Regulatory Annual Report 2015/16

In Compliance with the Reporting Requirements of Schedule 13 of the Electricity Concession Contract (I)

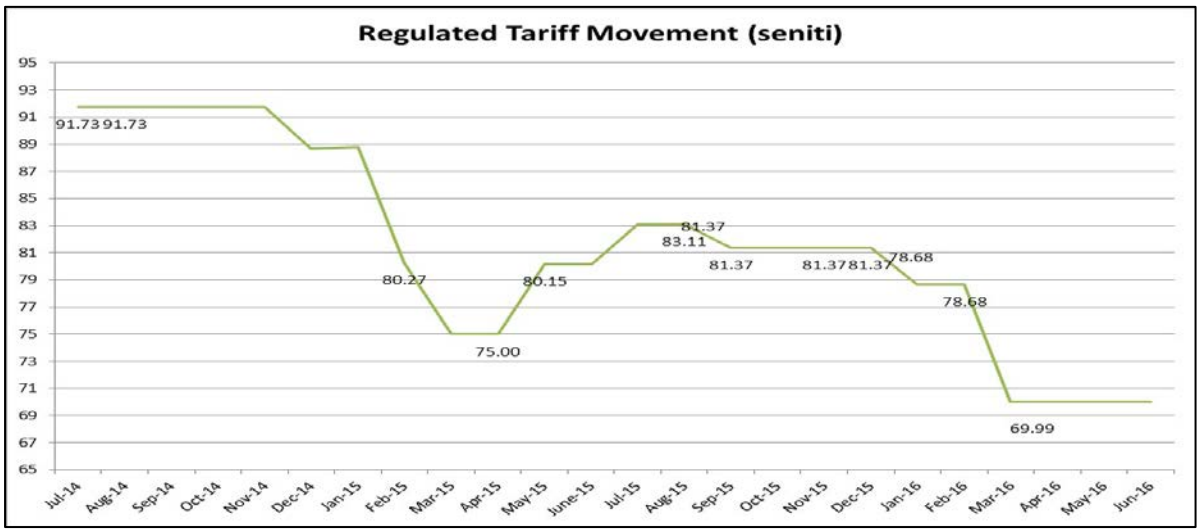
- February 2017 -

a. Regulated Tariff and Adjustments

Month	Fuel Component	Non Fuel Component	Total Tariff
Jul-14	48.56	43.17	91.73
Aug-14	48.56	43.17	91.73
Sep-14	48.56	43.17	91.73
Oct-14	48.56	43.17	91.73
Nov-14	48.56	43.17	91.73
Dec-14	45.52	43.17	88.69
Jan-15	45.02	43.77	88.79
Feb-15	36.50	43.77	80.27
Mar-15	31.23	43.77	75.00
Apr-15	31.23	43.77	75.00
May-15	36.38	43.77	80.15
June-15	36.38	43.77	80.15
Jul-15	38.86	44.25	83.11
Aug-15	38.86	44.25	83.11
Sep-15	37.12	44.25	81.37
Oct-15	37.12	44.25	81.37
Nov-15	37.12	44.25	81.37
Dec-15	37.12	44.25	81.37
Jan-16	34.33	44.35	78.68
Feb-16	34.33	44.35	78.68
Mar-16	25.64	44.35	69.99
Apr-16	25.64	44.35	69.99
May-16	25.64	44.35	69.99
Jun-16	25.64	44.35	69.99

TPL tariff (fuel & non-fuel) components are shown above for last two years. The non-fuel tariff was reset to 44.35 seniti per kWh for the period 2015-2020. The reduction in world diesel prices has resulted in an overall tariff reduction since December 2015 therefore contributing to lower power bills for our customers. It can be seen from the graph below that the tariff has decreased in the year 2015/16 compared to the year 2014/15.

Regulated Tariff Movement (seniti)



b. RAV Update as of June 2016

Description Period Two Nominal	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Opening RAV Book Value	$55,079,256					55,079,256
Generation Capital Expenditure	1,244,756					1,244,756
Distribution Capital Expenditure	3,091,881					3,091,881
Smart Grid	-					-
Office Computers & Equipment	31,925					31,925
Furniture & Fixtures	67,859					67,859
Tools & Equipment	134,725					134,725
Vehicles	597,224					597,224
Other Auxiliary Equipment	-					-
Land & Building	58,536					58,536
Renewables	431,187					431,187
Disposals and Retirements	(134,328)					(134,328)
Depreciation on Prior 2008 Period	-					-
Depreciation on Net Capex end of Period I	(2,503,603)					(2,503,603)
Depreciation Period Two Assets	(341,985)					(341,985)
Closing Estimated RAV	**$57,757,433**	**$0**	**$0**	**$0**	**$0**	**$57,757,433**

The above table shows a $5.658 million new capital expenditure for the year 2015/16 (Regulatory Period II), mainly Generation & Distribution which was attributed to the new switchgear purchased early this year and Distributed Network assets. The regulator has allowed TPL an amount of $42.06 million in capital expenditure for the Period-II Regulatory period however TPL have only expensed $5.6 million/11.9% (Pure CAPEX excluding depreciation and disposals) for Period II. Refer Appendix 1 for the RAV confirmation letter from KPMG auditor.

c. Capex Expenditure Undertaken

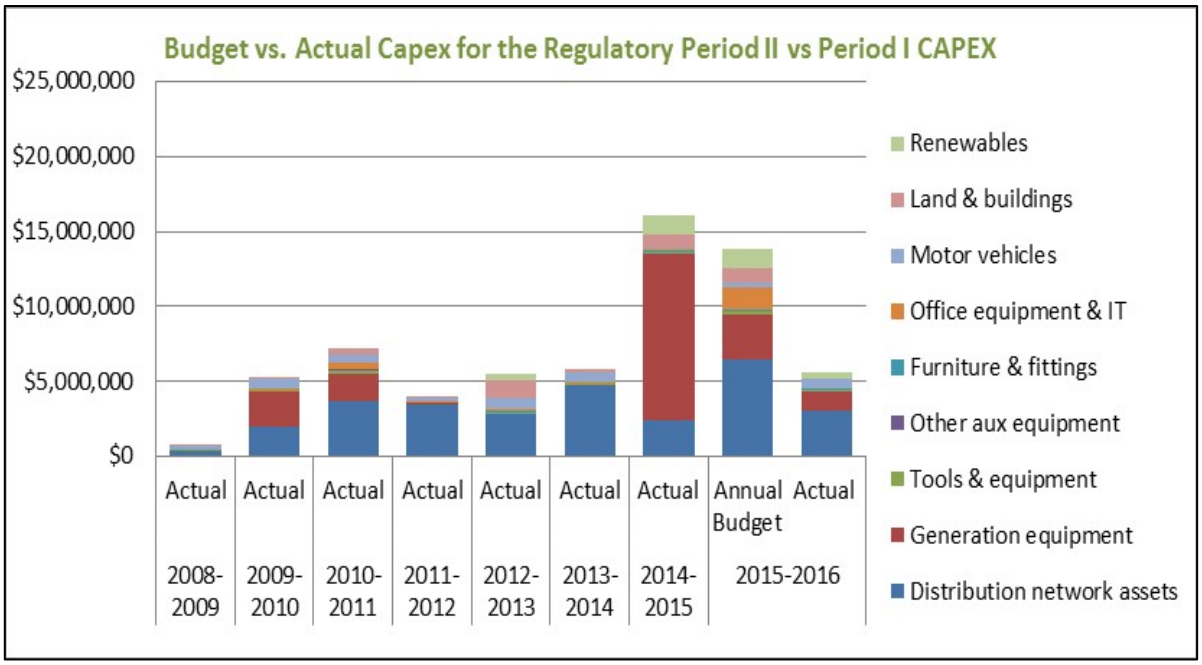
The table below shows the capex expenditure for the Regulatory Period II compared to the Total CAPEX for Regulatory Period I.

Description	2015-2016		2009-2015 Regulatory Period I
	Annual Budget	Actual	Grand Total
Distribution network assets	$6,426,417	$3,091,881	$19,497,077
Generation equipment	$3,049,000	$1,244,756	$15,444,165
Tools & equipment	$186,300	$134,725	$714,192
Other aux equipment	$0	$0	$128,098
Furniture & fittings	$127,270	$67,859	$129,875
Office equipment & IT	$1,490,790	$31,925	$991,316
Motor vehicles	$296,000	$597,224	$3,028,058
Land & buildings	$935,000	$58,536	$3,022,505
Smart Grid			$0
Renewables	$1,300,000	$431,187	$1,650,426
Total CAPEX	**$13,810,777**	**$5,658,093**	**$44,605,711**

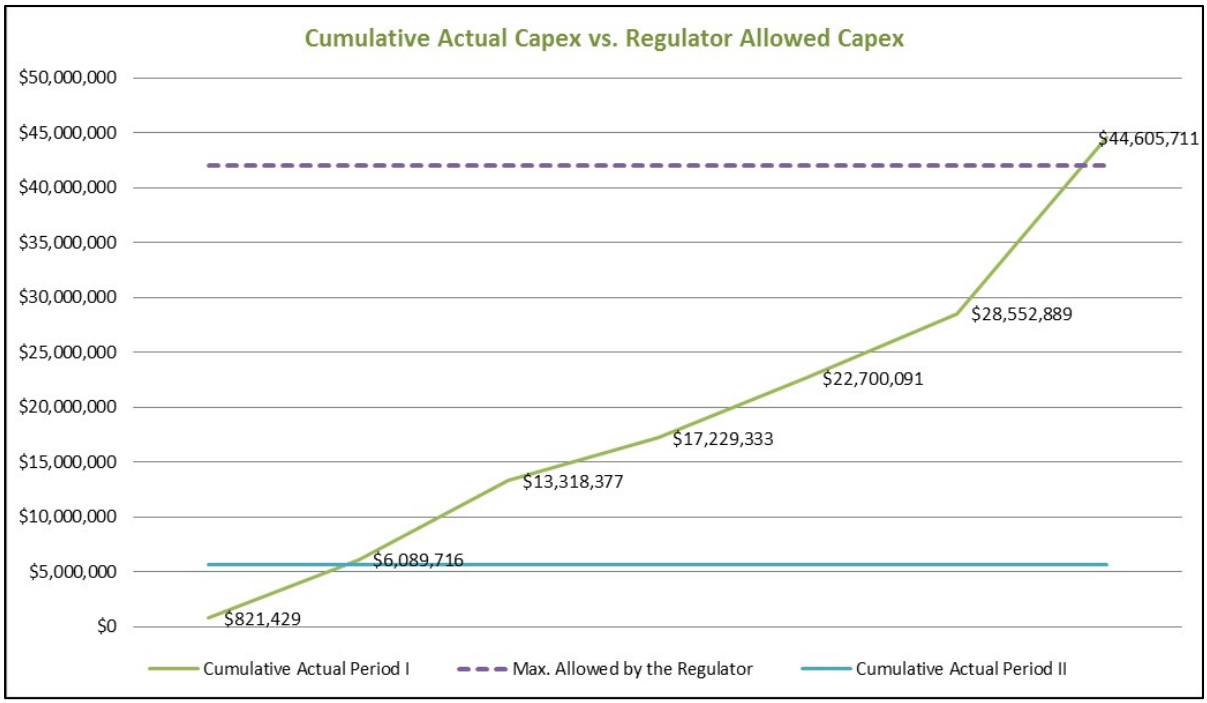
The total capex expenditure for 2015/16 was at $5.7 million which is $8.1 million below budget. The variances were mainly in the Distribution and Generation Division as most of the budgeted for CAPEX were either not fully utilised during the year or defer to the next financial year 2016/17. This includes the building of new office space for central control of $0.5 million which was not done, a $0.6 allocated for generator replacement which was being refurbished at a lower cost as well as the $2.3 million allocated for the Smart Meter Project is being carried forward to the following year. Note that Capital Work In Progress (WIP) is not part of the Actual CAPEX Spent.

Total CAPEX as at end of the Regulatory Period I at $44.6 million.

The graph below shows the Budgeted vs Actual CAPEX for the regulatory Period-II (Annual Budget & Actual 2015-2016) vs Period I CAPEX (Actual 2008-2015) graphically.



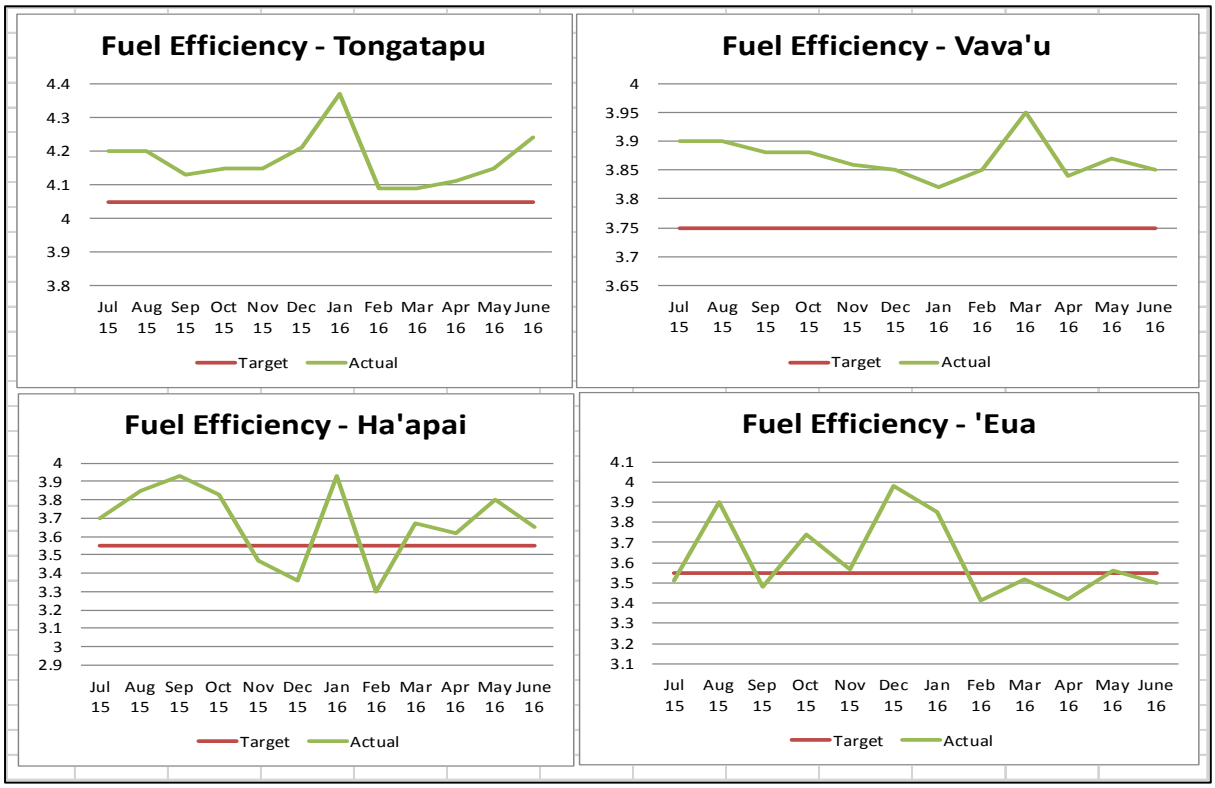
The graph below shows the maximum capex allowed by the regulator for Period II Regulatory period and how TPL have invested in capex thus far as at June 2016. The maximum capex allowed by the regulator is $55 million for the end of Period I Period and $42.06 million by the end of the Regulatory Period II. However, TPL have only spent about $44 million as at June 2015 which is the end of Regulatory Period I and about $5.8 million for the first year of Period II.



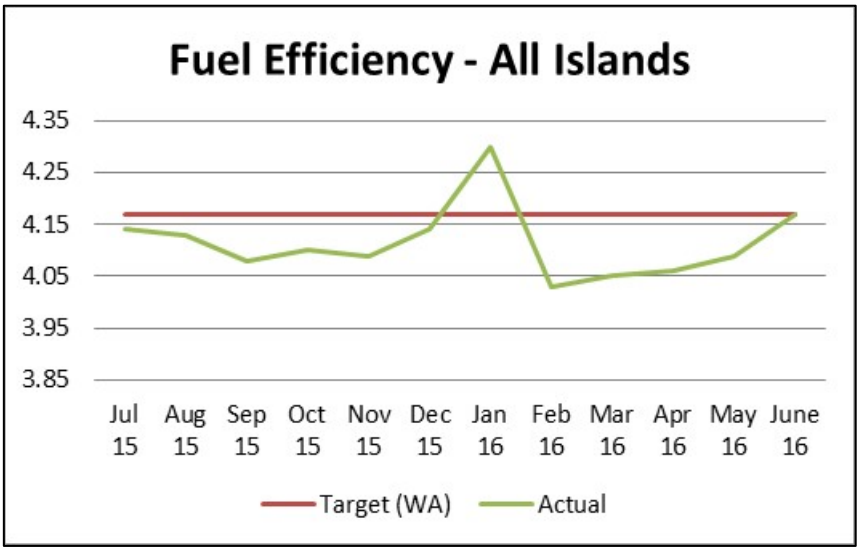
d. Performance Report (Efficiency, Service, Metering or other Standards)

a. Fuel Efficiency & System Loss Targets

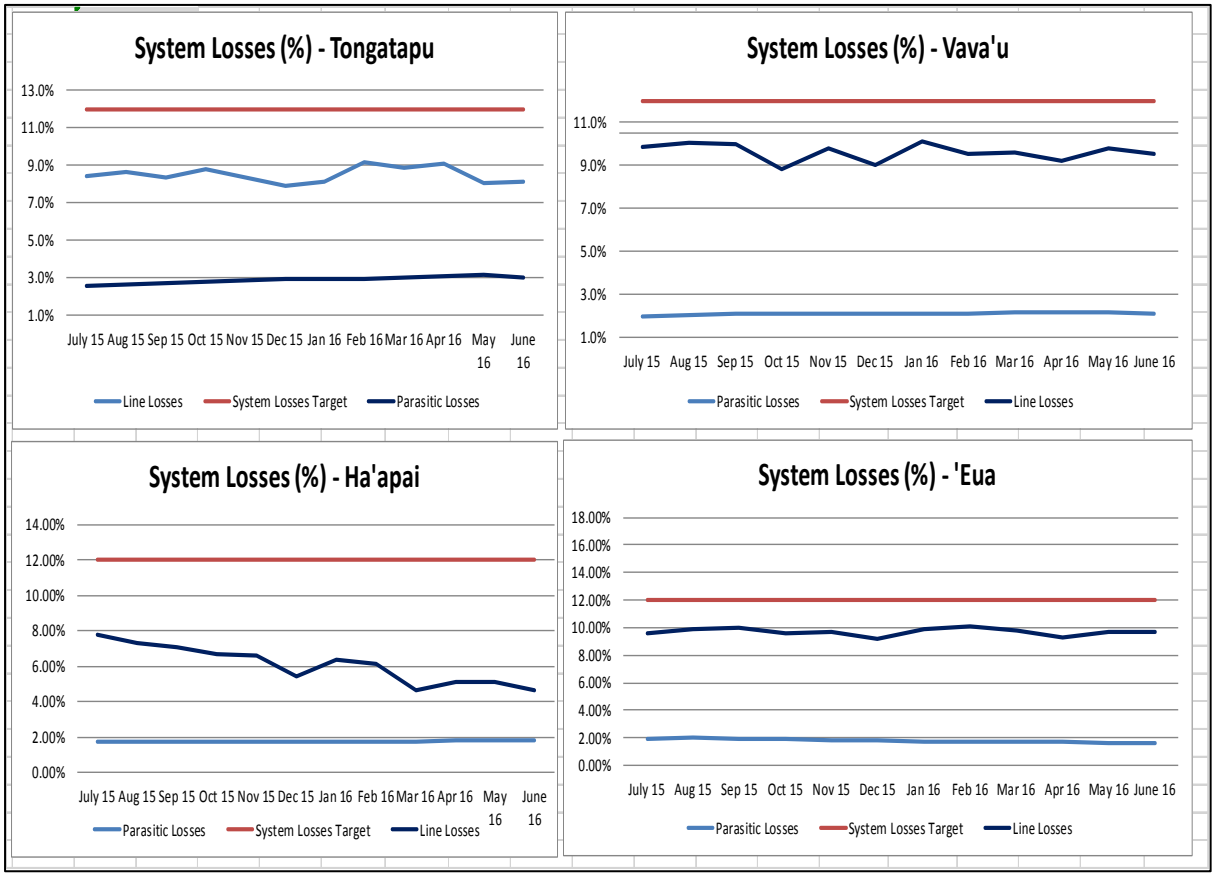
Fuel efficiency measures for Ha'apai and 'Eua have been erratic around the target values. This is mainly due to low load factors applied in the morning. Tongatapu and Vava'u have higher efficiencies due to their larger generators (running at higher efficiencies) which operate more efficiently compared to Ha'apai and 'Eua.



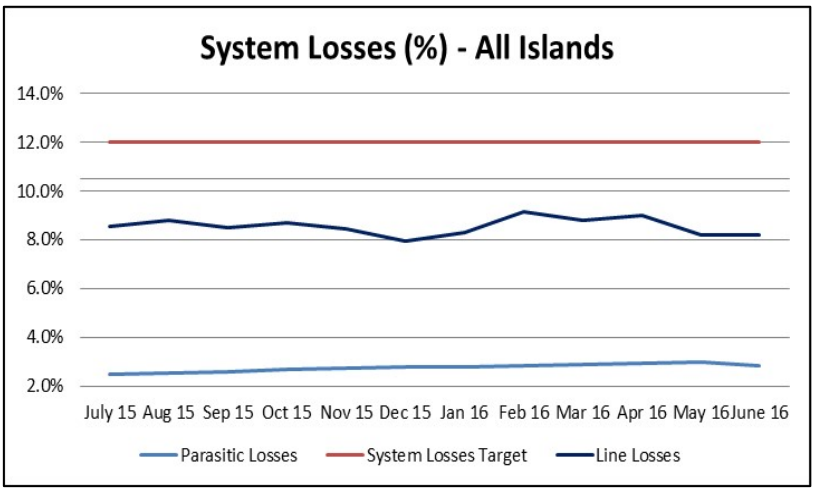
All island fuel efficiency ratios are slightly under the weighted average target of 4.00 KWh/L throughout the period July 2015 – June 2016 except in January 2016.



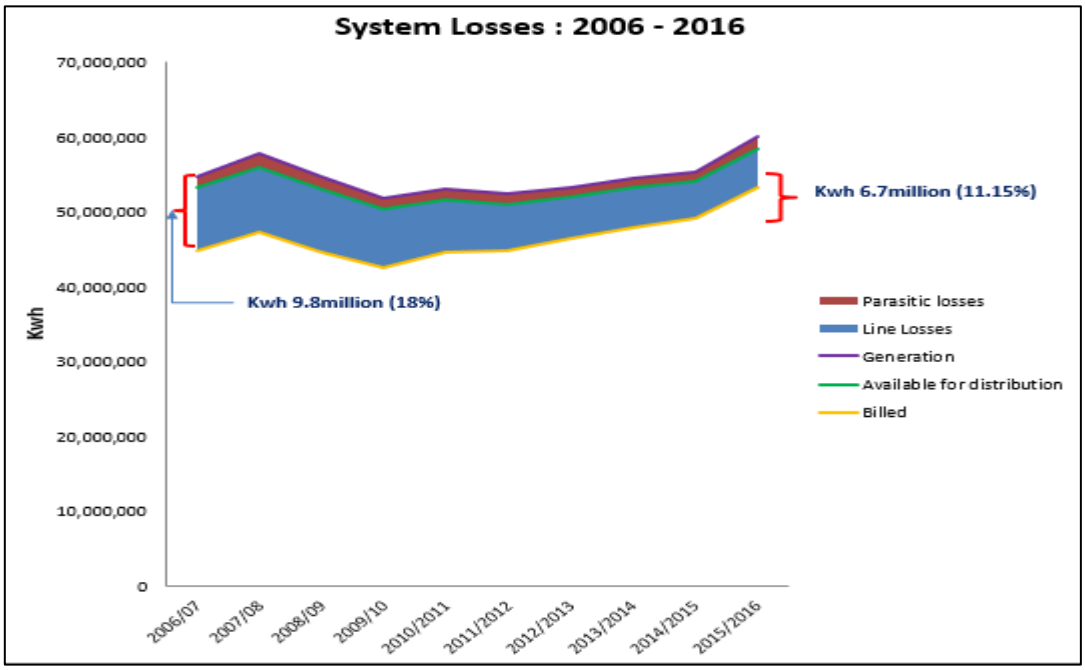
Tongatapu system losses continue to remain below the regulatory level of 12.0% mainly due to the Tonga Village network upgrade project. Vava'u losses also have decreased after November, 2014 due to continous improvements to the network that includes the work after Cyclone Winston in 2016. Ha'apai losses significantly improved and continue to remain low after the Cyclone Ian Recovery project. 'Eua losses are also trending downwards and remain generally stable due to improvements to the distribution network.



All island system losses continue to remain generally below the regulatory limit of 12.0% as per the graphs shown below. These figures are largely driven by system loss reductions in Tongatapu, Vava'u and Ha'apai due to Tonga Village Network Upgrade Project and improvements to networks in outer islands.



Since 2006, the overall system losses for all four grid island system have decreased by about 32.2% which is a decline from about 18% in 2006 to around 11% in 2016. In dollar terms, this is about $4.0 million saving achieved throughout the ten year period.



b. Service Standards Performance

A – Customer Specific Standards

TPL comply with all the fourteen (14) service standards except one (1) of the performance targets specified in the Schedule 2 of the Electricity Concession Contract which is the A4 (Testing of Voltage Stability) Standard. Voltage Stability requirement is partially complied with and is discussed in detail under *"Breach of Service and Other Standards"* section.

SERVICE & METERING STANDARDS (01 JULY, 2015 TO 31 JUN, 2016)				
Obligation	**Verifier**	**Obligation description**	**Level of compliance**	**Comments**
A1 Service standards - Connections	Seti Chen	Connection to supply for connection points within 30 meters of the road frontage (when no network extension or the installation/upgrade of a transformer is required). If the Commission must approve a connection under any applicable regulation, the Performance Measure applies after it is approved. i) Maximum time to connect a customer after the customer's payment has been received - when electricity supply and meter are already installed. 4 working days	Complies	Fine
A1 Service standards - Connections	Seti Chen	Connection to supply for connection points within 30 meters of the road frontage (when no network extension or the installation/upgrade of a transformer is required). If the Commission must approve a connection under any applicable regulation, the Performance Measure applies after it is approved. ii) Maximum time to connect a customer after the customer's payment has been received - when service drop and meter need to be installed 10 working days	Complies	Fine
A1 Service standards - Connections	Seti Chen	Connection to supply for connection points between 30 and 250 meters (when no network extension or the installation/upgrade of a transformer is required). If the Commission must approve a connection, the Performance Measure applies after it is approved. i) Maximum time to provide works estimate 10 working days	Complies	Fine
A1 Service standards - Connections	Seti Chen	Connection to supply for connection points between 30 and 250 meters (when no network extension or the installation/upgrade of a transformer is required). If the Commission must approve a connection, the Performance Measure applies after it is approved. ii) Maximum time to complete construction - after customer acceptance of estimate and payment 20 working days	Complies	Fine
A1 Service standards - Connections	Steven 'Esau	Disconnection of supply due to overdue payments Minimum notification given prior to disconnection. Notification includes a widespread reminder in the media, so long as notice of the disconnection period is given on the previous bill. 5 working days	Complies	Fine
A1 Service standards - Connections	Steven 'Esau	Reconnection after payment of overdue amounts and reconnection fee (note that reconnection fee must be received before 2pm or time begins from 2pm the following working day). If a connection permit is required from the Commission under any applicable regulation then time begins once the permit is approved. Maximum time to restore supply after payment is made: i) Urban areas 1 working day	Complies	Fine
A1 Service standards - Connections	Steven 'Esau	Reconnection after payment of overdue amounts and reconnection fee (note that reconnection fee must be received before 2pm or time begins from 2pm the following working day). If a connection permit is required from the Commission under any applicable regulation then time begins once the permit is approved. Maximum time to restore supply after payment is made: ii) Rural areas 2 working days	Complies	Fine
A2 Service standards - Customer Service and Billings	Steven 'Esau	Billing punctuality Maximum time for first bill to be delivered after service connection 50 calender days	Complies	Fine
A2 Service standards - Customer Service and Billings	Steven 'Esau	Billing period Maximum time between bills 45 Calender days	Complies	Fine
A2 Serivce standards - Customer Service and Billings	Steven 'Esau	Response to customers' queries Maximum time to respond to a customer's query 5 working days	Complies	Fine
A3 Service standards - Continuity of Supply	Seti Chen	Temporary disconnection of supply for maintenance or other works Minimum notification prior to disconnection. Notification must include a minimum of four advertisements in widespread media, including one advert in the day prior to the shutdown. 4 notices Number of Notices = 4, First Notice at least 5 working days prior, at least 1 notice the day before	Complies	Fine
A3 Service standards - Continuity of Supply	Seti Chen	Response to emergency and service calls (single events affecting the distribution system), other than where more than 5 Customers are affected Maximum time to restore supply to all affected customers 2 working days	Complies	Fine
A4 Service standards – Testing of voltage stability	Seti Chen	Responding to a request by Customer under clause 5.10 relating to voltage fluctuations Maximum period to complete a spot check of the Customer's voltage after a Customer request 5 working days	Complies	Fine
A4 Service standards – Testing of voltage stability	Seti Chen	Responding to a request by Customer under clause 5.10 relating to voltage fluctuations. Following a Customer request, maximum time to complete voltage sampling for at least 24 hours 10 Working days	Complies	Fine
A4. Service standards - Testing of voltage stability	Pesalili Tohi	Customer-specific Voltage stability (tested in response to request by a Customer under clause 5.10) Voltage to be measured at the demarcation point. In respect of each sample, fluctuations in long duration voltage (greater than 60 seconds) outside of a nominal voltage , in urban areas only. The voltage standard relates to the demarcation point between network and the customer installation which is at the point of entry to the customer's building unless otherwise agreed. Single phase: +/- 10%; Three phase +/-5%	Partially Complies	Refer section "Breach of Service and Other Standards"
C. Metering reporting standards	Seti Chen	Frequency of meter testing Report on the percentage of Customers' meters that are tested for accuracy or replaced annually. Report required	Complies	Fine

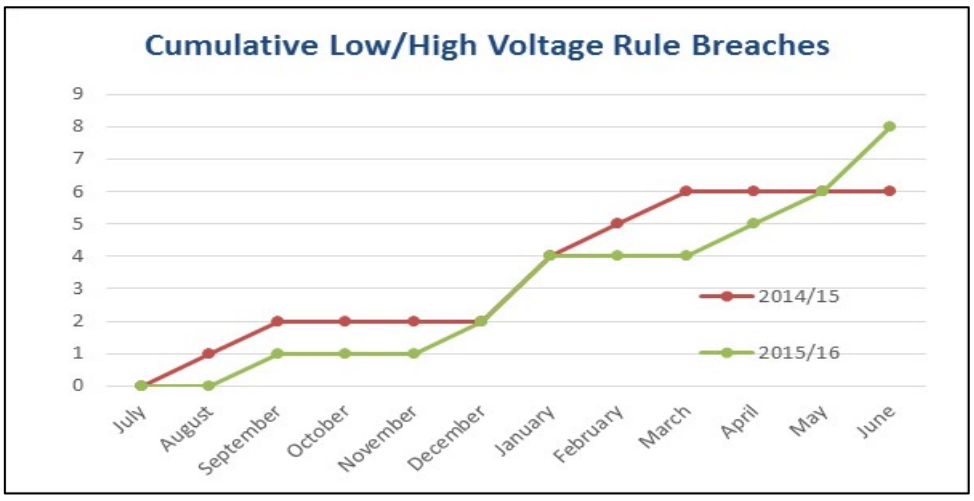
B - Metering Reporting Standards

TPL has complied with these standards fully throughout 2015/16. A summary report of the number of meters tested and faulty meters replaced is shown in the following table.

Description	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
New Connections Installed	55	42	74	51	39	65	40	48	43	59	59	49
Meters removed	59	5	19	6	46	0	2	17	23	26	10	7
Long disconnections reconnected	21	21	21	26	12	29	19	13	11	16	26	20
Meters transferred to other premises	6	4	5	6	0	2	5	2	2	9	5	4
Meter Assessment completed	0	1	2	0	1	0	0	2	0	0	0	1
Meter Bypass (tampering) found	0	1	2	2	1	0	3	0	1	0	1	0
Change Three Phase Meter to a CT Type	0	0	0	0	0	0	0	3	0	0	0	0
Replace Faulty Meter Single Phase	26	34	16	16	14	3	29	0	58	32	9	66
Replace Faulty Meter Three Phase	0	0	0	0	0	0	1	0	0	0	0	1
Replace Faulty Meter CT Type	0	0	0	0	0	1	0	0	0	1	0	1
Test Meter for Customer on Site	1	0	0	0	3	0	1	0	3	3	1	1
Upgrade single phase to three phase	0	0	0	0	0	1	0	0	0	0	0	0
Customer Complaint	0	4	1	1	1	0	0	0	6	3	1	3
meter reconnection	0	1	0	1	1	0	0	0	0	0	0	0
separate meter	0	1	0	0	1	0	0	2	0	0	0	0
meter hire	0	0	0	0	0	0	1	0	0	0	0	0

C - Details of Breaches in Service Standards

As described in section (A) above, TPL were partially compliant with the A4 (voltage stability) standards eight times throughout the 2015/16 period, compared to six in the previous year (refer the graph below).



There were 94 other low voltage complaints in which TPL has addressed the fault but has not paid any compensation to affected customers. It is noted that the network upgrade project are yet to reach villages of these affected customers. However 2 of these 94 low voltage complaints occurred in Hihifo (network been upgraded) therefore TPL will compensate customers by credit the $30 penalty into their respective power accounts by March 2017.

The details of the breaches where damage appliances involved are shown in the table below. Detail reports on these incidents is attached (Appendix 2).

Rule Breaches Under The Concession Contract

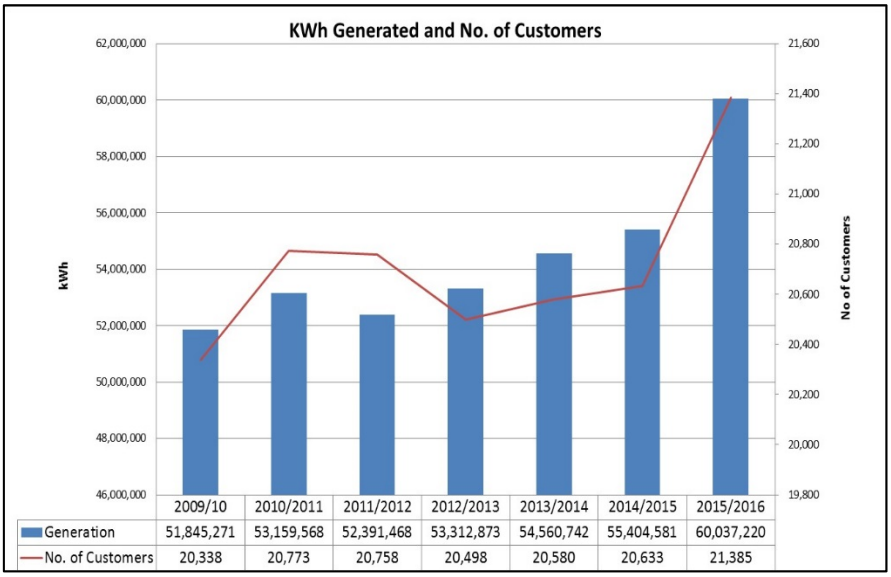
Month	Description	Voltage (Measured Prior to Remedial Action)	Customers Affected	Names	Remedial Action	Breach of ECC Limits: Upper: 253V Lower: 207V	Compensation date
Sep-15	Customers from Ahononou appliances were damaged due to the phase of the service line being broken from the LV line due to windy weather. This has caused Power to go OFF thus damaged most of these customer appliances.	Below the 207 Voltage requirement Single Phase	7	Talisa 'Inoke, Ma Latai, Samuela He, 'Aisea Sauaki, Kolo Napa'a, Tevita Fifita, Melelola 'Ofa Vakalahi	Separate the service line from the LV line then cover the shorted part separately	Yes	None - causes of fault was beyond TPL control i.e. weather.
Dec-15	Loose neutral on a three phase supply to Tonga side school has been disconnected. This results in the voltage between the three phase to fluctuate, damaging some of the appliances. Some customers experienced low voltage and other experienced high voltage.	168V to 269V ThreePhase	1	Tonga Side School	Use an appropriate Insulation Piercing Connector (IPC) to connect the neutral back again	Yes	None
Jan-16	A short circuit where phase and neutral was shorted at the low voltage line causes appliances to burnt at Fagaloto.	Fluctuate below and above the voltage requirement	1	Jessica Fry Afeaki	Turn power off to reconnect neutral to the transformer	Yes	14 June 2016
Apr-16	Customers claimed that their appliances was burnt when the power was on and off, fluctuated at times and some experiences low voltage. The connection of the line neutral and the LV bushing of neutral at the transformer loose and spark, T7033 causes the appliances to burn.	Fluctuate below and above the voltage requirement	11	Faingata'a Vaitaki, Feliuaki Palu, Finau Mafi, Finau Malakai, Mapele Mafi, Feliuaki Palu, Mula Afemui, Siaosi Fine, Sione Fotuaika, Sione Misa Fangaloa, Veleveni Siale	Turn power off to repair the broken neutral. Upgrage to the transformer to the area together with tree cutting done	Yes	25 August 2016
May-16	Power was over current release, fluctuated at times and also experieces low voltage. The connection of the line neutral and the LV bushing of neutral at the transformer loose and spark, T7041 causes the appliances to burn.	Below the 207 Voltage requirement Single Phase	6	Lauaki Fisi'ihoi, Halai Fualao, Kasimoana Fifita, Selu Alo, Lava Simipata, 'Ofa Koloi	Turn power off to repair the broken neutral. Upgrage to the transformer to the area together with tree cutting done	Yes	25 August 2016
June-16	Neutral wire at the transformer bushing has been broken from the bushing causing voltage fluctuations and causes damage to customer appliances.	Fluctuate below and above the voltage requirement	1	Sipekai Luani & others at the ACT School which is currently work in progress	Turn power off to reconnect neutral to the transformer	Yes	16 August 2016 (Siepakai Luani only, ACTS customer are still work in progress)

D – Penalties/Compensations Paid to Customer/EC

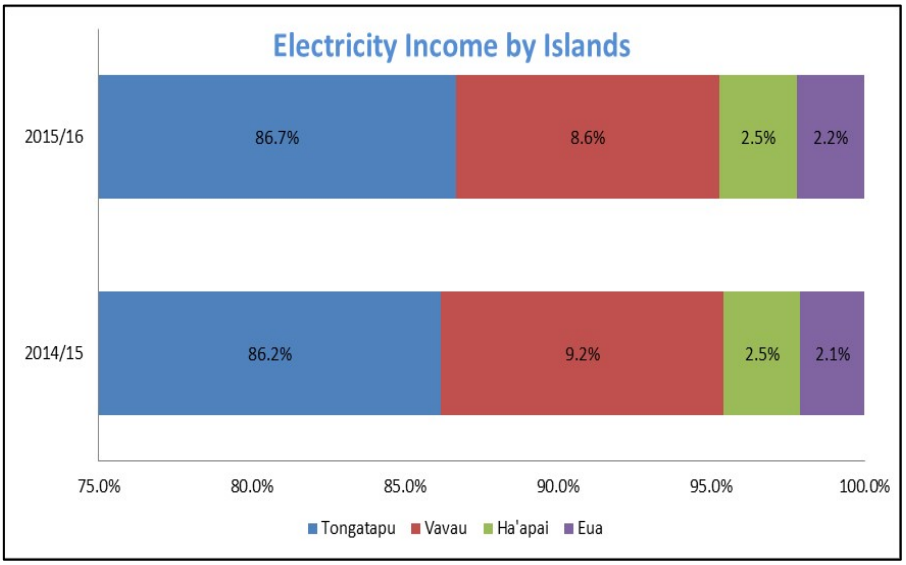
The penalties/compensation paid to the customers for the breach of the above voltage stability standards is about $9,200.00 for the reporting period. No penalties were paid to Electricity Commission during the 2015/16 period.

e. KWh Invoiced and Regulated Revenue

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



The graph below shows the breakdown of revenue compared to last year. About 87% of the revenue was earned in Tongatapu and 9% earned in Vava'u, with 3% and 2% earned in Ha'apai and 'Eua respectively which is generally in line with the income level in the last financial year.



The following table's show kWh invoiced and regulated revenue earned for each island on a monthly basis from July 2015 to June 2016.

Month	Tongatapu		Vava'u		Ha'apai		'Eua		Total	
	kWh Invoiced	Revenue	kWh Invoiced	Revenue	kWh Invoiced	Revenue	kWh Invoiced	Revenue	kWh Invoiced	Revenue
Jul-15	3,646,725	3,345,140.84	408,040	339,122.04	108,735	90,369.66	97,866	81,336.43	4,261,366	3,855,968.98
Aug-15	3,259,505	2,989,943.94	364,205	302,690.78	102,892	85,513.54	86,366	71,778.78	3,812,968	3,449,927.04
Sep-15	3,484,566	3,196,392.39	389,699	317,098.08	110,243	89,704.73	91,451	74,413.68	4,075,959	3,677,608.88
Oct-15	3,681,381	3,376,930.79	427,605	347,942.19	119,476	97,217.62	99,454	80,925.72	4,327,916	3,903,016.32
Nov-15	3,376,755	3,097,497.36	349,628	284,492.30	94,621	76,993.11	89,760	73,037.71	3,910,764	3,532,020.48
Dec-15	4,362,419	3,869,029.41	444,643	361,806.01	121,504	98,867.80	112,712	91,713.75	5,041,278	4,421,416.98
Jan-16	3,828,081	3,398,953.12	326,670	257,023.96	109,450	86,115.26	89,801	70,655.43	4,354,002	3,812,747.76
Feb-16	4,036,390	3,240,010.25	363,493	285,996.29	115,126	90,581.14	100,234	78,864.11	4,615,243	3,695,451.79
Mar-16	4,413,300	3,309,975.00	371,725	260,170.33	133,910	93,723.61	103,718	72,592.23	5,022,653	3,736,461.16
Apr-16	3,828,926	2,871,694.50	392,303	274,572.87	105,372	73,749.86	102,207	71,534.68	4,428,808	3,291,551.91
May-16	4,206,947	3,371,868.02	381,546	267,044.05	115,801	81,049.12	100,457	70,309.85	4,804,751	3,790,271.04
Jun-16	4,117,957	3,300,542.54	355,774	249,006.22	114,432	80,090.96	98,064	68,634.99	4,686,227	3,698,274.71
Total	**46,242,952**	**39,367,978.16**	**4,575,331**	**3,546,965.11**	**1,351,562**	**1,043,976.41**	**1,172,090**	**905,797.37**	**53,341,935**	**44,864,717.06**

ALL FOUR ISLANDS		
Month	**kWh Invoiced**	**Revenue**
Jul-15	4,261,366	3,855,968.98
Aug-15	3,812,968	3,449,927.04
Sep-15	4,075,959	3,677,608.88
Oct-15	4,327,916	3,903,016.32
Nov-15	3,910,764	3,532,020.48
Dec-15	5,041,278	4,421,416.98
Jan-16	4,354,002	3,812,747.76
Feb-16	4,615,243	3,695,451.79
Mar-16	5,022,653	3,736,461.16
Apr-16	4,428,808	3,291,551.91
May-16	4,804,751	3,790,271.04
Jun-16	4,686,227	3,698,274.71
Total	**53,341,935**	**44,864,717.06**

f. Insurance Update

A high level summary of the TPL's insurance policy information is shown below, which shows TPL compliance with Clause 9.1 of the Regulatory Addendum. Reference can also be made to TPL Insurance Policy Update 2015/16 already submitted to EC office for further breakdowns and details.

INSURANCE REQUIREMENTS (ECC)

Insurance Cover - The Concessionaire at all times shall maintain with a reputable Underwriter Insurance that is sufficient to cover, at a minimum:

(a) Loss or damage to such Generation and Distribution assets of the Electricity Business, as from time to time may be agreed in writing between the Concessionaire and the Commission;

Category	Inclusions	Insurance Basis	Sum Insured TOP$	Exclusions	Excess TOP$
Distribution	Transformers, fuses & switches	Indemnity Value	3,091,485 (max liability any one item $1M)	Transmission and distribution lines beyond 1,000 meters from main generation plant	50,000 for general perils. Some sub limits have lower excesses. Natural disaster perils excesses are a % of the sum insured per situation subject to a min TOP 200K.
Generation	Plant & machinery	Indemnity Value	37,450,000	Detailed in the Policy	50,000 for general perils. Some sub-limits have lower excesses. Natural disaster excesses are a % of the sum insured per situation subject to a min TOP 200K.
RE (Popua, Vava'u, Vaini, School solar systems)	Material damage	Indemnity Value	33,775,275	Detailed in the policy	200,000 for general perils. Some sub-limits have lower excesses. Natural disaster excesses are a % of the sum insured per situation subject to a min TOP 200K.

Note: Indemnity values may be less than replacement costs.

(b) Loss or damage to all other assets of the Electricity Business (except motor vehicles) of an amount equal to or greater than the replacement cost of all said assets;

Category	Inclusions	Insurance Basis	Sum Insured TOP$	Exclusions	Excess TOP$
Buildings (All islands)	Unforeseen accidental physical damage	Indemnity Value	2,742,000	Detailed in the policy	50,000 for general peril. Some sub-limits have lower excesses. Natural disaster excesses are a % of the sum insured per situation subject to a min TOP 200K.
Domestic Dwelling	Unforeseen accidental physical damage	Indemnity Value	400,000	Detailed in the policy	1,000 for general perils. Natural disaster perils

(Ha'apai & 'Eua)					excesses are 2% of the sum insured per situation subject to a min of TOP 1,000.

Note: Indemnity values may be less than replacement costs.

(c) Comprehensive motor vehicle cover for all motor vehicles owned or used by the Concessionaire of an amount equal to or greater than the replacement cost of all said vehicles;

Category	Inclusions	Insurance Basis	Sum Insured TOP$	Exclusions	Excess TOP$
Physical loss or damage, fire, theft, third party property damages and bodily injury	Unforeseen accidental physical damage (Third Party Property Damage & Third Party Bodily Harm)	Indemnity Value	500,000 for Property Damage and 500,000 for Bodily Damage	Driving under alcohol & drugs and as detailed in the policy	1,000 each and every claim. Natural disaster excesses are 5% of the vehicle sum injured subject to a min TOP 1,000.

Note: Indemnity values may be less than replacement costs.

(d) Business Interruption Costs for an amount reasonable for a comparable business;

Category	Inclusions	Insurance Basis	Sum Insured TOP$	Exclusions	Excess Days
Diesel generation & retail	Gross profit, Increased cost of working and claims preparation costs	Indemnity Value	13,270,000	Detailed in the policy	30
RE generation & retails	Same as above	Indemnity Value	Same as above	Detailed in the policy	Same as above

(e) Third Party claims for loss or damage to property, or for death or personal injury, for an amount reasonable for a comparable business;

Category	Inclusions	Insurance Basis	Sum Insured NZ$	Exclusions	Excess NZ$
General Liability	General Indemnity	Indemnity Value	5,000,000	Liability resulting from any TPL's errors and omissions	50,000 each and every occurrence inclusive of costs and expenses

General Liability	Products	Indemnity Value	5,000,000		50,000 each and every occurrence inclusive of costs and expenses

(f) Loss of Money, for an amount reasonable for a comparable businesses;

Category	Inclusions	Insurance Basis	Sum Insured TOP$	Exclusions	Excess TOP$
In transit, on premises during business hours in safe	NA	Indemnity Value	150,000	NA	2,500 unless stated
In personal custody	NA	Indemnity Value	25,000	NA	2,500 unless stated
Outside business hours not in safe	NA	Indemnity Value	5,000	NA	2,500 unless stated

(g) Fidelity guarantee insurance for all staff handling money;

Category	Inclusions	Insurance Basis	Sum Insured TOP$	Exclusions	Excess TOP$
Fidelity Guarantee	NA	Indemnity Value	Replacement value which can be reinstated following a loss. Limit of 100,000 per employee p/annum.	Detailed in the policy	2,500

(h) Death or personal injury to employees in the course of their employment;

Category	Inclusions	Insurance Basis	Sum Insured TOP$	Exclusions	Excess TOP$
Life Insurance	5 x Annual Salary + TOP 20,000 to cover last expenses	Indemnity Value	Up to 1,360,000 (for employees) Up to 500,000 (for directors)	HIV, Suicide, Civil unrest, war, alcohol & drugs	NIL

Personal Accidents	A- 1xAnnual Salary (disablement) B-80% weekly earning (Injury) C-80% weekly (sickness)	Indemnity Value	A. 1,000,000 B. 3,000 C. 3,000		Not specified

(i) In place of the foregoing, or any part thereof, such cover as is agreed in writing from time to time between the Concessionaire and the Commission.

Note that the above reflects that the Insurance Policies cannot assume all probable risks inherent in all TPL assets in addition to the assessment of risks of possible or historical damage/loss in all TPL assets arising out of any one event as per Willis Insurance Policy requirement. High premium may also be required as a result. For further details, refer attached Insurance Policy Manual.

g. Auditor's Confirmation on RAV Calculation

KPMG auditor's letter confirming Regulated Asset Value (RAV) is attached. ***Refer Appendix 1.***

h. Details of Regulatory Fees

The details of the regulatory fees paid (inclusive of CT) by TPL for the financial year 2015/16 are shown in the following table.

Date Paid	Month	Amount Paid (CT Inclusive)	
01.07.2015	Jul-15	$	50,641.40
01.08.2015	Aug-15	$	50,641.40
01.09.2015	Sep-15	$	50,641.40
01.10.2015	Oct-15	$	50,641.40
02.11.2015	Nov-15	$	50,641.40
01.12.2015	Dec-15	$	50,641.40
01.01.2016	Jan-16	$	50,641.40
01.02.2016	Feb-16	$	50,641.40
01.03.2016	Mar-16	$	50,641.40
01.04.2016	Apr-16	$	50,641.40
02.05.2016	May-16	$	50,641.40
01.06.2016	Jun-16	$	50,641.40
TOTAL Amount		**$**	**607,696.80**

--END --