is required to provide the information and/or documents referred to in clause 14(a) and (b) notwithstanding that this Contract or a previous contract has expired and a subsequent Regulatory Contract is in force.

The Regulator or an officer authorised in writing for the purposes by the Regulator may require that the information and/or documents to be given or the questions to be answered be given on oath or through a signed statutory declaration that the information is true and complete to the best of the knowledge and belief of the signatory.

15. Confidentiality

(a) Subject to sub paragraph (b), the Regulator may make available for public inspection the request for documents and/or information made by the Regulator to PNG Power and the documents and/or information submitted to it in the course of this contract except information that is designated “confidential” by PNG Power or other person to whom a request is made or by whom documents or information is provided.

(b) Where information or documents designated “confidential” is requested by or submitted to the Regulator, the Regulator may disclose or require its disclosure if it determines, after considering any representation from PNG Power, that the disclosure is in the public interest, under section 131 of the ICCC Act.

16. Enforcement of contractual obligations

Where the Regulator or the PNG Power form the opinion on the balance of probabilities, that one or the other is contravening or is likely to contravene the provisions of this contract and the contravention is of a material nature, then the provisions of the ICCC Act will be followed and complied with in dealing with the subject of the contravention or the likely contravention by either party to this contract.

17. Offences

(a) PNG Power undertakes to notify the Regulator where it suspects or is aware of a criminal act or an act that is likely to be considered criminal in nature is about to be committed or which has been committed whether by the personnel of PNG Power or any other person in relation to a matter concerning any previous Regulatory contract, this Regulatory contract or a subsequent Regulatory contract.

(b) PNG Power undertakes to inform IPBC, the Minister for Public Enterprise and the Regulator, where a criminal act or an act that is likely to be considered criminal in nature concerning any previous Regulatory contract, this Regulatory contract or a subsequent Regulatory contract is being investigated and prosecuted by the relevant law enforcement agency.

(c) The Regulator is empowered to notify IPBC and/or the Minister for Public Enterprise, the Minister for Treasury and/or any other Minister of Government or other relevant authority where it has received notice under paragraph (a) above or otherwise has reason to suspect or is aware of a criminal act or an act that is likely to be considered criminal in nature has
been committed or about to be committed whether by the personnel of PNG Power or any other person in relation to a matter concerning any previous Regulatory contract, this Regulatory contract or a subsequent Regulatory contract.

18. **Termination of Regulatory Contract**

18.1 **Agreed termination**

This Contract may be terminated at any time by written agreement between the Regulator and PNG Power.

18.2 **Cessation of PNG Power as a regulated entity**

This Contract will terminate automatically if PNG Power or any body corporate that is a ‘successor in title’ to it, ceases to be a regulated entity.
Schedule 1 - MAXIMUM WEIGHTED AVERAGE PRICE

From 1st of January 2013,
a) the Non Fuel Weighted Average Price (NFWAP) will be set at 565.14 kina per MWH and will be adjusted annually using the calculations laid out in Schedule 5;
b) The Fuel Weighted Average Price (FWAP) will be adjusted quarterly according to the calculation shown in Schedule 8 (Fuel Calculations); and
c) The Maximum Weighted Average Price (MWAP) is calculated on a quarterly basis as follows:

\[ MWAP_q = NFWAP_t + FWAP_q \]

Where:

- \( MWAP_q \) = The Maximum Weighted Average Price in any quarter \( q \);
- \( NFWAP_t \) = The Non Fuel Weighted Average Price for year \( t \); and
- \( FWAP_q \) = The Fuel Weighted Average Price in any quarter \( q \).
Schedule 2 - MINIMUM PRICES

The following table shows the minimum fees that Customers must pay from 1st of January 2013.

<table>
<thead>
<tr>
<th>Tariff Category</th>
<th>Unit</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Supply Customers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Meter Minimum Monthly Charge</td>
<td>Kina / Month</td>
<td>18.00</td>
</tr>
<tr>
<td>Easipay Minimum Charge</td>
<td>Kina / Receipt</td>
<td>50.00</td>
</tr>
<tr>
<td>Easipay Emergency Receipt</td>
<td>Kina / Receipt</td>
<td>50.00</td>
</tr>
<tr>
<td>Easipay Emergency Service Fee</td>
<td>Kina / Receipt</td>
<td>10.00</td>
</tr>
<tr>
<td><strong>Domestic Customers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Meter Minimum Monthly Charge</td>
<td>Kina / Month</td>
<td>15.00</td>
</tr>
<tr>
<td>Easipay Minimum Charge</td>
<td>Kina / Receipt</td>
<td>15.00</td>
</tr>
<tr>
<td>Easipay Emergency Receipt</td>
<td>Kina / Receipt</td>
<td>15.00</td>
</tr>
<tr>
<td>Easipay Emergency Service Fee</td>
<td>Kina / Receipt</td>
<td>10.00</td>
</tr>
</tbody>
</table>

These fees will be adjusted each year using the following formula;

\[
Fee_t = Fee_{t-1} \times \delta_{PNG\ CPI}
\]

Where:

- \( Fee_t \) is the rate of any fee shown in the minimum tariff table in year \( t \).
- \( Fee_{t-1} \) is the rate of any fee shown in the minimum tariff table in year \( t-1 \).
- \( \delta_{PNG\ CPI} \) is the annual change in PNG CPI as described in Schedule 6 B.1

Annual adjustments to these amounts should be rounded to the nearest Toea.
### Schedule 3 – LIST OF TARIFFS

PNG Power is to continue to provide services to Customers using the following pricing structures as described by the tariff categories and their units in the following table.

#### List of Prices

<table>
<thead>
<tr>
<th>Tariff Category</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Industrial Customers (Credit Meters)</strong></td>
<td></td>
</tr>
<tr>
<td>All Energy</td>
<td>toea/kWh</td>
</tr>
<tr>
<td>Demand Charge</td>
<td>Kina/kVA/month</td>
</tr>
<tr>
<td>Minimum Demand</td>
<td>kVA/month</td>
</tr>
<tr>
<td><strong>B. General Supply Customers (GS)</strong></td>
<td></td>
</tr>
<tr>
<td>B1. Credit Meters</td>
<td></td>
</tr>
<tr>
<td>All Energy</td>
<td>toea/kWh</td>
</tr>
<tr>
<td>Minimum charge</td>
<td>Kina/month</td>
</tr>
<tr>
<td>B2. Easipay</td>
<td></td>
</tr>
<tr>
<td>All Energy</td>
<td>toea/kWh</td>
</tr>
<tr>
<td>Minimum charge</td>
<td>Kina/receipt</td>
</tr>
<tr>
<td>Easipay Emergency Receipt – GS</td>
<td>Kina/receipt</td>
</tr>
<tr>
<td>Easipay Emergency Service Fee – GS</td>
<td>Kina/receipt</td>
</tr>
<tr>
<td><strong>C. Domestic Customers</strong></td>
<td></td>
</tr>
<tr>
<td>C1. Credit Meters</td>
<td></td>
</tr>
<tr>
<td>First 30 kWh/month</td>
<td>toea/kWh</td>
</tr>
<tr>
<td>Balance</td>
<td>toea/kWh</td>
</tr>
<tr>
<td>Minimum charge</td>
<td>Kina/month</td>
</tr>
<tr>
<td>C2. Easipay</td>
<td></td>
</tr>
<tr>
<td>All Energy</td>
<td>toea/kWh</td>
</tr>
<tr>
<td>Minimum charge</td>
<td>Kina/receipt</td>
</tr>
<tr>
<td>Easipay Emergency Receipt – DC</td>
<td>Kina/receipt</td>
</tr>
<tr>
<td>Easipay Emergency Service Fee – DC</td>
<td>Kina/receipt</td>
</tr>
<tr>
<td><strong>D. Public Lighting Customers</strong></td>
<td></td>
</tr>
<tr>
<td>Metered Streetlights - All Energy</td>
<td>toea/kWh</td>
</tr>
<tr>
<td>Type of Lighting</td>
<td></td>
</tr>
<tr>
<td>Light Type</td>
<td>Cost (Kina/annum)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>40W Fluroescent</td>
<td></td>
</tr>
<tr>
<td>80W Fluroescent</td>
<td></td>
</tr>
<tr>
<td>50W Mercury vapor HP</td>
<td></td>
</tr>
<tr>
<td>80W Mercury vapor HP</td>
<td></td>
</tr>
<tr>
<td>125W Mercury vapor HP</td>
<td></td>
</tr>
<tr>
<td>250W Mercury vapor HP</td>
<td></td>
</tr>
<tr>
<td>400W Mercury vapor HP</td>
<td></td>
</tr>
<tr>
<td>70W Sodium vapor HP</td>
<td></td>
</tr>
<tr>
<td>90W Sodium vapor HP</td>
<td></td>
</tr>
<tr>
<td>120W Sodium vapor HP</td>
<td></td>
</tr>
<tr>
<td>135 Sodium vapor HP</td>
<td></td>
</tr>
<tr>
<td>150W Sodium vapor HP</td>
<td></td>
</tr>
<tr>
<td>250W Sodium vapor HP</td>
<td></td>
</tr>
<tr>
<td>400W Sodium vapor HP</td>
<td></td>
</tr>
<tr>
<td>500W Tungsten Halogen</td>
<td></td>
</tr>
<tr>
<td>1500W Tungsten Halogen</td>
<td></td>
</tr>
<tr>
<td>1000W Quartz Incandescent</td>
<td></td>
</tr>
<tr>
<td>100W Incandescent</td>
<td></td>
</tr>
<tr>
<td>120W incandescent</td>
<td></td>
</tr>
<tr>
<td>150W Incandescent</td>
<td></td>
</tr>
</tbody>
</table>
Schedule 4 – RELATIVITY RATIOS

At any time and in any service area, prices must vary by no more than 1.5% from the price relativities shown in the following table.

<table>
<thead>
<tr>
<th>Price Relativity Ratio</th>
<th>Domestic – credit</th>
<th>General Supply – credit</th>
<th>Public Lighting - (average)</th>
<th>Easipay Domestic</th>
<th>Easipay Gen Supply</th>
<th>Domestic Credit first block of 30kWh</th>
</tr>
</thead>
</table>

For avoidance of doubt;

a) All prices in the table are referenced to Easipay domestic;

b) The price of Domestic Credit first block of 30kWh should be set so that they are 0.72 times the price of Easipay domestic prices in a particular service area. Prices can vary from this by 1.5% of the Easipay price;

c) The price of the balance of Domestic Credit Customer usage should be set so that it is 1.22 times the price of Easipay domestic prices in a particular service area. Prices can vary from this by 1.5% of the Easipay price;

d) General Supply Credit Customer prices should be set so that they are 1.42 times the price of Easipay domestic prices in a particular service area. Prices can vary from this by 1.5% of the Easipay price;

e) Public lighting prices should be set so that the equivalent price per kWh for each lighting category is within 1.5% of the price of the General Supply Credit price within a particular service area; and

f) Easipay General Supply prices should be set so that they are 1.38 times the price of Easipay domestic prices in a particular service area. Prices can vary from this by 1.5% of the Easipay price.
Schedule 5 - TARIFF FORMULAE

A. Non Fuel Weighted Average Price Cap (NFWAP_t)

The Non Fuel Weighted Average Price Cap (expressed in K/MWh) for Regulatory Year t (NFWAP_t) is calculated as follows:

\[ NFWAP_t = NFWAP_{t-1} \times (1 + CWI_t) \times (1 + X_t) + OUR_t + TPTA \]

where:

- \( NFWAP_{t-1} \) is the Non Fuel Weighted Average Price Cap (expressed in K/MWh) for Regulatory Year t-1 prior to any recalculation of it for the purposes of clause 3.2.
- \( CWI_t \) is the change in the Cumulative Weighted Index over the 12 month period ending on 30 September in Regulatory Year t-1 and is calculated in accordance with paragraph B of this Schedule 5;
- \( X_t \) is the value of X for Regulatory Year t as set out in paragraph A.2 of Schedule 6;
- \( OUR_t \) is the Over/Under Recovery Adjustment (if any) (expressed in K/MWh) for Regulatory Year t and is calculated in accordance with paragraph C of this Schedule 5; and
- \( TPTA \) is the Tax Pass Through Amount (if any) (expressed in K/MWh) as the Regulator has determined should be applied in the calculation of the Non Fuel Weighted Average Price Cap for Regulatory Year t pursuant to clause 4.2. TPTA will be positive if the amounts to be passed through as a result of the occurrence of Positive Tax Change Events exceed the amounts to be passed through as a result of the occurrence of Negative Tax Change Events. TPTA will be negative if the amounts to be passed through as a result of the occurrence of Negative Tax Change Events exceed the amounts to be passed through as a result of the occurrence of Positive Tax Change Events.

B. Change in the Cumulative Weighted Index (CWI_t)

The change in the Cumulative Weighted Index over the 12 month period ending on 30 September in Regulatory Year t-1 (CWI_t) is calculated as follows:

\[ CWI_t = (W_1 \times \delta_{PNGCPI_{t-1}}) + (W_2 \times \delta_{RAER_{t-1}}) + (W_3 \times \delta_{RUSER_{t-1}}) \]

where:

- \( W_1 \) is the value of W1 for Regulatory Year t as set out in paragraph A.1 of Schedule 6;
- \( W_2 \) is the value of W2 for Regulatory Year t as set out in paragraph A.1 of Schedule 6;
- \( W_3 \) is the value of W3 for Regulatory Year t as set out in paragraph A.1 of Schedule 6;
- \( \delta_{PNGCPI_{t-1}} \) is calculated as:

\[ \delta_{PNGCPI_{t-1}} = (PNGCPI_{t-1} \text{–PNGCPI}_{t-2}) / PNGCPI_{t-2} \]

where:

- \( PNGCPI_{t-1} \) is the Adjusted PNG CPI for the 12 month period ending on 30 September in Regulatory Year t-1 or calendar year t-1 and is calculated in accordance with paragraph B.1(a) of Schedule 6; and
PNGCPI\textsubscript{t-2} is the Adjusted PNG CPI for the 12 month period ending on 30 September in Regulatory Year t-2 or calendar year t-2 and is calculated in accordance with paragraph B.1(a) of Schedule 6;

\(\delta\text{RAER}_{t-1}\) is calculated as:

\[
\delta\text{RAER}_{t-1} = \left[1 + \left(\frac{\text{ACPI}_{t-1} - \text{ACPI}_{t-2}}{\text{ACPI}_{t-2}}\right)\right] \times \frac{\text{AER}_{t-2}}{\text{AER}_{t-1}} - 1
\]

where:

- AER\textsubscript{t-1} is the Kina/Australian Dollar Exchange Rate for the 12 month period ending on 30 September in Regulatory Year t-1 or calendar year t-1 and is calculated in accordance with paragraph B.2(a) of Schedule 6;
- AER\textsubscript{t-2} is the Kina/Australian Dollar Exchange Rate for the 12 month period ending on 30 September in Regulatory Year t-2 or calendar year t-2 and is calculated in accordance with paragraph B.2(a) of Schedule 6;
- ACPI\textsubscript{t-1} is the Australian CPI for the 12 month period ending on 30 September in Regulatory Year t-1 or calendar year t-1 and is calculated in accordance with paragraph B.3(a) of Schedule 6;
- ACPI\textsubscript{t-2} is the Australian CPI for the 12 month period ending on 30 September in Regulatory Year t-2 or calendar year t-2 and is calculated in accordance with paragraph B.3(a) of Schedule 6;

\(\delta\text{RUSER}_{t-1}\) is calculated as:

\[
\delta\text{RUSER}_{t-1} = \left[1 + \left(\frac{\text{USCPI}_{t-1} - \text{USCPI}_{t-2}}{\text{USCPI}_{t-2}}\right)\right] \times \frac{\text{USER}_{t-2}}{\text{USER}_{t-1}} - 1
\]

where:

- USER\textsubscript{t-1} is the Kina/United States Dollar Exchange Rate for the 12 month period ending on 30 September in Regulatory Year t-1 or calendar year t-1 and is calculated in accordance with paragraph B.5(a) of Schedule 6;
- USER\textsubscript{t-2} is the Kina/United States Dollar Exchange Rate for the 12 month period ending on 30 September in Regulatory Year t-2 or calendar year t-2 and is calculated in accordance with paragraph B.5(a) of Schedule 3;
- USCPI\textsubscript{t-1} is the US CPI for the 12 month period ending on 30 September in Regulatory Year t-1 or calendar year t-1 and is calculated in accordance with paragraph B.6(a) of Schedule 3;
- USCPI\textsubscript{t-2} is the US CPI for the 12 month period ending on 30 September in Regulatory Year t-2 or calendar year t-2 and is calculated in accordance with paragraph B.6(a) of Schedule 3;
C. Over/Under Recovery Adjustment (OURₜ)

The Over/Under Recovery Adjustment (expressed in K/MWh) for Regulatory Year t (OURₜ) is calculated as follows:

If:

\[
0.975 \leq \frac{\text{AWAT}_{t-1}}{\text{MWAP}_{t-1}} \leq 1.025
\]

Then \( \text{OUR}_{t} = 0 \).

If:

\[
\frac{\text{AWAT}_{t-1}}{\text{MWAP}_{t-1}} > 1.025
\]

or \( \frac{\text{AWAT}_{t-1}}{\text{MWAP}_{t-1}} < 0.975 \)

Then \( \text{OUR}_t = \text{MWAP}_{t-1} - \text{AWAT}_{t-1} \)

Where \( \text{AWAT}_{t-1} \) is the average weighted tariff for the 12 month period ending 30 September of year \( t-1 \) and \( \text{MWAP}_{t-1} = \{ \text{MWAP}_{(q4,t-2)} + \text{MWAP}_{(q1,t-1)} + \text{MWAP}_{(q2,t-1)} + \text{MWAP}_{(q3,t-1)} \} / 4 \)

For these purposes:

(a) where, pursuant to clause 3.3, the Regulator has approved or is deemed to have approved a variation in the tariffs that apply in respect of Regulatory Year \( t-1 \) - the Maximum Weighted Average Price Cap (expressed in K/MWh) for Regulatory Year \( t-1 \) is recalculated in accordance with clause 3.3(a)(iv)(A);

\( \text{AWAT}_t \) is the Actual Weighted Average Tariff (expressed in K/MWh) for Regulatory Year \( t \) and is calculated as follows:

\[
\text{AWAT}_t = \frac{\text{R}_{D,t-1} + \text{R}_{GS,t-1} + \text{R}_{L,t-1} + \text{R}_{PL,t-1}}{\text{TC}_{t-1}}
\]

where:

\( \text{R}_{D,t-1} \) is the total revenue (expressed in K) derived by PNG Power from the Supply and Sale of electricity, during the 12 month period ending on 30 September in Regulatory Year \( t-1 \), to Domestic Customers in respect of a building that are located in a Service Area;

\( \text{R}_{GS,t-1} \) is the total revenue (expressed in K) derived by PNG Power from the Supply and Sale of electricity, during the 12 month period ending on 30 September in Regulatory Year \( t-1 \), to General Supply Customers in respect of a building that are located in a Service Area;
\(R_{t-1}\) is the total revenue (expressed in K) derived by PNG Power from the Supply and Sale of electricity, during the 12 month period ending on 30 September in Regulatory Year \(t-1\), to Industrial Customers in respect of a building that are located in a Service Area;

\(R_{PL,t-1}\) is the total revenue (expressed in K) derived by PNG Power from the Supply and Sale of electricity, during the 12 month period ending on 30 September in Regulatory Year \(t-1\), to Customers in respect of public lighting installations that are located in a Service Area; and

\(TC_{t-1}\) is the Total Consumption for the 12 month period ending on 30 September in Regulatory Year \(t-1\).

D. Weighted Average Basket of Tariffs

The WABT shall be less than or equal to the Maximum weighted average price.

\[ WABT \leq MWAP \]

The Weighted Average Basket of Tariffs (expressed in K/MWh) for Regulatory Year \(t\) (WABT\(_t\)) is calculated as follows:

\[ WABT = \frac{Energy\ Revenue + Demand\ Revenue}{Total\ Energy\ Sales} \]

Where:

\(MWAP\) = Maximum weighted average price;

\(WABT\) = Weighted Average Basket of Tariffs in Kina per MWh;

Total Energy Sales is the total quantity of electricity sold in the period measured in MWh;

Energy Revenue is all revenue derived from the sale of electricity on the basis of electricity quantity being used; and

Demand Revenue is all revenue derived from Customers where there is a demand charge expressed as an amount per kVA.

Regardless of the tariff method it applies, PNG Power shall have a separate pricing (tariff) plan for every Customer type for each service area. The types of Customers include:

a) Domestic Credit Customers;

b) General Supply Credit Customers;

c) Easipay Domestic Customers;

d) Easipay General Supply Customers;

e) Industrial Credit Customers; and
f) Public Lighting Credit Customers.

The Energy Revenue shall be calculated by multiplying the price (tariff) for every Customer type in each service area by the quantity of energy delivered to that particular Customer type in that service area.

i. Prices (Tariffs) may vary from service area to service area as defined in the Contract;

ii. Each price (tariff) shall be weighted according to the actual quantity of energy delivered measured in kWh;

iii. PNG Power shall not discriminate between Customers on any other basis other than their service area and their Customer type except for large load Customers (where load is greater than 10MW) where PNG Power may discriminate on the basis of the cost to serve an individual Customer; and

iv. Each price (tariff) point may only be increased by a certain amount each year as follows:

a. Prices (tariffs) for any individual Customer may only be increased by up to 8% per year in addition to any percentage (%) increase in the MWAP.

b. In each service area, pricing (tariff) plans shall maintain their relativities as described in Schedule 4.
Schedule 6 - CALCULATION OF FORMULAE VARIABLES

A. Variables

A.1 Real Weights (W1, W2, W3) for Regulatory Year t

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>W1 (PNG CPI)</td>
<td>0.873</td>
<td>0.898</td>
<td>0.906</td>
<td>0.910</td>
<td>0.914</td>
</tr>
<tr>
<td>W2 (k/AUD RER)</td>
<td>0.080</td>
<td>0.076</td>
<td>0.074</td>
<td>0.070</td>
<td>0.068</td>
</tr>
<tr>
<td>W3 (Kanudi Contract)</td>
<td>0.047</td>
<td>0.025</td>
<td>0.020</td>
<td>0.019</td>
<td>0.018</td>
</tr>
</tbody>
</table>

A.2 Smoothing Factor (X)

The smoothing factor X will be set at 6.57% subject to any adjustments resulting from any assessment pursuant to clause 4.1 which shall apply to regulatory years 2016 and 2017.

B. Indices

B.1 Adjusted PNG CPI

(a) For a 12 month period ending on 30 September

The Adjusted PNG CPI for the 12 month period ending on 30 September in Regulatory Year t or calendar year t (PNGCPI_t) is calculated as follows:

\[
\text{PNGCPI}_t = \frac{\text{PNGCPI}_{(q4, t-1)} + \text{PNGCPI}_{(q1, t)} + \text{PNGCPI}_{(q2, t)} + \text{PNGCPI}_{(q3, t)}}{4}
\]

Where:

PNGCPI for a Quarter (q) is the All Groups Weighted Average CPI for Urban Areas excluding Drinks, Tobacco and Betel Nut, published by the National Statistics Office;

PNGCPI_{(q4, t-1)} is the PNGCPI for the Quarter ending on 31 December in Regulatory Year t-1 or calendar year t-1;

PNGCPI_{(q1, t)} is the PNGCPI for the Quarter ending on 31 March in Regulatory Year t or calendar year t;

PNGCPI_{(q2, t)} is the PNGCPI for the Quarter ending on 30 June in Regulatory Year t or calendar year t; and

PNGCPI_{(q3, t)} is the PNGCPI for the Quarter ending on 30 September in Regulatory Year t or calendar year t.
If the September PNG CPI has not yet been reported by the PNG government agency responsible for reporting CPI, when the annual pricing review is carried out then:

The Adjusted PNG CPI for the 9 month period ending on 30 June in Regulatory Year \(t\) or calendar year \(t\) (PNGCPI_{t}) is calculated as follows:

\[
\text{PNGCPI}_t = \left( \frac{\text{PNGCPI}_{(q4, t-1)} + \text{PNGCPI}_{(q1, t)} + \text{PNGCPI}_{(q2, t)}}{3} \right)
\]

In the subsequent year, the (PNGCPI_{t}) can then be calculated as:

\[
\text{PNGCPI}_t = \left( \frac{\text{PNGCPI}_{(q3, t-1)} + \text{PNGCPI}_{(q4, t-1)} + \text{PNGCPI}_{(q1, t)} + \text{PNGCPI}_{(q2, t)} + \text{PNGCPI}_{(q3, t)}}{5} \right)
\]

For a 6 month period ending on 31 March:

The Adjusted PNG CPI for the 6 month period ending on 31 March in Regulatory Year \(t\) or calendar year \(t\) (PNGCPI_{m,t}) is calculated as follows:

\[
\text{PNGCPI}_{m,t} = \left( \frac{\text{PNGCPI}_{(q4, t-1)} + \text{PNGCPI}_{(q1, t)}}{2} \right)
\]

where such terms are as defined in paragraph (a) above.

### B.2 Kina/Australian Dollar Exchange Rate

(a) For a 12 month period ending on 30 September:

The Kina/Australian Dollar Exchange Rate for the 12 month period ending on 30 September in Regulatory Year \(t\) or calendar year \(t\) (AER_{t}) is calculated as follows:

\[
\text{AER}_{t} = \left( \frac{\text{AER}_{(q4, t-1)} + \text{AER}_{(q1, t)} + \text{AER}_{(q2, t)} + \text{AER}_{(q3, t)}}{4} \right)
\]

where:

- AER for a Quarter (q) is the Kina/Australian Dollar inter-bank mid-rate published by the Bank of Papua New Guinea (expressed as \(\$A/1K\)) prevailing on the last day of that Quarter or, if that last day is not a Business Day, on the next day which is a Business Day (for example, if \(\$A0.57\) can purchase 1 Kina, then AER is 0.57);
- \(\text{AER}_{(q4, t-1)}\) is the AER for the Quarter ending on 31 December in Regulatory Year \(t\) or calendar year \(t\) - 1;
- \(\text{AER}_{(q1, t)}\) is the AER for the Quarter ending on 31 March in Regulatory Year \(t\) or calendar year \(t\);
- \(\text{AER}_{(q2, t)}\) is the AER for the Quarter ending on 30 June in Regulatory Year \(t\) or calendar year \(t\); and
- \(\text{AER}_{(q3, t)}\) is the AER for the Quarter ending on 30 September in Regulatory Year \(t\) or calendar year \(t\).

(b) For a 6 month period ending on 31 March:

The Kina/Australian Dollar Exchange Rate for the 6 month period ending on 31 March in Regulatory Year \(t\) or calendar year \(t\) (AER_{m,t}) is calculated as follows:

\[
\text{AER}_{m,t} = \left( \frac{\text{AER}_{(q4, t-1)} + \text{AER}_{(q1, t)}}{2} \right)
\]
where such terms are as defined in paragraph (a) above.

B.3 Australian CPI

(a) For a 12 month period ending on 30 September

The Australian CPI for the 12 month period ending on 30 September in Regulatory Year \( t \) or calendar year \( t \) (ACPI) is calculated as follows:

\[
ACPI_t = \{ACPI_{(q4, t-1)} + ACPI_{(q1, t)} + ACPI_{(q2, t)} + ACPI_{(q3, t)} \} / 4
\]

where:

ACPI for a Quarter (q) is the Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australian Bureau of Statistics for that Quarter in ABS Cat.No.6401.0;

ACPI_{(q4, t-1)} is the ACPI for the Quarter ending on 31 December in Regulatory Year \( t-1 \) or calendar year \( t-1 \);

ACPI_{(q1, t)} is the ACPI for the Quarter ending on 31 March in Regulatory Year \( t \) or calendar year \( t \);

ACPI_{(q2, t)} is the ACPI for the Quarter ending on 30 June in Regulatory Year \( t \) or calendar year \( t \); and

ACPI_{(q3, t)} is the ACPI for the Quarter ending on 30 September in Regulatory Year \( t \) or calendar year \( t \).

(b) For a 6 month period ending on 31 March

The Australian CPI for the 6 month period ending on 31 March in Regulatory Year \( t \) or calendar year \( t \) (ACPI_{m,t}) is calculated as follows:

\[
ACPI_{m,t} = \{ACPI_{(q4, t-1)} + ACPI_{(q1, t)} \} / 2
\]

where such terms are as defined in paragraph (a) above.

B.4 Kina/United States Dollar Exchange Rate

(a) For a 12 month period ending on 30 September

The Kina/United States Dollar Exchange Rate for the 12 month period ending on 30 September in Regulatory Year \( t \) or calendar year \( t \) (USER) is calculated as follows:

\[
USER_t = \{USER_{(q4, t-1)} + USER_{(q1, t)} + USER_{(q2, t)} + USER_{(q3, t)} \} / 4
\]

where:

USER for a Quarter (q) is the Kina/United States Dollar inter-bank mid-rate published by the Bank of Papua New Guinea (expressed as SUS/1K) prevailing on the last day of that Quarter or, if that last day is not a Business Day, on the next day which is a Business Day (for example, if US$0.28 can purchase 1 Kina, then USER is 0.28);
USER\textsubscript{(q4, t-1)} is the USER for the Quarter ending on 31 December in Regulatory Year t-1 or calendar year t-1;  
USER\textsubscript{(q1, t)} is the USER for the Quarter ending on 31 March in Regulatory Year t or calendar year t;  
USER\textsubscript{(q2, t)} is the USER for the Quarter ending on 30 June in Regulatory Year t or calendar year t; and  
USER\textsubscript{(q3, t)} is the USER for the Quarter ending on 30 September in Regulatory Year t or calendar year t.

(b) For a 6 month period ending on 31 March  
The Kina/United States Dollar Exchange Rate for the 6 month period ending on 31 March in Regulatory Year t or calendar year t \((\text{USER}_m,t)\) is calculated as follows:  
\[
\text{USER}_m,t = \frac{\text{USER}_{(q4, t-1)} + \text{USER}_{(q1, t)}}{2}
\]
where such terms are as defined in paragraph (a) above.

B.5 US CPI

(a) For a 12 month period ending on 30 September  
The US CPI for the 12 month period ending on 30 September in Regulatory Year t or calendar year t \((\text{USCPI}_t)\) is calculated as follows:  
\[
\text{USCPI}_t = \frac{\{\text{USCPI}_{(q4, t-1)} + \text{USCPI}_{(q1, t)} + \text{USCPI}_{(q2, t)} + \text{USCPI}_{(q3, t)}\}}{4}
\]
where:  
USCPI for a Quarter \((q)\) is the average of the Consumer Price Index for all urban consumers, US city average published by the US Bureau of Labour Statistics for each month of that Quarter in series CUUR 0000SAO;  
USCPI\textsubscript{(q4, t-1)} is the USCPI for the Quarter ending on 31 December in Regulatory Year t-1 or calendar year t-1;  
USCPI\textsubscript{(q1, t)} is the USCPI for the Quarter ending on 31 March in Regulatory Year t or calendar year t;  
USCPI\textsubscript{(q2, t)} is the USCPI for the Quarter ending on 30 June in Regulatory Year t or calendar year t; and  
USCPI\textsubscript{(q3, t)} is the USCPI for the Quarter ending on 30 September in Regulatory Year t or calendar year t.

(b) For a 6 month period ending on 31 March  
The US CPI for the 6 month period ending on 31 March in Regulatory Year t or calendar year t \((\text{USCPI}_m,t)\) is calculated as follows:  
\[
\text{USCPI}_m,t = \frac{\{\text{USCPI}_{(q4, t-1)} + \text{USCPI}_{(q1, t)}\}}{2}
\]
where such terms are as defined in paragraph (a) above.
B.6 Changes in calculation of CPI and Exchange Rates

(a) If a source of data described in any of paragraphs B.1, B.2, B.3, B.5 or B.6 above is no longer published, or if any other change occurs in relation to such data which would cause the continued use of the source to result in inaccurate comparisons between data calculated using the source prior to the change and data calculated using the source after the change, then such an alternative source as PNG Power and the Regulator agree shall be substituted.

(b) If PNG Power and the Regulator are unable to agree on the alternative source of data pursuant to paragraph B.6(a) within 10 Business Days, the matter must be referred to the Commissioners, the decision of which shall be final.
Schedule 7 – DATA REPORTING

1. To support a review the annual price adjustment of the MWAP, in addition to what PNG Power currently supply the Regulator, the Regulator will also require
   a) A description of pricing plans in each service area
   b) The number of Customers on each pricing plan
   c) The weighted average usage in kWh for each pricing plan in each service area
The following data set is required by 1st April 2015 for the mid-term review and by 1st July 2017 to reassess the price path for 2018 to 2022.

2. For each service area the Regulator will require that PNG Power is able to provide;
   a) Number of Customers by pricing plan;
   b) Usage by pricing plan (MWh per year);
   c) Km’s of distribution lines by voltage;
   d) Km’s of feeder by voltage;
   e) Number of Transformers by voltage and capacity (kVA);
   f) List of Substations describing transformer capacity at each one;
   g) Name of the Generation System that supplies the service area;
   h) Km’s of Transmission line which are dedicated to serving a service area specified by voltage and kVA;
   i) Km’s of Transmission line which are used by a service area but shared with other service areas specified by voltage and kVA;
   j) Annual Maintenance costs for distribution lines;
   k) Annual Maintenance costs for transformers;
   l) Annual Maintenance costs for Customers connections (the lead-in connection from a Customer’s premise to the PNG Power network);
   m) Annual Maintenance costs for Customer meters;
   n) Annual Maintenance costs for feeder cables;
   o) Annual Maintenance costs by transmission line;
   p) Profile of consumption (Peak / Off Peak) periods; and
   q) Energy losses.

3. For each generation system the Regulator will require PNG Power to provide;
   a) Number of power stations;
   b) Each power station should be described in terms of number of turbines and capacity of each turbine in kVA;
   c) Type of turbine (Hydro, Diesel, or specified if another type);
d) Age of turbine and expected future life;
d) Annual Maintenance Cost split between maintenance costs which relate directly with the power station and Maintenance costs which relate to supporting infrastructure such as staff accommodation, road building and maintenance workshops’ etc.;
f) Generation profile in the past 12 months (showing outages, peak period generation, off peak period generation, maintenance shutdown periods); and
g) For Diesel turbines PNG Power should also provide:
i. Conversion rate (litres per MWh of output); and
ii. Local Fuel Price (Kina / Litre).

All capital projects should be classified as to which service area or generation system they will support. They should also be classified as either relating to Generation, Transmission, Distribution or Retail.
## FUEL CALCULATIONS

### Table 1 - Forecast Customer Demand in MWH

<table>
<thead>
<tr>
<th>MWH</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Moresby</td>
<td>453,463</td>
<td>471,867</td>
<td>490,272</td>
<td>508,676</td>
<td>527,081</td>
</tr>
<tr>
<td>Ramu</td>
<td>370,361</td>
<td>431,160</td>
<td>449,179</td>
<td>467,198</td>
<td>485,217</td>
</tr>
<tr>
<td>Gazelle</td>
<td>40,733</td>
<td>41,862</td>
<td>45,894</td>
<td>49,926</td>
<td>51,055</td>
</tr>
<tr>
<td>Bialla</td>
<td>2,135</td>
<td>2,187</td>
<td>2,238</td>
<td>2,289</td>
<td>2,341</td>
</tr>
<tr>
<td>Kimbe</td>
<td>13,595</td>
<td>13,896</td>
<td>14,196</td>
<td>14,497</td>
<td>14,797</td>
</tr>
<tr>
<td>Aitape</td>
<td>1,166</td>
<td>1,187</td>
<td>1,208</td>
<td>1,230</td>
<td>1,251</td>
</tr>
<tr>
<td>Alotau</td>
<td>11,336</td>
<td>11,714</td>
<td>12,092</td>
<td>12,469</td>
<td>12,847</td>
</tr>
<tr>
<td>Bainyik / Maprik</td>
<td>781</td>
<td>781</td>
<td>781</td>
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<td>781</td>
</tr>
<tr>
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<td>6,539</td>
<td>6,689</td>
<td>6,838</td>
<td>6,987</td>
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<tr>
<td>Daru</td>
<td>3,229</td>
<td>3,229</td>
<td>3,229</td>
<td>3,229</td>
<td>3,229</td>
</tr>
<tr>
<td>Finschhafen</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>595</td>
<td>595</td>
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<tr>
<td>Kavieng</td>
<td>7,764</td>
<td>7,957</td>
<td>8,150</td>
<td>8,343</td>
<td>8,536</td>
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<tr>
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<td>1,068</td>
<td>1,068</td>
<td>1,068</td>
<td>1,068</td>
<td>1,068</td>
</tr>
<tr>
<td>Lombrum / Lorengau</td>
<td>5,437</td>
<td>5,437</td>
<td>5,437</td>
<td>5,437</td>
<td>5,437</td>
</tr>
<tr>
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<td>6,267</td>
<td>6,288</td>
<td>6,310</td>
<td>6,332</td>
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<tr>
<td>Samari</td>
<td>220</td>
<td>220</td>
<td>220</td>
<td>220</td>
<td>220</td>
</tr>
<tr>
<td>Vanimo</td>
<td>4,832</td>
<td>4,860</td>
<td>4,887</td>
<td>4,915</td>
<td>4,942</td>
</tr>
<tr>
<td>Wewak</td>
<td>18,819</td>
<td>19,249</td>
<td>19,679</td>
<td>20,110</td>
<td>20,540</td>
</tr>
<tr>
<td>Total Demand</td>
<td>453,463</td>
<td>471,867</td>
<td>490,272</td>
<td>508,676</td>
<td>527,081</td>
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</tbody>
</table>
Table 2 - PNG Power supplied System Losses

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
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<td>Port Moresby</td>
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<td>21.0%</td>
<td>20.5%</td>
<td>20.0%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Ramu</td>
<td>19.7%</td>
<td>18.3%</td>
<td>18.0%</td>
<td>17.7%</td>
<td>17.4%</td>
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<td>24.0%</td>
<td>24.0%</td>
<td>24.0%</td>
<td>24.0%</td>
<td>24.0%</td>
</tr>
<tr>
<td>Bialla</td>
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<td>14.0%</td>
<td>14.0%</td>
<td>14.0%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Kimbe</td>
<td>14.0%</td>
<td>14.0%</td>
<td>14.0%</td>
<td>14.0%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Aitape</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Alotau</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Bainyik / Maprik</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Buka</td>
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<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Daru</td>
<td>20.0%</td>
<td>20.0%</td>
<td>20.0%</td>
<td>20.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Finschhafen</td>
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<td>16.0%</td>
<td>16.0%</td>
<td>16.0%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Kavieng</td>
<td>9.0%</td>
<td>9.0%</td>
<td>9.0%</td>
<td>9.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Kerema</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Lombrum / Lorengau</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Popendetta</td>
<td>11.0%</td>
<td>11.0%</td>
<td>11.0%</td>
<td>11.0%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Samari</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Vanimo</td>
<td>11.0%</td>
<td>11.0%</td>
<td>11.0%</td>
<td>11.0%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Wewak</td>
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<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

Generation for each Generation System is calculated as:

\[
\text{RequiredGeneration}_{\text{MW}H} = \frac{\text{ForecastDemand}_{\text{MW}H}}{(1 - \text{SysLoss})}
\]

Where:

- Forecast Demand \(_{\text{MW}H}\) is extracted from Table 1, and
- Sys Loss is extracted from Table 2, for the relevant year and Generation System.
Table 3 - Forecast Generation

<table>
<thead>
<tr>
<th>Location</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Moresby</td>
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<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Ramu</td>
<td>391,510</td>
<td>462,759</td>
<td>479,690</td>
<td>497,572</td>
<td>510,453</td>
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<tr>
<td>Gazelle</td>
<td>35,305</td>
<td>35,305</td>
<td>35,305</td>
<td>35,305</td>
<td>35,305</td>
</tr>
<tr>
<td>Bialla</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kimbe</td>
<td>2,000</td>
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<td>2,577</td>
<td>4,886</td>
<td>4,887</td>
</tr>
<tr>
<td>Aitape</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alotau</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bainyik / Maprik</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>4,582</td>
<td>9,165</td>
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<td></td>
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<tr>
<td>Finschhafen</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kavieng</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kerema</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lombrum / Lorengau</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Popendetta</td>
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<td>0</td>
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<td>3,062</td>
<td>6,125</td>
</tr>
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<td>Samari</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Vanimo</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wewak</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4 - IPP Output

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<tr>
<th>Service Area</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Moresby</td>
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<td>155,000</td>
<td>155,000</td>
<td>155,000</td>
<td>155,000</td>
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<td>31,900</td>
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<tr>
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<tr>
<td>Bialla</td>
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<td></td>
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<tr>
<td>Kimbe</td>
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<td>4,818</td>
<td>4,818</td>
</tr>
<tr>
<td>Aitape</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alotau</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bainyik / Maprik</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buka</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daru</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Finschhafen</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kavieng</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kerema</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lombrum / Lorengau</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Samari</td>
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<td>Vanimo</td>
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<tr>
<td>Wewak</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thermal Generation for each Generation System is calculated as:

\[
\text{ThermalGeneration}_{\text{MWH}} = \text{RequiredGeneration}_{\text{MWH}} - \text{HydroGeneration}_{\text{MWH}} - \text{IPPGeneration}_{\text{MWH}}
\]

Where:

\text{RequiredGeneration}_{\text{MWH}} is calculated above, and

\text{HydroGeneration}_{\text{MWH}} is extracted from Table 3, and

\text{IPPGeneration}_{\text{MWH}} is extracted from Table 4, for the relevant year and Service Area.
### Table 5 - Fuel Conversion Factors (CF)

<table>
<thead>
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<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
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<td>0.290</td>
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<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
</tr>
<tr>
<td>Gazelle</td>
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<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
</tr>
<tr>
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<td>0.310</td>
<td>0.310</td>
<td>0.310</td>
<td>0.310</td>
</tr>
<tr>
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<td>0.280</td>
<td>0.280</td>
<td>0.280</td>
<td>0.280</td>
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<tr>
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<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
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<tr>
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<td>0.270</td>
<td>0.270</td>
<td>0.270</td>
<td>0.270</td>
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<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
</tr>
<tr>
<td>Buka</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
</tr>
<tr>
<td>Daru</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
</tr>
<tr>
<td>Finschhafen</td>
<td>0.330</td>
<td>0.330</td>
<td>0.330</td>
<td>0.330</td>
<td>0.330</td>
</tr>
<tr>
<td>Kavieng</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
</tr>
<tr>
<td>Kerema</td>
<td>0.330</td>
<td>0.330</td>
<td>0.330</td>
<td>0.330</td>
<td>0.330</td>
</tr>
<tr>
<td>Lombrum / Lorengau</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
</tr>
<tr>
<td>Popendetta</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
<td>0.320</td>
</tr>
<tr>
<td>Samari</td>
<td>0.350</td>
<td>0.350</td>
<td>0.350</td>
<td>0.350</td>
<td>0.350</td>
</tr>
<tr>
<td>Vanimo</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
<td>0.290</td>
</tr>
<tr>
<td>Wewak</td>
<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
</tr>
</tbody>
</table>

Fuel volume for each Generation System is calculated as:

\[
\text{Fuel}_L = \text{ThermalGeneration}_{MWH} \times CF \times 1000
\]

Where:

\( \text{ThermalGeneration}_{MWH} \) is calculated above, and

\( CF \) is the Conversion Factor and is extracted from Table 5 for the relevant year and Generation System.
### Table 6 - 2012 Fuel Price (Base Line) $^{Fuel_p}$

<table>
<thead>
<tr>
<th>Service Area</th>
<th>2012 Base Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Moresby</td>
<td>2.321</td>
</tr>
<tr>
<td>Ramu</td>
<td>2.849</td>
</tr>
<tr>
<td>Gazelle</td>
<td>2.686</td>
</tr>
<tr>
<td>Bialla</td>
<td>3.100</td>
</tr>
<tr>
<td>Kimbe</td>
<td>2.606</td>
</tr>
<tr>
<td>Aitape</td>
<td>4.292</td>
</tr>
<tr>
<td>Alotau</td>
<td>2.770</td>
</tr>
<tr>
<td>Bainyik / Maprik</td>
<td>3.142</td>
</tr>
<tr>
<td>Buka</td>
<td>4.077</td>
</tr>
<tr>
<td>Daru</td>
<td>4.602</td>
</tr>
<tr>
<td>Finschhafen</td>
<td>4.300</td>
</tr>
<tr>
<td>Kavieng</td>
<td>2.947</td>
</tr>
<tr>
<td>Kerema</td>
<td>4.595</td>
</tr>
<tr>
<td>Lombrum / Lorengau</td>
<td>3.851</td>
</tr>
<tr>
<td>Popendetta</td>
<td>3.511</td>
</tr>
<tr>
<td>Samari</td>
<td>3.632</td>
</tr>
<tr>
<td>Vanimo</td>
<td>3.576</td>
</tr>
<tr>
<td>Wewak</td>
<td>3.029</td>
</tr>
</tbody>
</table>

Fuel Cost for each Generation System is calculated as:

$$FuelCost = Fuel_1 \times Fuel_p$$

And:

$$Total\ FuelCost = \sum_{\text{All Service areas}} Fuel_1 \times Fuel_p + \text{Kanudi Fuel Cost}$$

Where:

- $Fuel_1$ is calculated above,
- $Fuel_p$ is the actual Fuel Price for a particular service area in a particular quarter
- Kanudi Fuel Cost = Kanudi Fuel Price x Purchased MWh from Kanudi

The Kanudi Fuel Cost is the actual amount paid by PNG Power. The base Kanudi Fuel Price = 373.08 K / MWH.

The Purchased MWH from Kanudi is the IPP output for Port Moresby shown in table 4.
\[
\text{FWAP}_q = \frac{\text{Total Fuel Cost}_t}{\text{Total Forecast Demand}_t}
\]

Where:

Total Fuel Cost\(_t\) = the Total fuel cost for the full year using the price applying for quarter q.

Total Forecast Demand is the total demand for the full year.
### Schedule 9 - GENERATION SYSTEMS & SERVICE AREAS

#### Service Delivery Areas

<table>
<thead>
<tr>
<th>Service Areas</th>
<th>Delivery Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aitape</td>
<td>Kavieng</td>
</tr>
<tr>
<td>Alotau</td>
<td>Kerema</td>
</tr>
<tr>
<td>Bialla</td>
<td>Kimbe</td>
</tr>
<tr>
<td>Buka</td>
<td>Kokopo</td>
</tr>
<tr>
<td>Central</td>
<td>Kundiawa</td>
</tr>
<tr>
<td>Daru</td>
<td>Lae</td>
</tr>
<tr>
<td>Finschhafen</td>
<td>Lorengau</td>
</tr>
<tr>
<td>Goroka</td>
<td>Madang</td>
</tr>
<tr>
<td>Gusap</td>
<td>Maprik</td>
</tr>
<tr>
<td>Ialibu</td>
<td>Mendi</td>
</tr>
<tr>
<td>Kainantu</td>
<td>Minj</td>
</tr>
</tbody>
</table>

#### Generation Systems

<table>
<thead>
<tr>
<th>Service Areas</th>
<th>Generation Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Moresby</td>
<td>Alotau</td>
</tr>
<tr>
<td>Ramu</td>
<td>Bainyik / Maprik</td>
</tr>
<tr>
<td>Gazelle</td>
<td>Buka</td>
</tr>
<tr>
<td>Bialla</td>
<td>Daru</td>
</tr>
<tr>
<td>Kimbe</td>
<td>Finschhafen</td>
</tr>
<tr>
<td>Aitape</td>
<td>Kavieng</td>
</tr>
</tbody>
</table>

The boundaries for each Service Area listed above are as specified in the retail licence issued to PNG Power under the *Electricity Industry Act*. 
### Schedule 10 - SCHEDULED SERVICES

<table>
<thead>
<tr>
<th>Service</th>
<th>Maximum Charge (Kina)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of temporary supply</td>
<td></td>
</tr>
<tr>
<td>Minimum account charge</td>
<td>17.00</td>
</tr>
<tr>
<td>Temporary supply connection fee</td>
<td>95.00</td>
</tr>
<tr>
<td>New connection where a line is already connected to the relevant connection point</td>
<td></td>
</tr>
<tr>
<td>Normal hours</td>
<td>47.00</td>
</tr>
<tr>
<td>After hours</td>
<td>95.00</td>
</tr>
<tr>
<td>Reconnection for defaulting Customers</td>
<td></td>
</tr>
<tr>
<td>Normal hours</td>
<td>95.00</td>
</tr>
<tr>
<td>After hours</td>
<td>189.00</td>
</tr>
<tr>
<td>Intermediate meter reading</td>
<td>30.00</td>
</tr>
<tr>
<td>Metering &amp; service (single phase) (new connection where a line is required to connect to the relevant connection point for a single phase connection)</td>
<td>155.00</td>
</tr>
<tr>
<td>Metering &amp; service (three phase) (new connection where a line is required to connect to the relevant connection point for a three phase connection)</td>
<td>462.00</td>
</tr>
<tr>
<td>Metering testing</td>
<td>123.00</td>
</tr>
</tbody>
</table>
Schedule 11 - EXCLUDED SERVICES

1. Provision of a distribution network extension to connect a building or public lighting installation which is not connected as at the Commencement Date.

2. Provision of a network connection with sufficient capacity to meet a Customer’s full demand where the Customer has some locally installed generation or co-generation (i.e. standby charge).

3. Network augmentation associated with the connection of a new load (it being acknowledged that the Regulator may establish a method for the costs of such network augmentation to be shared between the Customer in respect of the new load and subsequent Customers who benefit from that augmentation by including provisions for that purpose in a code made under the ICC Act.

4. Testing of the variation of the voltage at a Customer’s terminals at the request of the Customer.

5. Inspecting or testing any service lines, apparatus or works on a Customer’s building at the request of a Customer.
Schedule 12 - CUSTOMER CATEGORIES

A. Domestic Customers

A Customer is a Domestic Customer in respect of a building if that Customer consumes or intends to consume electricity supplied to that building principally for domestic or household purposes and that Customer is not a General Supply Customer or an Industrial Customer in respect of that building.

B. General Supply Customers

A Customer is a General Supply Customer in respect of a building if that Customer has a minimum demand for electricity of less than 200kVA at that building, as determined in accordance with this Schedule 7, and does not consume or intend to consume that electricity principally for domestic or household purposes.

C. Industrial Customers

A Customer is an Industrial Customer in respect of a building if that Customer has a minimum demand for electricity of 200kVA or more at that building, as determined in accordance with this Schedule 7, irrespective of the purpose for which that electricity is or is intended to be consumed.

For the purposes of this Schedule 12:

(a) In determining whether a Customer’s electricity consumption is principally for domestic or household purposes, PNG Power must take into account past electricity consumption at, and the operations for which electricity has previously been required at, the relevant building.

(b) A Customer’s minimum demand for electricity at a building is to be determined on the basis of the metered electricity supply to that building over any period of 12 consecutive months in the period of two years before the date of calculation.

(c) On application by PNG Power or the relevant Customer, and if satisfied that it is appropriate to do so, in a case where electricity has been supplied to the relevant building for a limited period only or inaccuracies have affected the measurement of electricity supplied to that building, the Regulator may determine an estimated minimum demand for electricity for the Customer in respect of that building and that estimate shall be used for the purpose of classifying the Customer in accordance with this Schedule 12.
### Schedule 13 - RELIABILITY STANDARDS

**USE Performance Targets**

<table>
<thead>
<tr>
<th>Generation System</th>
<th>Prior to ERC</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aitape</td>
<td>0.75%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Alotau</td>
<td>0.57%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Billa</td>
<td>2.36%</td>
<td>2.12%</td>
<td>1.91%</td>
<td>1.72%</td>
<td>1.55%</td>
<td>1.39%</td>
</tr>
<tr>
<td>Buka</td>
<td>3.18%</td>
<td>2.86%</td>
<td>2.58%</td>
<td>2.32%</td>
<td>2.09%</td>
<td>1.88%</td>
</tr>
<tr>
<td>Daru</td>
<td>1.16%</td>
<td>1.04%</td>
<td>0.94%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Finschaffenn</td>
<td>2.36%</td>
<td>2.12%</td>
<td>1.91%</td>
<td>1.72%</td>
<td>1.55%</td>
<td>1.39%</td>
</tr>
<tr>
<td>Gazelle</td>
<td>1.94%</td>
<td>1.55%</td>
<td>1.24%</td>
<td>0.99%</td>
<td>0.79%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Kavieng</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Kerema</td>
<td>1.75%</td>
<td>1.58%</td>
<td>1.42%</td>
<td>1.28%</td>
<td>1.15%</td>
<td>1.03%</td>
</tr>
<tr>
<td>Kimbe</td>
<td>6.21%</td>
<td>5.59%</td>
<td>5.03%</td>
<td>4.53%</td>
<td>4.07%</td>
<td>3.67%</td>
</tr>
<tr>
<td>Lombrum</td>
<td>2.24%</td>
<td>2.02%</td>
<td>1.81%</td>
<td>1.63%</td>
<td>1.47%</td>
<td>1.32%</td>
</tr>
<tr>
<td>Maprik</td>
<td>3.65%</td>
<td>3.29%</td>
<td>2.96%</td>
<td>2.66%</td>
<td>2.39%</td>
<td>2.16%</td>
</tr>
<tr>
<td>Popondetta</td>
<td>1.40%</td>
<td>1.26%</td>
<td>1.13%</td>
<td>1.02%</td>
<td>0.92%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Port Moresby</td>
<td>1.54%</td>
<td>1.23%</td>
<td>0.99%</td>
<td>0.79%</td>
<td>0.63%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Ramu</td>
<td>3.19%</td>
<td>2.55%</td>
<td>2.04%</td>
<td>1.63%</td>
<td>1.31%</td>
<td>1.05%</td>
</tr>
<tr>
<td>Samarai</td>
<td>2.90%</td>
<td>2.61%</td>
<td>2.35%</td>
<td>2.11%</td>
<td>1.90%</td>
<td>1.71%</td>
</tr>
<tr>
<td>Vanimo</td>
<td>5.27%</td>
<td>4.74%</td>
<td>4.27%</td>
<td>3.84%</td>
<td>3.46%</td>
<td>3.11%</td>
</tr>
<tr>
<td>Wewak</td>
<td>0.63%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
<td>0.85%</td>
</tr>
</tbody>
</table>
## Introduction of New Reliability Metrics

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Delivery Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project plan for the implementation of reliability performance measurements of SAIDI and SAIFI. (Include data capture and systems)</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Complete the GIS capture of Port Moresby network infrastructure.</td>
<td>31 December 2013</td>
</tr>
<tr>
<td>Complete the GIS capture of Ramu network infrastructure.</td>
<td>31 December 2014</td>
</tr>
<tr>
<td>Complete the GIS capture of Gazelle network infrastructure.</td>
<td>30 June 2015</td>
</tr>
<tr>
<td>Complete the GIS capture of remaining Service Areas’ network infrastructure.</td>
<td>31 December 2015</td>
</tr>
<tr>
<td>Establish processes to capture new network installations and Customer connections.</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Commence Customer location capture project.</td>
<td>1 January 2014</td>
</tr>
<tr>
<td>Complete Customer location capture in Port Moresby.</td>
<td>31 December 2014</td>
</tr>
<tr>
<td>Complete Customer location project in Ramu.</td>
<td>31 December 2015</td>
</tr>
<tr>
<td>Complete Customer location capture project.</td>
<td>30 June 2016</td>
</tr>
<tr>
<td>Select system to capture and track outages including information on duration and Customers impacted.</td>
<td>31 December 2015</td>
</tr>
<tr>
<td>Implement Reliability Performance monitoring system. Complete installation and setup of systems, process and equipment required to support accurate SAIFI and SAIDI reporting for all service areas served by PNG Power.</td>
<td>31 December 2016</td>
</tr>
<tr>
<td>Commence parallel capture and reporting of SAIFI and SAIDI</td>
<td>1 July 2017</td>
</tr>
<tr>
<td>Commence reporting of SAIFI and SAIDI as part of standard reporting cycle</td>
<td>1 January 2018</td>
</tr>
</tbody>
</table>
Schedule 14 - REGULATORY PRINCIPLES

In 2017 when the Regulator reviews the current regulatory contract and develop the subsequent regulatory contract for the next regulatory period (i.e. from 1st January 2018 to 31st December 2022), the Regulator must;

1. Take into account any factors which affect the long term financial sustainability of PNG Power. In particular the Regulator must ensure that PNG Power continue to earn sufficient return on its capital investment and cover all reasonable costs so that shareholders and debtors of PNG Power can continue to invest in PNG Power and make long term investments with confidence.

2. Ensure that PNG Power delivers electricity services to the level of reliability as required by Government policy.

3. Ensure that the regulatory contract supports the implementation of any Government policy concerning electricity services expect where it conflicts with the ICCC Act.

4. Ensure that PNG Power has incentives to deliver power at the lowest-possible economically-efficient cost.

5. Ensure that the regulatory contract complies with all the requirements and objectives specified in the ICCC Act

6. The Regulator will take into consideration new circumstances that are significant and relevant to the Contract, which emerge during the regulatory period, including, but not limited to, the making of new Government Policy or amendment of existing policy and propose amendments to this Contract which it considers to be necessary or desirable to achieve the objectives of the ICCC Act and PNG Power will not unreasonably withhold its consent to such proposed amendments.
### Schedule 15 - NEW CONNECTIONS AND REQUIRED CONNECTION DATES

<table>
<thead>
<tr>
<th>Connection</th>
<th>Required Connection Date[^3]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reactivation of service to a building where the building has not been disconnected (Applies in all service areas)</td>
<td>2 working days after the reactivation of service is requested by the relevant Customer</td>
</tr>
<tr>
<td>New low voltage[^1] connection from existing mains adjacent to the building to be connected where the building is located in: Port Moresby, Goroka, Rabaul/Kervat, Gusap, Ialibu, Kagua, Kainantu, Kundiawa, Kwikila, Lae, Madang, Mendi, Minj/Banz, Mount Hagen, Mumeng, Pangia, Wabag, Wapenamanda, Yonki</td>
<td>5 working days after the connection is requested by the relevant Customer</td>
</tr>
<tr>
<td>In All other Service Areas</td>
<td>7 working days after the connection is requested by the relevant Customer</td>
</tr>
<tr>
<td>New low voltage[^1] connection which requires erection of new mains (with a maximum of 3 additional poles) where the relevant building is located in: Port Moresby, Goroka, Rabaul/Kervat, Gusap, Ialibu, Kagua, Kainantu, Kundiawa, Kwikila, Lae, Madang, Mendi, Minj/Banz, Mount Hagen, Mumeng, Pangia, Wabag, Wapenamanda, Yonki</td>
<td>15 working days after the connection is requested by the relevant Customer[^4]</td>
</tr>
<tr>
<td>In All other Service Areas</td>
<td>20 working days after the connection is requested by the relevant Customer[^4]</td>
</tr>
<tr>
<td>New high voltage[^2] connection which requires new mains and pole mounted transformers where the relevant building is located in: - Port Moresby, Goroka, Rabaul/Kervat, Gusap, Ialibu, Kagua, Kainantu, Kundiawa, Kwikila, Lae, Madang, Mendi, Minj/Banz, Mount Hagen, Mumeng, Pangia, Wabag, Wapenamanda, Yonki</td>
<td>50 working days after the connection is requested by the relevant Customer[^4]</td>
</tr>
<tr>
<td>- In all other service areas</td>
<td>65 working days after the connection is requested by the relevant Customer[^4]</td>
</tr>
<tr>
<td>New high voltage[^2] connection which requires new mains and ground type substations where the relevant building is located in all service areas</td>
<td>90 working days after the connection is requested by the relevant Customer[^4]</td>
</tr>
<tr>
<td>Any other new connection</td>
<td>Date agreed between PNG Power and the relevant Customer</td>
</tr>
</tbody>
</table>

[^1] Low voltage means 415V (three-phase) or 240V (single-phase).


[^3] These Required Connection Dates assume that any electric line or equipment to which the connection is being made is in a safe condition and is ready to receive such connection and that the Customer has complied with any requirements imposed by PNG Power as a pre-condition to connection.

[^4] These Required Connection Dates assume that the required new mains and transformers are to be located either on land owned by the relevant Customer or on land over which the relevant easements have been granted.
If a PNG Power inspector finds that the Customer-side infrastructure is not ready for connection, the calculation of time to connect is suspended until PNG Power is advised by the Customer or their contractor that PNG Power’s requirements for connection have been met. This amendment would be consistent with clause 6.3 of the Standard Customer Supply and Sale Contract.

The calculation of the time taken for the connection will not include: Any other delays due to events outside the control of PNG Power, including weather, difficulty in obtaining access to remote locations or civil unrest.
Schedule 16 - YEARLY FORECAST CAPITAL EXPENDITURE

<table>
<thead>
<tr>
<th>Kina (000's)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation - Hydro</td>
<td>139,000</td>
<td>159,000</td>
<td>53,000</td>
<td>83,700</td>
<td>177,622</td>
<td>196,565</td>
</tr>
<tr>
<td>Generation - Diesel</td>
<td>22,542</td>
<td>87,927</td>
<td>80,125</td>
<td>60,875</td>
<td>28,375</td>
<td>14,900</td>
</tr>
<tr>
<td>Transmission</td>
<td>9,810</td>
<td>32,106</td>
<td>62,205</td>
<td>84,384</td>
<td>100,581</td>
<td>86,055</td>
</tr>
<tr>
<td>Distribution</td>
<td>13,473</td>
<td>13,951</td>
<td>14,447</td>
<td>14,963</td>
<td>16,100</td>
<td>16,657</td>
</tr>
<tr>
<td>Office &amp; Residential</td>
<td>8,000</td>
<td>5,000</td>
<td>5,000</td>
<td>9,000</td>
<td>6,500</td>
<td>4,000</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>2,880</td>
<td>3,240</td>
<td>3,240</td>
<td>3,240</td>
<td>2,790</td>
<td>3,240</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>15,788</td>
<td>21,680</td>
<td>20,535</td>
<td>20,472</td>
<td>21,563</td>
<td>19,945</td>
</tr>
<tr>
<td>Plant, Tools &amp; Equipment</td>
<td>2,794</td>
<td>4,650</td>
<td>5,683</td>
<td>7,227</td>
<td>8,314</td>
<td>6,648</td>
</tr>
<tr>
<td>TOTAL</td>
<td>214,287</td>
<td>327,554</td>
<td>244,235</td>
<td>283,861</td>
<td>361,845</td>
<td>348,010</td>
</tr>
</tbody>
</table>

Capital Spending Projects in PNG Power’s Capital Spending Plan

Generation Plan

<table>
<thead>
<tr>
<th>ZONE 1</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Port Moresby &amp; Ramu)</td>
<td></td>
</tr>
<tr>
<td>Rouna Upgrade</td>
<td>2012</td>
</tr>
<tr>
<td>Diesel Generation</td>
<td></td>
</tr>
<tr>
<td>Naoro Brown Hydro</td>
<td>2013-2015</td>
</tr>
<tr>
<td>Ramu</td>
<td></td>
</tr>
<tr>
<td>Ramu Upgrades -hydro</td>
<td>2011-2012</td>
</tr>
<tr>
<td>Diesel Generation</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Ramu/Mongi/Kaugel</td>
<td></td>
</tr>
<tr>
<td>Gazelle</td>
<td></td>
</tr>
<tr>
<td>Mevelo hydro</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Replace M4 &amp; 5 wit 2 x 2.5MW</td>
<td>2013/2015</td>
</tr>
<tr>
<td>ZONE 2</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>(Wewak &amp; Kimbe)</td>
<td></td>
</tr>
<tr>
<td>Replace M6 with 1 x 2.5MW</td>
<td>2014</td>
</tr>
<tr>
<td>Install 1 x 4MW</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Install 1 x 4MW</td>
<td>2016-2025</td>
</tr>
<tr>
<td>Replace M8 with 1 x 4MW</td>
<td>2016-2026</td>
</tr>
<tr>
<td>Kimbe/Bialla</td>
<td></td>
</tr>
<tr>
<td>Refurbish Rue Creek</td>
<td></td>
</tr>
<tr>
<td>3 x 1.5MW high sp. Diesel</td>
<td>2011/2024</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ZONE 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aitape</td>
<td></td>
</tr>
<tr>
<td>Install 1 x 256kW</td>
<td>2012</td>
</tr>
<tr>
<td>Replace M1 &amp; M4 (2x292kW)</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Alotau</td>
<td></td>
</tr>
<tr>
<td>Gumini Hydro</td>
<td>2013/2014</td>
</tr>
<tr>
<td>Buka</td>
<td></td>
</tr>
<tr>
<td>Ramazon Hydro</td>
<td>2012-2014</td>
</tr>
<tr>
<td>Daru</td>
<td></td>
</tr>
<tr>
<td>Replace M2 with 1 x 520kW</td>
<td>2012</td>
</tr>
<tr>
<td>Install 2 x 400kw</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Retire M3 and install 1x520kW or 1x880kW</td>
<td>2016-2025</td>
</tr>
<tr>
<td>Finschaffen</td>
<td></td>
</tr>
<tr>
<td>Replace with 1 x 100kW</td>
<td>2011</td>
</tr>
<tr>
<td>Replace M1 wit 1 x 192kW</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Replace M2 with 1 x 100kW</td>
<td>2013</td>
</tr>
<tr>
<td>Kavieng</td>
<td></td>
</tr>
<tr>
<td>Replace M1 &amp; M4 (2x1.5MW)</td>
<td>2011/2013</td>
</tr>
<tr>
<td>Replace M2 wit 1 x 1MW</td>
<td>2014</td>
</tr>
</tbody>
</table>
### Replace Generators

<table>
<thead>
<tr>
<th>Location</th>
<th>Replacement</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kerema</td>
<td>Replace M1 with 1 x 160kW</td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td>Replace M5 with 1 x 160kW</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Lorengau</td>
<td>Replace M4 with 1 x 160kW</td>
<td>2016-2025</td>
</tr>
<tr>
<td></td>
<td>Replace M4 &amp; M5 with 1 x 800kW</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Replace M1 with 1 x 800kW</td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td>Replace M2 with 1 x 800kW</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Popondetta</td>
<td>Replace M1 with 1 x 800kW</td>
<td>2014</td>
</tr>
<tr>
<td>Lorengau</td>
<td>Replace M5 with 1 x 750kW</td>
<td>2016-2024</td>
</tr>
<tr>
<td>Samarai</td>
<td>Replace M1 with 1 x 800kW</td>
<td>2011</td>
</tr>
<tr>
<td>Vanimo</td>
<td>Replace M6 with 1 x 500kW</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Replace M2 with 1 x 500kW</td>
<td>2014</td>
</tr>
</tbody>
</table>

### Table 7 Planned CAPEX - Transmission and Distribution

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ZONE 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PORT MORESBY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boroko Substation</td>
<td>Develop Boroko as a three transformer substation, 2x30MVA and 1x19MVA</td>
<td>2011</td>
</tr>
<tr>
<td>Konedobu substation</td>
<td>Install a third (external) 30MVA transformer</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Replace one old 20MVA transformer with a 30MVA transformer</td>
<td>2016</td>
</tr>
<tr>
<td>Kilakila substation</td>
<td>Build substation with 66kV supply from 535 line</td>
<td>2012</td>
</tr>
<tr>
<td>Waigani substation</td>
<td>Install a third 30MVA transformer</td>
<td>2012-2013</td>
</tr>
<tr>
<td>Waigani 2 substation</td>
<td>Secure easement for 66kV transmission line</td>
<td>2012</td>
</tr>
<tr>
<td>CBD GIS substation</td>
<td>Complete detailed study of CBD 11kV feeder arrangement options</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Lay underground 66kV line to CDB GIS Substation</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Install 11kV switchboard in CBD and implement preferred feeder arrangement including upgrading of conductors, RMU’s, and switchgear</strong></td>
<td>2013-2014</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>Bautama substation</strong></td>
<td>Closely monitor expected developments and implement as required</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Underground cables</strong></td>
<td>Identify and replace 400A u/ground cables to 630A</td>
<td>2011-2014</td>
</tr>
<tr>
<td><strong>Power quality</strong></td>
<td>Assess power quality on all feeders from Konedobu, Waigani, and Boroko substation</td>
<td>2011-2013</td>
</tr>
<tr>
<td><strong>Protection</strong></td>
<td>Upgrade conductors and reactive power support as required</td>
<td>2011-2013</td>
</tr>
<tr>
<td><strong>GIS map</strong></td>
<td>Complete GIS mapping of Port Moresby 66kV and 11kV network</td>
<td>2011</td>
</tr>
<tr>
<td><strong>Distribution Load flow analysis (ETAP)</strong></td>
<td>Extend load flow analysis to distribution/feeder levels</td>
<td></td>
</tr>
<tr>
<td><strong>Training of engineers to gain appropriate level of skills</strong></td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td><strong>LAE</strong></td>
<td><strong>Substations</strong></td>
<td>Build new Substation at Singawa</td>
</tr>
<tr>
<td></td>
<td>Complete detailed study of conversion to 22kV distribution voltage in Lae</td>
<td>2011/12</td>
</tr>
<tr>
<td></td>
<td>Build 132KV transmission line Taraka - Singawa</td>
<td>2012/13</td>
</tr>
<tr>
<td></td>
<td>Build 66kV transmission line Singawa –Milford</td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td>Augment (and covert to 22kV) Taraka and Milford substations as required</td>
<td>2015-</td>
</tr>
<tr>
<td><strong>Distribution feeders</strong></td>
<td>Study to confirm feeder rearrangements and offload options. (Requires GIS survey to be completed)</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Milford feeder 1-Up-rate Cherry and Banana to Saturn (37/3.00, 776A) along Malekula St from main market to SS180.</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Milford feeder 2-uprate Banana to Saturn at Hillside Av, Mt Lunaman. Replace Banana HV line to Lae Inter Hotel. Up-rate to Saturn HV line to ABS 210 and Colgate palm olive factory. Up-rate &quot;T off&quot; line to P/Office/Melo up to ABS109 and HV line &quot;T Off&quot; to ABS104 Tern St</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Milford feeder 3- Replace HV T off” to flour mill. Banana to Saturn</td>
<td>2011</td>
</tr>
<tr>
<td>Project</td>
<td>Details</td>
<td>Year</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>Milford feeder 4</td>
<td>T offs” to PNG Ports, along Erika St replacing Apple with Saturn. Banana &quot;T offs” to Honibrooks and Trukai factory to Saturn</td>
<td>2011</td>
</tr>
<tr>
<td>Milford feeder 5</td>
<td>- replace Banana with Saturn from T Off” to ABS58 to ABS103 (open point). Up-rate line to SS184</td>
<td>2011</td>
</tr>
<tr>
<td>Milford feeder 6-</td>
<td>Replace Banana with Saturn for the T off” line to Prima &amp; Pelgen factories, Morobe Av</td>
<td>2011</td>
</tr>
<tr>
<td>Taraka 1</td>
<td>- T off” to W/board pumps and Unitech Admin up-rated to Saturn</td>
<td>2011</td>
</tr>
<tr>
<td>Taraka feeder 2</td>
<td>- up-rate from intersection before SS88 &amp; SS203 up to Igam, Bumayong and Telekom Coll. From Telekom College to IFC Malahang replace Cherry. Also up-rate intersection line to SS186 West Taraka.</td>
<td>2011</td>
</tr>
<tr>
<td>Taraka feeder 4</td>
<td>- “T off” line to ABS36, ABS 20 to ABS 103 and also &quot;T off” line to Barlow Industries and Nestle Fact. Replaced with Saturn.</td>
<td>2011</td>
</tr>
<tr>
<td>Taraka feeder 5</td>
<td>- replaces Banana from 6-11mile &amp; Nari Bubia Poultry (Wau Bulolo H/way) with Saturn</td>
<td>2011</td>
</tr>
<tr>
<td>ABS' and Switch gears up-rated</td>
<td>ABS 123 (Milford 2 and 3), ABS52 (Milford 2 and Tka 4), ABS29 (Milford 2 and 5), ABS103 (Milford 2 and Tka 4), ABS21 (M5/Tka 3), ABS13 (M1/M4), ABS154 (Tka3-Tka5), ABS138 (Tka 3-Tka4), ABS115 (Tka 3-Tka 4) upgraded to 630Amps or more breaking capability</td>
<td>2011</td>
</tr>
<tr>
<td>Replace CBs at Taraka</td>
<td>Old Reroll CBs at Taraka (1973 installed) to be replaced-66KV Buss tie and 508 line CBs are Reroll</td>
<td>2011</td>
</tr>
<tr>
<td>RAMU</td>
<td>602 line - improved bypasses from Gusap to Meiro (Madang)</td>
<td>2011</td>
</tr>
<tr>
<td>601 Ramu to Singsing</td>
<td>- construct Sinsing switchyard</td>
<td>2011</td>
</tr>
<tr>
<td>510 line</td>
<td>- redundancy using 22kV Line from Paunda to Dobel</td>
<td>2011</td>
</tr>
<tr>
<td>602 line</td>
<td>- 132kV operating voltage from Gusap to Meiro</td>
<td>2011</td>
</tr>
<tr>
<td>Taraka</td>
<td>- install 10MVA STATCOM</td>
<td>2011</td>
</tr>
<tr>
<td>Paunda</td>
<td>- upgrade capacitor bank to 5MVA</td>
<td>2012</td>
</tr>
<tr>
<td>Detailed option study</td>
<td>to be completed in 2011</td>
<td>2011/12</td>
</tr>
<tr>
<td>Arrangement and operating model</td>
<td>to be assessed by networks business unit in 2011</td>
<td>2011/12</td>
</tr>
<tr>
<td>Detailed option study</td>
<td>to be completed in 2011</td>
<td>2011/12</td>
</tr>
</tbody>
</table>
Schedule 17 - MID TERM REVIEW

At the mid-term review, the Regulator will review PNG Power’s spending using the following process:

a) Identify capital projects which have not been carried out and remove these from the RAB.

b) Identify imprudent and inefficient capital spending and remove this from the RAB.

c) Identify capital projects that have been delayed, but are still budgeted.

d) Identify capital projects which have been delivered earlier than planned.

e) Leave capital costs for prudent spending as budgeted even if actual costs were higher or lower.

f) Recalculate RAB for the contract period based upon the actual timing of projects and after removing undelivered projects or imprudent or inefficient spending.

g) Recalculate the return of capital amounts.

h) Recalculate the return on capital amounts.

i) Identify imprudent and inefficient operational spending and remove this from the revenue requirement.

j) Inflate all costs into 2015 values.

k) Recalculate the Revenue Requirement for the full five year period.

l) Recalculate the X factor for years 2016 and 2017 so that the NPV of the forecast revenue for the full contract period will be equal to the NPV of the revenue requirement as it would have been assessed using the assessed efficient capital spend.

For the avoidance of doubt:

a) The cost of budgeted capital projects is left unchanged, regardless of whether or not the actual cost of these projects is higher or lower than the amount budgeted.

b) Only capital projects where PNG Power has either failed to build the proposed infrastructure, or where PNG Power is judged by the Regulator to have spent capital imprudently and inefficiently, are removed.

c) The timing of projects will also be adjusted for, because the Regulator recognises that higher or lower demand may require a change in timing. The Regulator also wishes to give PNG Power some flexibility in its capital spending to ensure that they can deliver the required service levels specified by the contract.

d) For the purpose of clarification, the Regulator determines any capital projects which are funded by grants, budgetary subventions or by funds from the “Reliability Improvement Fund” will not be included in the RAB and appropriate adjustments will be made to the ‘X’ or smoothing factor to fairly reflect the economic benefit of the financial value differential between concessional loans and market priced loans.

PNG Power will maintain a list of capital assets which are listed in PNG Power’s asset register but will be excluded from future RAB calculations.
Executed by PNG Power Ltd

Chief Executive Officer's Signature

JOHN TANGIT

Print Name

Executed by the Independent Consumer and
Competition Commission

Dr. Billy Manoka, PhD
Commissioner & Chief Executive Officer

For and on behalf of the Independent Consumer and Competition Commission pursuant to section 35 of the
Independent Consumer and Competition Commission Act 2002

Director/Secretary's Signature

Monica Kaura

Print Name