



**EDB Information Disclosure Requirements  
Information Templates  
for  
Schedules 1–10**

Company Name	<input type="text" value="Powerco Limited"/>
Disclosure Date	<input type="text" value="31 August 2022"/>
Disclosure Year (year ended)	<input type="text" value="31 March 2022"/>

Templates for Schedules 1–10 excluding 5f–5g  
Template Version 4.1. Prepared 21 December 2017

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## **Disclosure Template Instructions**

These templates have been prepared for use by EDBs when making disclosures under clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, and 2.5.2 of the Electricity Distribution Information Disclosure Determination 2012.

### ***Company Name and Dates***

To prepare the templates for disclosure, the supplier's company name should be entered in cell C8, the date of the last day of the current (disclosure) year should be entered in cell C12, and the date on which the information is disclosed should be entered in cell C10 of the CoverSheet worksheet.

The cell C12 entry (current year) is used to calculate disclosure years in the column headings that show above some of the tables and in labels adjacent to some entry cells. It is also used to calculate the 'For year ended' date in the template title blocks (the title blocks are the light green shaded areas at the top of each template).

The cell C8 entry (company name) is used in the template title blocks.

Dates should be entered in day/month/year order (Example -"1 April 2013").

### ***Data Entry Cells and Calculated Cells***

Data entered into this workbook may be entered only into the data entry cells. Data entry cells are the bordered, unshaded areas (white cells) in each template. Under no circumstances should data be entered into the workbook outside a data entry cell.

In some cases, where the information for disclosure is able to be ascertained from disclosures elsewhere in the workbook, such information is disclosed in a calculated cell.

### ***Validation Settings on Data Entry Cells***

To maintain a consistency of format and to help guard against errors in data entry, some data entry cells test keyboard entries for validity and accept only a limited range of values. For example, entries may be limited to a list of category names, to values between 0% and 100%, or either a numeric entry or the text entry "N/A". Where this occurs, a validation message will appear when data is being entered. These checks are applied to keyboard entries only and not, for example, to entries made using Excel's copy and paste facility.

### ***Conditional Formatting Settings on Data Entry Cells***

Schedule 2 cells G79 and I79:L79 will change colour if the total cashflows do not equal the corresponding values in table 2(ii).

Schedule 4 cells P99:P105 and P107 will change colour if the RAB values do not equal the corresponding values in table 4(ii).

Schedule 9b columns AA to AE (2013 to 2017) contain conditional formatting. The data entry cells for future years are hidden (are changed from white to yellow).

Schedule 9b cells AG10 to AG60 will change colour if the total assets at year end for each asset class does not equal the corresponding values in column I in Schedule 9a.

Schedule 9c cell G30 will change colour if G30 (overhead circuit length by terrain) does not equal G18 (overhead circuit length by operating voltage).

### ***Inserting Additional Rows and Columns***

The templates for schedules 4, 5b, 5c, 5d, 5e, 6a, 8, 9d, and 9e may require additional rows to be inserted in tables marked 'include additional rows if needed' or similar. Column A schedule references should not be entered in additional rows, and should be deleted from additional rows that are created by copying and pasting rows that have schedule references.

Additional rows in schedules 5c, 6a, and 9e must not be inserted directly above the first row or below the last row of a table. This is to ensure that entries made in the new row are included in the totals.

Schedules 5d and 5e may require new cost or asset category rows to be inserted in allocation change tables 5d(iii) and 5e(ii). Accordingly, cell protection has been removed from rows 77 and 78 of the respective templates to allow blocks of rows to be copied. The four steps to add new cost category rows to table 5d(iii) are: Select Excel rows 69:77, copy, select Excel row 78, insert copied cells. Similarly, for table 5e(ii): Select Excel rows 70:78, copy, select Excel row 79, then insert copied cells.

The template for schedule 8 may require additional columns to be inserted between column P and U. To avoid interfering with the title block entries, these should be inserted to the left of column S. If inserting additional columns, the formulas for standard consumers total, non-standard consumers totals and total for all consumers will need to be copied into the cells of the added columns. The formulas can be found in the equivalent cells of the existing columns.

***Disclosures by Sub-Network***

If the supplier has sub-networks, schedules 8, 9a, 9b, 9c, 9e, and 10 must be completed for the network and for each sub-network. A copy of the schedule worksheet(s) must be made for each sub-network and named accordingly.

***Schedule References***

The references labelled 'sch ref' in the leftmost column of each template are consistent with the row references in the Electricity Distribution ID Determination 2012 (as issued on 21 December 2017). They provide a common reference between the rows in the determination and the template.

***Description of Calculation References***

Calculation cell formulas contain links to other cells within the same template or elsewhere in the workbook. Key cell references are described in a column to the right of each template. These descriptions are provided to assist data entry. Cell references refer to the row of the template and not the schedule reference.

***Worksheet Completion Sequence***

Calculation cells may show an incorrect value until precedent cell entries have been completed. Data entry may be assisted by completing the schedules in the following order:

1. Coversheet
2. Schedules 5a–5e
3. Schedules 6a–6b
4. Schedule 8
5. Schedule 3
6. Schedule 4
7. Schedule 2
8. Schedule 7
9. Schedules 9a–9e
10. Schedule 10

Company Name **Powerco Limited**For Year Ended **31 March 2022****SCHEDULE 1: ANALYTICAL RATIOS**

This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination.

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

<b>1(i): Expenditure metrics</b>		Expenditure per GWh energy delivered to ICPs (\$/GWh)	Expenditure per average no. of ICPs (\$/ICP)	Expenditure per MW maximum coincident system demand (\$/MW)	Expenditure per km circuit length (\$/km)	Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)
Operational expenditure		20,714	293	104,924	3,575	29,629
Network		9,674	137	49,002	1,670	13,837
Non-network		11,040	156	55,923	1,906	15,792
Expenditure on assets		50,468	715	255,637	8,711	72,188
Network		47,501	673	240,609	8,199	67,944
Non-network		2,967	42	15,028	512	4,244
<b>1(ii): Revenue metrics</b>		Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)			
Total consumer line charge revenue		72,927	1,033			
Standard consumer line charge revenue		92,972	896			
Non-standard consumer line charge revenue		30,474	114,861			
<b>1(iii): Service intensity measures</b>						
Demand density		34	Maximum coincident system demand per km of circuit length (for supply) (kW/km)			
Volume density		173	Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)			
Connection point density		12	Average number of ICPs per km of circuit length (for supply) (ICPs/km)			
Energy intensity		14,166	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)			
<b>1(iv): Composition of regulatory income</b>						
			(\$000)	% of revenue		
Operational expenditure			103,455	29.36%		
Pass-through and recoverable costs excluding financial incentives and wash-ups			108,350	30.75%		
Total depreciation			93,441	26.52%		
Total revaluations			140,129	39.77%		
Regulatory tax allowance			13,947	3.96%		
Regulatory profit/(loss) including financial incentives and wash-ups			170,812	48.48%		
<b>Total regulatory income</b>			<b>352,367</b>			
<b>1(v): Reliability</b>						
Interruption rate			21.68	Interruptions per 100 circuit km		

Company Name	<b>Powerco Limited</b>
For Year Ended	<b>31 March 2022</b>

**SCHEDULE 2: REPORT ON RETURN ON INVESTMENT**

This schedule requires information on the Return on Investment (ROI) for the EDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. EDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If an EDB makes this election, information supporting this calculation must be provided in 2(iii).

EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

2(i): Return on Investment		CY-2	CY-1	Current Year CY			
		31 Mar 20 %	31 Mar 21 %	31 Mar 22 %			
<b>ROI – comparable to a post tax WACC</b>							
	Reflecting all revenue earned	6.97%	2.55%	8.10%			
	Excluding revenue earned from financial incentives	6.99%	2.52%	8.11%			
	Excluding revenue earned from financial incentives and wash-ups	7.00%	2.54%	8.13%			
<b>Mid-point estimate of post tax WACC</b>							
	25th percentile estimate	4.27%	3.72%	3.52%			
	75th percentile estimate	3.59%	3.04%	2.84%			
		4.95%	4.40%	4.20%			
<b>ROI – comparable to a vanilla WACC</b>							
	Reflecting all revenue earned	7.40%	2.88%	8.40%			
	Excluding revenue earned from financial incentives	7.41%	2.85%	8.41%			
	Excluding revenue earned from financial incentives and wash-ups	7.43%	2.88%	8.43%			
<b>WACC rate used to set regulatory price path</b>							
		7.19%	4.57%	4.57%			
<b>Mid-point estimate of vanilla WACC</b>							
	25th percentile estimate	4.69%	4.05%	3.82%			
	75th percentile estimate	4.01%	3.37%	3.14%			
		5.37%	4.73%	4.50%			
<b>2(ii): Information Supporting the ROI</b>		(\$000)					
	Total opening RAB value	2,053,806					
	plus Opening deferred tax	(74,816)					
	<b>Opening RIV</b>		1,978,990				
	<b>Line charge revenue</b>		364,228				
	Expenses cash outflow	211,805					
	add Assets commissioned	199,318					
	less Asset disposals	14,079					
	add Tax payments	162					
	less Other regulated income	(11,861)					
	<b>Mid-year net cash outflows</b>		409,068				
	<b>Term credit spread differential allowance</b>		2,492				
	Total closing RAB value	2,285,796					
	less Adjustment resulting from asset allocation	62					
	less Lost and found assets adjustment	-					
	plus Closing deferred tax	(88,600)					
	<b>Closing RIV</b>		2,197,134				
	<b>ROI – comparable to a vanilla WACC</b>			8.40%			
	Leverage (%)			42%			
	Cost of debt assumption (%)			2.55%			
	Corporate tax rate (%)			28%			
	<b>ROI – comparable to a post tax WACC</b>			8.10%			
<b>2(iii): Information Supporting the Monthly ROI</b>							
	<b>Opening RIV</b>			N/A			
		<b>Line charge revenue</b>	<b>Expenses cash outflow</b>	<b>Assets commissioned</b>	<b>Asset disposals</b>	<b>Other regulated income</b>	<b>Monthly net cash outflows</b>
	April						-
	May						-
	June						-

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 2: REPORT ON RETURN ON INVESTMENT**

This schedule requires information on the Return on Investment (ROI) for the EDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. EDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If an EDB makes this election, information supporting this calculation must be provided in 2(iii).

EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).

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sch ref							
70	July						-
71	August						-
72	September						-
73	October						-
74	November						-
75	December						-
76	January						-
77	February						-
78	March						-
79	<b>Total</b>						-
80							
81	<b>Tax payments</b>						N/A
82							
83	<b>Term credit spread differential allowance</b>						N/A
84							
85	<b>Closing RIV</b>						N/A
86							
87							
88	<b>Monthly ROI – comparable to a vanilla WACC</b>						N/A
89							
90	<b>Monthly ROI – comparable to a post tax WACC</b>						N/A
91							
92	<b>2(iv): Year-End ROI Rates for Comparison Purposes</b>						
93							
94	<b>Year-end ROI – comparable to a vanilla WACC</b>						8.27%
95							
96	<b>Year-end ROI – comparable to a post tax WACC</b>						7.97%
97							
98							
99							
100	<b>2(v): Financial Incentives and Wash-Ups</b>						
101							
102	Net recoverable costs allowed under incremental rolling incentive scheme						-
103	Purchased assets – avoided transmission charge						-
104	Energy efficiency and demand incentive allowance						-
105	Quality incentive adjustment						(479)
106	Other financial incentives						-
107	<b>Financial incentives</b>						(479)
108							
109	<b>Impact of financial incentives on ROI</b>						-0.02%
110							
111	Input methodology claw-back						-
112	CPP application recoverable costs						-
113	Catastrophic event allowance						-
114	Capex wash-up adjustment						(595)
115	Transmission asset wash-up adjustment						-
116	2013–15 NPV wash-up allowance						-
117	Reconsideration event allowance						-
118	Other wash-ups						-
119	<b>Wash-up costs</b>						(595)
120							
121	<b>Impact of wash-up costs on ROI</b>						-0.02%

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

### SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

<b>3(i): Regulatory Profit</b>		(\$000)
7	<b>Income</b>	
8	Line charge revenue	364,228
10	plus Gains / (losses) on asset disposals	(13,660)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	1,798
12		
13	<b>Total regulatory income</b>	352,367
14	<b>Expenses</b>	
15	less Operational expenditure	103,455
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	108,350
18		
19	<b>Operating surplus / (deficit)</b>	140,562
20		
21	less Total depreciation	93,441
22		
23	plus Total revaluations	140,129
24		
25	<b>Regulatory profit / (loss) before tax</b>	187,250
26		
27	less Term credit spread differential allowance	2,492
28		
29	less Regulatory tax allowance	13,947
30		
31	<b>Regulatory profit/(loss) including financial incentives and wash-ups</b>	170,812
32		
33	<b>3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups</b>	(\$000)
34	<b>Pass through costs</b>	
35	Rates	2,127
36	Commerce Act levies	630
37	Industry levies	1,245
38	CPP specified pass through costs	-
39	<b>Recoverable costs excluding financial incentives and wash-ups</b>	
40	Electricity lines service charge payable to Transpower	92,241
41	Transpower new investment contract charges	7,126
42	System operator services	-
43	Distributed generation allowance	4,980
44	Extended reserves allowance	-
45	Other recoverable costs excluding financial incentives and wash-ups	-
46	<b>Pass-through and recoverable costs excluding financial incentives and wash-ups</b>	108,350
47		



Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 3: REPORT ON REGULATORY PROFIT**

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		(\$000)	
		CY-1	CY
		31 Mar 21	31 Mar 22
48	<b>3(iii): Incremental Rolling Incentive Scheme</b>		
49			
50			
51	Allowed controllable opex	-	-
52	Actual controllable opex	-	-
53			
54	Incremental change in year		-
55			
		Previous years' incremental change	Previous years' incremental change adjusted for inflation
56			
57	CY-5 31 Mar 17	-	-
58	CY-4 31 Mar 18	-	-
59	CY-3 31 Mar 19	-	-
60	CY-2 31 Mar 20	-	-
61	CY-1 31 Mar 21	-	-
62	<b>Net incremental rolling incentive scheme</b>		-
63			
64	<b>Net recoverable costs allowed under incremental rolling incentive scheme</b>		-
65	<b>3(iv): Merger and Acquisition Expenditure</b>		
70			(\$000)
66	Merger and acquisition expenditure		-
67			
68	<i>Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)</i>		
69	<b>3(v): Other Disclosures</b>		
70			(\$000)
71	Self-insurance allowance		-

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

	for year ended				
	RAB 31 Mar 18 (\$000)	RAB 31 Mar 19 (\$000)	RAB 31 Mar 20 (\$000)	RAB 31 Mar 21 (\$000)	RAB 31 Mar 22 (\$000)
<b>4(i): Regulatory Asset Base Value (Rolled Forward)</b>					
Total opening RAB value	1,592,546	1,657,737	1,787,100	1,962,910	2,053,806
less Total depreciation	66,765	67,008	69,808	80,369	93,441
plus Total revaluations	17,321	24,327	44,763	29,063	140,129
plus Assets commissioned	123,688	185,313	208,182	184,197	199,318
less Asset disposals	9,200	12,096	7,414	42,007	14,079
plus Lost and found assets adjustment	-	-	-	-	-
plus Adjustment resulting from asset allocation	146	(1,173)	86	11	62
<b>Total closing RAB value</b>	<b>1,657,737</b>	<b>1,787,100</b>	<b>1,962,910</b>	<b>2,053,806</b>	<b>2,285,796</b>

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
<b>4(ii): Unallocated Regulatory Asset Base</b>				
Total opening RAB value		2,069,431		2,053,806
less Total depreciation		95,889		93,441
plus Total revaluations		140,990		140,129
plus Assets commissioned (other than below)	199,844		198,185	
Assets acquired from a regulated supplier	-		-	
Assets acquired from a related party	1,133		1,133	
<b>Assets commissioned</b>		200,977		199,318
less Asset disposals (other than below)	14,082		14,079	
Asset disposals to a regulated supplier	-		-	
Asset disposals to a related party	-		-	
<b>Asset disposals</b>		14,082		14,079
plus Lost and found assets adjustment		-		-
plus Adjustment resulting from asset allocation				62
<b>Total closing RAB value</b>		<b>2,301,428</b>		<b>2,285,796</b>

\* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide electricity distribution services without any allowance being made for the allocation of costs to services provided by the supplier that are not electricity distribution services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

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**4(iii): Calculation of Revaluation Rate and Revaluation of Assets**

CPI <sub>t</sub>	1,142
CPI <sub>t-4</sub>	1,068
Revaluation rate (%)	6.93%

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Total opening RAB value	2,069,431		2,053,806	
less Opening value of fully depreciated, disposed and lost assets	34,596		31,401	
Total opening RAB value subject to revaluation	2,034,835		2,022,406	
<b>Total revaluations</b>		140,990		140,129

**4(iv): Roll Forward of Works Under Construction**

	Unallocated works under construction		Allocated works under construction	
Works under construction—preceding disclosure year		93,781		92,831
plus Capital expenditure	212,328		210,550	
less Assets commissioned	200,977		199,318	
plus Adjustment resulting from asset allocation			62	
<b>Works under construction - current disclosure year</b>		105,131		104,126
Highest rate of capitalised finance applied				3.12%

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

76 **4(v): Regulatory Depreciation**

	Unallocated RAB *		RAB
	(\$000)	(\$000)	(\$000)
79 Depreciation - standard	68,288		68,385
80 Depreciation - no standard life assets	27,601		25,056
81 Depreciation - modified life assets	-		-
82 Depreciation - alternative depreciation in accordance with CPP	-		-
83 <b>Total depreciation</b>		95,889	93,441

85 **4(vi): Disclosure of Changes to Depreciation Profiles**

(\$000 unless otherwise specified)

Asset or assets with changes to depreciation*	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation
87 #SPILL!				
88				
89				
90				
91				
92				
93				
94				

\* include additional rows if needed

96 **4(vii): Disclosure by Asset Category**

(\$000 unless otherwise specified)

	Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
99 <b>Total opening RAB value</b>	77,288	53,342	174,244	448,045	316,756	273,232	167,965	456,480	86,454	2,053,806
100 less Total depreciation	2,791	1,553	7,693	17,604	17,721	10,115	7,385	12,213	16,365	93,441
101 plus Total revaluations	5,331	3,633	11,294	30,949	21,726	18,498	11,456	31,442	5,799	140,129
102 plus Assets commissioned	9,989	5,254	4,850	58,681	45,934	11,694	13,597	31,036	18,283	199,318
103 less Asset disposals	368	-	645	2,929	159	5,567	2,348	2,006	57	14,079
104 plus Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
105 plus Adjustment resulting from asset allocation	(30)	-	-	(365)	-	-	-	-	457	62
106 plus Asset category transfers	(426)	(573)	(3,299)	(2,486)	(2,536)	(605)	(611)	5,984	4,553	-
107 <b>Total closing RAB value</b>	88,993	60,103	178,751	514,290	364,000	287,136	182,674	510,723	99,125	2,285,796

109 **Asset Life**

110 Weighted average remaining asset life	41.4	43.7	30.5	39.3	31.9	33.5	29.3	45.8	14.3	(years)
111 Weighted average expected total asset life	59.4	53.3	47.2	59.0	49.4	50.2	38.8	48.5	18.3	(years)

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

## SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		(\$000)	
7	<b>5a(i): Regulatory Tax Allowance</b>		
8	<b>Regulatory profit / (loss) before tax</b>		187,250
9			
10	<i>plus</i> Income not included in regulatory profit / (loss) before tax but taxable	1,697	*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	650	*
12	Amortisation of initial differences in asset values	9,504	
13	Amortisation of revaluations	14,451	
14			26,301
15			
16	<i>less</i> Total revaluations	140,129	
17	Income included in regulatory profit / (loss) before tax but not taxable	-	*
18	Discretionary discounts and customer rebates	-	
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	222	*
20	Notional deductible interest	23,391	
21			163,741
22			
23	<b>Regulatory taxable income</b>		49,810
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		49,810
27			
28	Corporate tax rate (%)	28%	
29	<b>Regulatory tax allowance</b>		13,947

\* Workings to be provided in Schedule 14

## 5a(ii): Disclosure of Permanent Differences

In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).

## 5a(iii): Amortisation of Initial Difference in Asset Values

(\$000)

36	Opening unamortised initial differences in asset values	199,575	
37	<i>less</i> Amortisation of initial differences in asset values	9,504	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	301	
40	Closing unamortised initial differences in asset values		189,771
41			
42	Opening weighted average remaining useful life of relevant assets (years)		21
43			

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

### SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

44	<b>5a(iv): Amortisation of Revaluations</b>		<b>(\$000)</b>
45			
46	Opening sum of RAB values without revaluations	1,841,078	
47			
48	Adjusted depreciation	78,990	
49	Total depreciation	93,441	
50	Amortisation of revaluations		14,451
51			
52	<b>5a(v): Reconciliation of Tax Losses</b>		<b>(\$000)</b>
53			
54	Opening tax losses	-	
55	plus Current period tax losses	-	
56	less Utilised tax losses	-	
57	Closing tax losses		-
58	<b>5a(vi): Calculation of Deferred Tax Balance</b>		<b>(\$000)</b>
59			
60	Opening deferred tax	(74,816)	
61			
62	plus Tax effect of adjusted depreciation	22,117	
63			
64	less Tax effect of tax depreciation	36,238	
65			
66	plus Tax effect of other temporary differences*	1,115	
67			
68	less Tax effect of amortisation of initial differences in asset values	2,661	
69			
70	plus Deferred tax balance relating to assets acquired in the disclosure year	-	
71			
72	less Deferred tax balance relating to assets disposed in the disclosure year	(1,910)	
73			
74	plus Deferred tax cost allocation adjustment	(27)	
75			
76	Closing deferred tax		(88,600)
77			
78	<b>5a(vii): Disclosure of Temporary Differences</b>		
79	<i>In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).</i>		
80			
81	<b>5a(viii): Regulatory Tax Asset Base Roll-Forward</b>		
82			<b>(\$000)</b>
83	Opening sum of regulatory tax asset values	1,305,038	
84	less Tax depreciation	129,423	
85	plus Regulatory tax asset value of assets commissioned	193,962	
86	less Regulatory tax asset value of asset disposals	7,257	
87	plus Lost and found assets adjustment	-	
88	plus Adjustment resulting from asset allocation	(34)	
89	plus Other adjustments to the RAB tax value	(2,631)	
90	Closing sum of regulatory tax asset values		1,359,655

Company Name **Powerco Limited**  
For Year Ended **31 March 2022**

**SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS**

This schedule provides information on the valuation of related party transactions, in accordance with clause 2.3.6 of the ID determination. This information is part of audited disclosure information (as defined in clause 1.4 of the ID determination), and so is subject to the assurance report required by clause 2.8.

sch ref

		(\$000)	(\$000)
7	<b>5b(i): Summary—Related Party Transactions</b>		
8	Total regulatory income		8
9			
10	<b>Market value of asset disposals</b>		-
11			
12	Service interruptions and emergencies	-	
13	Vegetation management	-	
14	Routine and corrective maintenance and inspection	-	
15	Asset replacement and renewal (opex)	-	
16	<b>Network opex</b>		-
17	Business support	-	
18	System operations and network support	-	
19	<b>Operational expenditure</b>		-
20	Consumer connection	-	
21	System growth	-	
22	Asset replacement and renewal (capex)	1,133	
23	Asset relocations	-	
24	Quality of supply	-	
25	Legislative and regulatory	-	
26	Other reliability, safety and environment	-	
27	<b>Expenditure on non-network assets</b>		-
28	<b>Expenditure on assets</b>		1,133
29	Cost of financing	-	
30	Value of capital contributions	-	
31	Value of vested assets	-	
32	<b>Capital Expenditure</b>		1,133
33	<b>Total expenditure</b>		1,133
34			
35	<b>Other related party transactions</b>		-
36	<b>5b(iii): Total Opex and Capex Related Party Transactions</b>		
37			<b>Total value of transactions (\$000)</b>
38	<b>Name of related party</b>	<b>Nature of opex or capex service provided</b>	
39	Base Power Limited	Asset replacement and renewal (capex)	1,133
40		(Select one)	
41		(Select one)	
42		(Select one)	
43		(Select one)	
44		(Select one)	
45		(Select one)	
46		(Select one)	
47		(Select one)	
48		(Select one)	
49		(Select one)	
50		(Select one)	
51		(Select one)	
52		(Select one)	
53	<b>Total value of related party transactions</b>		1,133
54	* include additional rows if needed		
55			

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE**

This schedule is only to be completed if, as at the date of the most recently published financial statements, the weighted average original tenor of the debt portfolio (both qualifying debt and non-qualifying debt) is greater than five years. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

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**5c(i): Qualifying Debt (may be Commission only)**

Issuing party	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD) (\$000)	Book value at date of financial statements (NZD) (\$000)	Term Credit Spread Difference	Debt issue cost readjustment
USPP (2011) US\$90m/NZ\$114.2m	7/06/2011	7/06/2011	12	BKBM+1.835%	114,213	131,465	600	-133
USPP (2011) US\$83m/NZ\$105.3m	7/06/2011	7/06/2011	15	BKBM+1.980%	105,330	124,016	790	-140
USPP(2013) US\$25m/NZ\$30.4m	23/01/2013	1/11/2012	12	BKBM + 2.20%	30,440	35,959	160	-36
USPP(2013) US\$80m/NZ\$97.4m	23/01/2013	1/11/2012	15	BKBM + 2.21%	97,407	113,663	731	-130
USPP(2022) US\$70m/NZ\$103.4m	15/03/2022	23/09/2021	10	BKBM + 1.482%	103,382	100,550	388	-103
USPP(2022) US\$100m/NZ\$147.7m	15/03/2022	23/09/2021	12	BKBM + 1.567%	147,689	143,690	775	-172
NZD USPP(2014) NZ\$135m	15/10/2014	3/07/2014	12.5	6.62%	135,000	135,454	759	-162
NZD USPP(2017) NZ\$125m	16/11/2017	9/08/2017	12	BKBM + 1.84%	125,000	124,907	656	-146
NZD USPP (2018) NZ\$100m	13/12/2018	16/08/2018	7	BKBM + 1.58%	100,000	99,852	150	-57
NZD USPP (2018) NZ\$150m	13/12/2018	16/08/2018	12	BKBM + 1.81%	150,000	149,626	788	-175
SFA (2020) NZ\$130m	25/02/2020	18/02/2020	7	BKBM +1.65%	130,000	129,716	195	-74
SFA (2020) AU\$15m/NZ\$15.6m	25/02/2020	18/02/2020	7	BKBM + 1.543%	15,645	16,141	23	-9
2015 Wholesale Bond - Fixed rate	28/09/2015	16/09/2015	7	4.76%	150,000	150,005	225	-86
2016 Wholesale Bond - Fixed rate	15/11/2016	4/11/2016	8	4.67%	100,000	100,318	225	-75
2020 Wholesale Bond - Fixed rate	6/08/2020	31/07/2020	10	2.36%	125,000	125,100	469	-125
2020 Wholesale Bond (tap) - Fixed rate	2/06/2021	31/05/2021	9.178532311	2.36%	50,000	50,040	157	-46
						1,730,501	7,090	(1,669)

\* include additional rows if needed

**5c(ii): Attribution of Term Credit Spread Differential**

Gross term credit spread differential	5,421
Total book value of interest bearing debt	1,982,446
Leverage	42%
Average opening and closing RAB values	2,169,801
Attribution Rate (%)	46%
Term credit spread differential allowance	2,492



Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 5d: REPORT ON COST ALLOCATIONS**

This schedule provides information on the allocation of operational costs. EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		Value allocated (\$000s)				
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000s)
7	<b>5d(i): Operating Cost Allocations</b>					
8						
9						
10	<b>Service interruptions and emergencies</b>					
11	Directly attributable		7,435			
12	Not directly attributable	-	-	-	-	-
13	<b>Total attributable to regulated service</b>		7,435			
14	<b>Vegetation management</b>					
15	Directly attributable		9,966			
16	Not directly attributable	-	-	-	-	-
17	<b>Total attributable to regulated service</b>		9,966			
18	<b>Routine and corrective maintenance and inspection</b>					
19	Directly attributable		18,248			
20	Not directly attributable	-	-	-	-	-
21	<b>Total attributable to regulated service</b>		18,248			
22	<b>Asset replacement and renewal</b>					
23	Directly attributable		12,666			
24	Not directly attributable	-	-	-	-	-
25	<b>Total attributable to regulated service</b>		12,666			
26	<b>System operations and network support</b>					
27	Directly attributable		17,674			
28	Not directly attributable	-	451	75	527	-
29	<b>Total attributable to regulated service</b>		18,125			
30	<b>Business support</b>					
31	Directly attributable		1,943			
32	Not directly attributable	-	35,072	6,649	41,721	-
33	<b>Total attributable to regulated service</b>		37,014			
34						
35	<b>Operating costs directly attributable</b>		67,932			
36	<b>Operating costs not directly attributable</b>	-	35,523	6,725	42,248	-
37	<b>Operational expenditure</b>		103,455			
38						

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 5d: REPORT ON COST ALLOCATIONS**

This schedule provides information on the allocation of operational costs. EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

39 **5d(ii): Other Cost Allocations**

40	Pass through and recoverable costs	(\$000)
41	<b>Pass through costs</b>	
42	Directly attributable	3,794
43	Not directly attributable	208
44	<b>Total attributable to regulated service</b>	4,002
45	<b>Recoverable costs</b>	
46	Directly attributable	104,348
47	Not directly attributable	-
48	<b>Total attributable to regulated service</b>	104,348

50 **5d(iii): Changes in Cost Allocations\* †**

51	(\$000)		
52	Change in cost allocation 1	CY-1	Current Year (CY)
53	Cost category		
54	Original allocator or line items		
55	New allocator or line items		
56		-	-
57	Rationale for change		

60	(\$000)		
61	Change in cost allocation 2	CY-1	Current Year (CY)
62	Cost category		
63	Original allocator or line items		
64	New allocator or line items		
65		-	-
66	Rationale for change		

69	(\$000)		
70	Change in cost allocation 3	CY-1	Current Year (CY)
71	Cost category		
72	Original allocator or line items		
73	New allocator or line items		
74		-	-
75	Rationale for change		

78 \* a change in cost allocation must be completed for each cost allocator change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.  
 79 † include additional rows if needed

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS**

This schedule requires information on the allocation of asset values. This information supports the calculation of the RAB value in Schedule 4. EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any changes in asset allocations. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

5e(i): Regulated Service Asset Values		Value allocated (\$000s)
		Electricity distribution services
7		
8		
9		
10	<b>Subtransmission lines</b>	
11	Directly attributable	88,993
12	Not directly attributable	-
13	<b>Total attributable to regulated service</b>	<b>88,993</b>
14	<b>Subtransmission cables</b>	
15	Directly attributable	60,103
16	Not directly attributable	-
17	<b>Total attributable to regulated service</b>	<b>60,103</b>
18	<b>Zone substations</b>	
19	Directly attributable	178,751
20	Not directly attributable	-
21	<b>Total attributable to regulated service</b>	<b>178,751</b>
22	<b>Distribution and LV lines</b>	
23	Directly attributable	514,290
24	Not directly attributable	-
25	<b>Total attributable to regulated service</b>	<b>514,290</b>
26	<b>Distribution and LV cables</b>	
27	Directly attributable	364,000
28	Not directly attributable	-
29	<b>Total attributable to regulated service</b>	<b>364,000</b>
30	<b>Distribution substations and transformers</b>	
31	Directly attributable	287,136
32	Not directly attributable	-
33	<b>Total attributable to regulated service</b>	<b>287,136</b>
34	<b>Distribution switchgear</b>	
35	Directly attributable	182,674
36	Not directly attributable	-
37	<b>Total attributable to regulated service</b>	<b>182,674</b>
38	<b>Other network assets</b>	
39	Directly attributable	510,723
40	Not directly attributable	-
41	<b>Total attributable to regulated service</b>	<b>510,723</b>
42	<b>Non-network assets</b>	
43	Directly attributable	27,500
44	Not directly attributable	71,626
45	<b>Total attributable to regulated service</b>	<b>99,125</b>
46		
47	<b>Regulated service asset value directly attributable</b>	<b>2,214,170</b>
48	<b>Regulated service asset value not directly attributable</b>	<b>71,626</b>
49	<b>Total closing RAB value</b>	<b>2,285,796</b>
50		

5e(ii): Changes in Asset Allocations* †		(\$000)	
		CY-1	Current Year (CY)
51			
52			
53	<b>Change in asset value allocation 1</b>		
54	Asset category		
55	Original allocator or line items		
56	New allocator or line items		
57			
58	Rationale for change		
59			
60			
61			
62	<b>Change in asset value allocation 2</b>		
63	Asset category		
64	Original allocator or line items		
65	New allocator or line items		
66			
67	Rationale for change		
68			
69			
70			
71	<b>Change in asset value allocation 3</b>		
72	Asset category		
73	Original allocator or line items		
74	New allocator or line items		
75			
76	Rationale for change		
77			
78			

\* a change in asset allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or compone  
 † include additional rows if needed

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR**

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	<b>6a(i): Expenditure on Assets</b>		<b>(\$000)</b>	<b>(\$000)</b>
8	Consumer connection			69,415
9	System growth			55,279
10	Asset replacement and renewal			101,093
11	Asset relocations			2,140
12	Reliability, safety and environment:			
13	Quality of supply	4,608		
14	Legislative and regulatory	-		
15	Other reliability, safety and environment	4,705		
16	<b>Total reliability, safety and environment</b>			9,313
17	<b>Expenditure on network assets</b>			237,240
18	Expenditure on non-network assets			14,818
19				
20	<b>Expenditure on assets</b>			252,058
21	plus Cost of financing			2,331
22	less Value of capital contributions			43,838
23	plus Value of vested assets			-
24				
25	<b>Capital expenditure</b>			210,550
26	<b>6a(ii): Subcomponents of Expenditure on Assets (where known)</b>			<b>(\$000)</b>
27	Energy efficiency and demand side management, reduction of energy losses			430
28	Overhead to underground conversion			17
29	Research and development			665
30	<b>6a(iii): Consumer Connection</b>			
31	<i>Consumer types defined by EDB*</i>		<b>(\$000)</b>	<b>(\$000)</b>
32	Small		47,516	
33	Commercial		13,012	
34	Industrial		8,888	
35			-	
36				
37	<i>* include additional rows if needed</i>			
38	<b>Consumer connection expenditure</b>			69,415
39				
40	less Capital contributions funding consumer connection expenditure		43,831	
41	<b>Consumer connection less capital contributions</b>			25,584
42	<b>6a(iv): System Growth and Asset Replacement and Renewal</b>			
43			<b>System Growth</b>	<b>Asset Replacement and Renewal</b>
44			<b>(\$000)</b>	<b>(\$000)</b>
45	Subtransmission	22,099		8,381
46	Zone substations	19,160		13,215
47	Distribution and LV lines	3,480		58,823
48	Distribution and LV cables	5,026		5,886
49	Distribution substations and transformers	617		6,721
50	Distribution switchgear	36		6,365
51	Other network assets	4,860		1,702
52	<b>System growth and asset replacement and renewal expenditure</b>	55,279		101,093
53	less Capital contributions funding system growth and asset replacement and renewal		0	-
54	<b>System growth and asset replacement and renewal less capital contributions</b>	55,279		101,093
55				
56	<b>6a(v): Asset Relocations</b>			
57	<i>Project or programme*</i>		<b>(\$000)</b>	<b>(\$000)</b>
58	NZTA Northern Link Relocations		1,124	
59	SH2 Road Improvements Stage 2		610	
60	0		-	
61	0		-	
62	0		-	
63	<i>* include additional rows if needed</i>			
64	All other projects or programmes - asset relocations		406	
65	<b>Asset relocations expenditure</b>			2,140
66	less Capital contributions funding asset relocations		7	
67	<b>Asset relocations less capital contributions</b>			2,133

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR**

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

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**6a(vi): Quality of Supply**

Project or programme*	(\$000)	(\$000)
Accelerated LFI Rollout	1,285	
Automation Projects	892	
Backfeed support	704	
LV Monitoring	627	
	-	
<i>* include additional rows if needed</i>		
All other projects programmes - quality of supply	1,101	
<b>Quality of supply expenditure</b>		<b>4,608</b>
less Capital contributions funding quality of supply	-	
<b>Quality of supply less capital contributions</b>		<b>4,608</b>

**6a(vii): Legislative and Regulatory**

Project or programme*	(\$000)	(\$000)
Nil projects or programmes	-	
<i>* include additional rows if needed</i>		
All other projects or programmes - legislative and regulatory		
<b>Legislative and regulatory expenditure</b>		<b>-</b>
less Capital contributions funding legislative and regulatory		
<b>Legislative and regulatory less capital contributions</b>		<b>-</b>

**6a(viii): Other Reliability, Safety and Environment**

Project or programme*	(\$000)	(\$000)
LIDAR and Poletop Photography	2,376	
Locks and Keys project	441	
Line Differential Protection and Critical Comms	539	
	-	
	-	
<i>* include additional rows if needed</i>		
All other projects or programmes - other reliability, safety and environment	1,350	
<b>Other reliability, safety and environment expenditure</b>		<b>4,705</b>
less Capital contributions funding other reliability, safety and environment	-	
<b>Other reliability, safety and environment less capital contributions</b>		<b>4,705</b>

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR**

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

106 <b>6a(ix): Non-Network Assets</b>			
107	<b>Routine expenditure</b>		
108	<i>Project or programme*</i>	<b>(\$000)</b>	<b>(\$000)</b>
109	Enterprise Asset Management System	4,262	
110	Land and Building leases	2,570	
111	Improve network Operations (OMS/DMS)	1,875	
112	IT Renewal	1,343	
113	Kaimai Redevelopment	515	
114	Concept to Completion	585	
115	Connecting with Customers	465	
116	Palmerston North Office	306	
117	IT Leases	378	
118	<i>* include additional rows if needed</i>		
119	All other projects or programmes - routine expenditure	58	
120	<b>Routine expenditure</b>		<b>12,357</b>
121	<b>Atypical expenditure</b>		
122	<i>Project or programme*</i>	<b>(\$000)</b>	<b>(\$000)</b>
123	Kaimai Redevelopment	1,626	
124	Enterprise Asset Management System	598	
125	0	-	
126	0	-	
127	0	-	
128	<i>* include additional rows if needed</i>		
129	All other projects or programmes - atypical expenditure	237	
130	<b>Atypical expenditure</b>		<b>2,460</b>
131			
132	<b>Expenditure on non-network assets</b>		<b>14,818</b>

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 6b: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR**

This schedule requires a breakdown of operational expenditure incurred in the disclosure year.

EDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operational expenditure and assets replaced or renewed as part of asset replacement and renewal operational expenditure, and additional information on insurance.

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref		(\$000)	(\$000)
7	<b>6b(i): Operational Expenditure</b>		
8	Service interruptions and emergencies	7,435	
9	Vegetation management	9,966	
10	Routine and corrective maintenance and inspection	18,248	
11	Asset replacement and renewal	12,666	
12	<b>Network opex</b>		48,316
13	System operations and network support	18,125	
14	Business support	37,014	
15	<b>Non-network opex</b>		55,140
16			
17	<b>Operational expenditure</b>		103,455
18	<b>6b(ii): Subcomponents of Operational Expenditure (where known)</b>		
19	Energy efficiency and demand side management, reduction of energy losses		238
20	Direct billing*		-
21	Research and development		50
22	Insurance		1,317
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name **Powerco Limited**For Year Ended **31 March 2022****SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE**

This schedule compares actual revenue and expenditure to the previous forecasts that were made for the disclosure year. Accordingly, this schedule requires the forecast revenue and expenditure information from previous disclosures to be inserted.

EDBs must provide explanatory comment on the variance between actual and target revenue and forecast expenditure in Schedule 14 (Mandatory Explanatory Notes). This information is part of the audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8. For the purpose of this audit, target revenue and forecast expenditures only need to be verified back to previous disclosures.

sch ref

	Target (\$000) <sup>1</sup>	Actual (\$000)	% variance
<b>7(i): Revenue</b>			
Line charge revenue	358,763	364,228	2%
<b>7(ii): Expenditure on Assets</b>	<b>Forecast (\$000) <sup>2</sup></b>	<b>Actual (\$000)</b>	<b>% variance</b>
Consumer connection	44,394	69,415	56%
System growth	83,649	55,279	(34%)
Asset replacement and renewal	86,493	101,093	17%
Asset relocations	5,562	2,140	(62%)
Reliability, safety and environment:			
Quality of supply	7,834	4,608	(41%)
Legislative and regulatory	163	–	(100%)
Other reliability, safety and environment	4,447	4,705	6%
<b>Total reliability, safety and environment</b>	<b>12,444</b>	<b>9,313</b>	<b>(25%)</b>
<b>Expenditure on network assets</b>	<b>232,542</b>	<b>237,240</b>	<b>2%</b>
Expenditure on non-network assets	13,340	14,818	11%
Expenditure on assets	245,882	252,058	3%
<b>7(iii): Operational Expenditure</b>			
Service interruptions and emergencies	7,826	7,435	(5%)
Vegetation management	9,905	9,966	1%
Routine and corrective maintenance and inspection	16,772	18,248	9%
Asset replacement and renewal	10,593	12,666	20%
<b>Network opex</b>	<b>45,096</b>	<b>48,316</b>	<b>7%</b>
System operations and network support	19,347	18,125	(6%)
Business support	34,002	37,014	9%
<b>Non-network opex</b>	<b>53,349</b>	<b>55,140</b>	<b>3%</b>
<b>Operational expenditure</b>	<b>98,445</b>	<b>103,455</b>	<b>5%</b>
<b>7(iv): Subcomponents of Expenditure on Assets (where known)</b>			
Energy efficiency and demand side management, reduction of energy losses	–	430	–
Overhead to underground conversion	–	17	–
Research and development	–	665	–
<b>7(v): Subcomponents of Operational Expenditure (where known)</b>			
Energy efficiency and demand side management, reduction of energy losses	–	238	–
Direct billing	–	–	–
Research and development	–	50	–
Insurance	–	1,317	–

<sup>1</sup> From the nominal dollar target revenue for the disclosure year disclosed under clause 2.4.3(3) of this determination

<sup>2</sup> From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the



Company Name	<b>Powerco Limited</b>
For Year Ended	<b>31 March 2021</b>
Network / Sub-Network Name	<b>Powerco Limited</b>

**SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES**

The schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICs that are included in each consumer group or price category code, and the energy delivered to these ICs.

sch ref

**8(j): Billed Quantities by Price Component**

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Average no. of ICs in disclosure year	Energy delivered to ICs in disclosure year (MWh)	Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)	Billed quantities by price component								
						Fixed	Fixed	Variable (Anytime)	Variable (Peak)	Variable (Off-Peak)	Demand	Demand	Power Factor	Fixed
						ICP Days	kVA of Capacity	kWh	kWh	kWh	kW of AMD	kW of OPD	kVarh	Fixture Count Days
Unmetered	Streetsights	Standard	561	5,787				5,787,269						9,540,157
Small	Residential/Small Commercial	Standard	349,659	2,787,689		123,471,623		607,794,967	691,956,788	1,617,158,139	3,998,357			4,015
Medium	Commercial	Standard	1,672	260,405		591,941		260,549,301			29,117	13,661	42,067	
Large	Large Commercial/Industrial	Standard	246	338,677			193,401	338,677,469			104,547	43,978	59,766	
Large	Large Commercial/Industrial	Non-standard	425	1,601,872		147,825		1,361,406,000					153,400	
			0	0										
			0	0										
			0	0										
			0	0										
			0	0										
			0	0										
Add extra rows for additional consumer groups or price category codes as necessary														
			Standard consumer totals	352,138	3,392,558	124,063,564	193,401	1,212,809,006	691,956,788	1,617,158,139	4,132,021	57,640	101,834	9,544,172
			Non-standard consumer totals	425	1,601,872	147,825		1,361,406,000					153,400	
			<b>Total for all consumers</b>	<b>352,563</b>	<b>4,994,430</b>	<b>124,211,389</b>	<b>193,401</b>	<b>2,574,215,007</b>	<b>691,956,788</b>	<b>1,617,158,139</b>	<b>4,132,021</b>	<b>57,640</b>	<b>255,234</b>	<b>9,544,172</b>

Add extra columns for additional billed quantities by price component as necessary

Company Name **Powerco Limited**  
 For Year Ended **31 March 2021**  
 Network / Sub-Network Name **Powerco Limited**

**SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES**

The schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

**8(ii): Line Charge Revenues (\$000) by Price Component**

Consumer group name or price category code	Consumer type or types (eg. residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg. \$ per day, \$ per kWh, etc.)	Line charge revenues (\$000) by price component								Add extra columns for additional line charge revenues by price component as necessary		
								Price component										
								Fixed ICP Days	Fixed kVA of Capacity	Variable (Anytime) kWh	Variable (Peak) kWh	Variable (Off-Peak) kWh	Demand kW of AMD	Demand kW of OPD	Power Factor kVAh		Fixed Fixture Count Days	
Unmetered	Streetlights	Standard	\$1,680	—	\$1,078	\$602	—	—	\$219	—	—	—	—	—	—	—	—	\$1,460
Small	Residential/Small Commercial	Standard	\$273,392	—	\$199,449	\$73,943	—	—	\$40,436	\$92,190	\$103,267	—	—	—	—	—	—	\$6
Medium	Commercial	Standard	\$22,691	—	\$17,448	\$5,243	—	—	\$9,779	—	—	—	\$3,883	\$1,805	\$294	—	—	—
Large	Large Commercial/Industrial	Standard	\$17,650	—	\$11,813	\$5,837	—	—	—	—	—	—	\$6,891	\$5,837	\$418	—	—	—
Large	Large Commercial/Industrial	Non-standard	\$48,816	—	\$25,984	\$22,832	—	—	—	—	—	—	—	—	—	\$1,074	—	—
0	0	0	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
0	0	0	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
0	0	0	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
0	0	0	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
0	0	0	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Add extra rows for additional consumer groups or price category codes as necessary																		
Standard consumer totals			\$315,412	—	\$229,788	\$85,624	—	—	\$46,422	\$4,503	\$50,434	\$92,190	\$103,267	\$10,775	—	—	—	—
Non-standard consumer totals			\$48,816	—	\$25,984	\$22,832	—	—	\$47,742	—	—	—	—	—	—	—	—	—
Total for all consumers			\$364,228	—	\$255,772	\$108,456	—	—	\$92,164	\$4,503	\$50,434	\$92,190	\$103,267	\$10,775	—	—	—	—

**8(iii): Number of ICPs directly billed**

Number of directly billed ICPs at year end  Check  OK

Company Name	Powerco Limited
For Year Ended	31 March 2021
Network / Sub-Network Name	Western Region

**SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES**

The schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

sch.ref

**8(i): Billed Quantities by Price Component**

Consumer group name or price category code	Consumer type or types (eg. residential, commercial etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Energy delivered to ICPs in disclosure year (MWh)
E1	Residential/Small Commercial	Standard	184,202	1,510,066
E100	Commercial	Standard	254	91,606
E300/R	Large Commercial/Industrial	Standard	246	338,677
SPECIAL	XLarge Commercial/Industrial	Non-standard	46	320,127
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<i>Add extra rows for additional consumer groups or price category codes as necessary</i>				
Standard consumer totals			184,702	1,940,350
Non-standard consumer totals			46	320,127
Total for all consumers			184,748	2,260,477

Unit charging basis (eg. days, kW of demand, kVA of capacity, etc.)

**Billed quantities by price component**

Price component	Fixed	Fixed	Variable (Anytime)	Variable (Peak)	Variable (Off-Peak)	Demand	Demand	Power Factor	Fixed
	ICP Days	kVA of Capacity	kWh	kWh	kWh	kW of AMD	kW of OPD	kVAh	Fixture Count Days
	64,558,186	-	-	485,632,642	1,146,567,814	3,998,357	-	-	4,015
	91,403	-	91,606,101	-	-	29,117	13,661	31,959	-
	-	193,401	338,677,469	-	-	104,547	43,978	59,766	-
	12,836	-	320,127,038	-	-	-	-	21,717	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	64,649,589	193,401	430,283,570	485,632,642	1,146,567,814	4,132,021	57,640	91,726	4,015
	12,836	-	320,127,038	-	-	-	-	21,717	-
	64,662,425	193,401	750,410,609	485,632,642	1,146,567,814	4,132,021	57,640	113,443	4,015

*Add extra columns for additional billed quantities by price component as necessary*



Company Name	Powerco Limited
For Year Ended	31 March 2021
Network / Sub-Network Name	Eastern Region

**SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES**

The schedule requires the billed quantities and associated line charge revenues for each price category code used by the ED9 in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

sch.ref

**8(i): Billed Quantities by Price Component**

Consumer group name or price category code	Consumer type or types (eg. residential, commercial etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Energy delivered to ICPs in disclosure year (MWh)
T01, T02, V01, V02	Streetslights/Unmetered	Standard	561	5,787
T05, T06, V05, V06	Residential/Small Commercial	Standard	165,457	1,277,612
T22, T28, V22, V28	Commercial	Standard	1,418	168,799
T43	Large Commercial	Standard	0	0
V40, T50, T60, V60	XLarge Commercial/Industrial	Non-standard	379	1,281,745
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<i>Add extra rows for additional consumer groups or price category codes as necessary</i>				
Standard consumer totals			167,436	1,452,208
Non-standard consumer totals			379	1,281,745
<b>Total for all consumers</b>			<b>167,815</b>	<b>2,733,953</b>

Price component	Billed quantities by price component								
	Fixed	Fixed	Variable (Anytime)	Variable (Peak)	Variable (Off-Peak)	Demand	Demand	Power Factor	Fixed
	ICP Days	kVA of Capacity	kWh	kWh	kWh	kW of AMD	kW of OPD	kVAh	Fixture Count Days
	-	-	5,787,269	-	-	-	-	-	9,540,157
	58,913,437	-	607,794,967	206,324,146	470,590,325	-	-	-	-
	500,538	-	168,943,200	-	-	-	-	-	10,108
	-	-	-	-	-	-	-	-	-
	134,989	-	1,041,278,962	-	-	-	-	-	131,683
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	59,413,975	-	782,525,436	206,324,146	470,590,325	-	-	10,108	9,540,157
	134,989	-	1,041,278,962	-	-	-	-	-	131,683
	59,548,964	-	1,823,804,398	206,324,146	470,590,325	-	-	141,791	9,540,157

*Add extra columns for additional billed quantities by price component as necessary*

Company Name **Powerco Limited**  
 For Year Ended **31 March 2021**  
 Network / Sub-Network Name **Eastern Region**

**SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES**

The schedule requires the billed quantities and associated line charge revenues for each price category code used by the ED9 in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

**8(ii): Line Charge Revenues (\$000) by Price Component**

Consumer group name or price category code	Consumer type or types (eg. residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg. \$ per day, \$ per kWh, etc.)	Line charge revenues (\$000) by price component														
								Price component	Fixed	Fixed	Variable (Anytime)	Variable (Peak)	Variable (Off-Peak)	Demand	Demand	Power Factor	Fixed					
								ICP Days	kVA of Capacity	kWh	kWh	kWh	kW of AMD	kW of OPD	kVA/h	Fixture Count Days						
T01, T02, V01, V02	Streetlights/Unmetered	Standard	\$1,680		\$1,078	\$602					\$219										\$1,460	
T05, T06, V05, V06	Residential/Small Commercial	Standard	\$124,356		\$87,887	\$36,469			\$31,965		\$40,436	\$29,096	\$22,859									
T22, T28, V22, V28	Commercial	Standard	\$15,868		\$12,430	\$3,437			\$6,018		\$9,779										\$71	
T43	Large Commercial	Standard																				
V40, T50, T60, V60	XLarge Commercial/Industrial	Non-standard	\$38,340		\$20,696	\$17,644			\$37,418												\$922	
0	0	0	0																			
0	0	0	0																			
0	0	0	0																			
0	0	0	0																			
0	0	0	0																			
0	0	0	0																			
Add extra rows for additional consumer groups or price category codes as necessary																						
Standard consumer totals			\$141,903		\$101,395	\$40,508			\$37,983		\$50,434	\$29,096	\$22,859								\$71	\$1,460
Non-standard consumer totals			\$38,340		\$20,696	\$17,644			\$37,418													\$922
Total for all consumers			\$180,243		\$122,091	\$58,151			\$75,401		\$50,434	\$29,096	\$22,859								\$993	\$1,460

Add extra columns for additional line charge revenues by price component as necessary

**8(iii): Number of ICPs directly billed**

Number of directly billed ICPs at year end  Check  OR

Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Powerco Limited

**SCHEDULE 9a: ASSET REGISTER**

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

8	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
9	All	Overhead Line	Concrete poles / steel structure	No.	230,010	231,571	1,561	4
10	All	Overhead Line	Wood poles	No.	30,998	29,733	(1,265)	3
11	All	Overhead Line	Other pole types	No.	3,703	3,645	(58)	2
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	1,494	1,506	12	4
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	4
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	240	261	21	3
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	13	13	0	4
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	4
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	1	1	(0)	4
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	4
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	4
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	4
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	4
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	4
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	156	150	(6)	2
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	4
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	4
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	19	18	(1)	4
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	30	41	11	2
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	822	807	(15)	4
29	HV	Zone substation switchgear	33kV RMU	No.	1	2	1	4
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	141	177	36	3
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	183	178	(5)	3
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	850	920	70	3
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	41	41	-	3
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	216	215	(1)	3
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	14,697	14,661	(36)	4
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	4
37	HV	Distribution Line	SWER conductor	km	79	92	14	4
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	1,981	2,059	78	3
39	HV	Distribution Cable	Distribution UG PILC	km	193	172	(21)	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	11	11	0	4
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	789	804	15	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	421	409	(12)	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	39,910	40,496	586	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	1,736	1,429	(307)	2
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	2,770	3,130	360	2
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	27,787	27,649	(138)	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	9,095	9,324	229	3
48	HV	Distribution Transformer	Voltage regulators	No.	133	137	4	3
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	4,039	3,783	(256)	2
50	LV	LV Line	LV OH Conductor	km	5,353	5,493	139	3
51	LV	LV Cable	LV UG Cable	km	4,452	4,666	214	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	3,043	3,067	24	2
53	LV	Connections	OH/UG consumer service connections	No.	292,472	354,106	61,634	2
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	2,457	2,620	163	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
56	All	Capacitor Banks	Capacitors including controls	No.	51	51	-	4
57	All	Load Control	Centralised plant	Lot	36	36	-	4
58	All	Load Control	Relays	No.	3,440	3,907	467	2
59	All	Civils	Cable Tunnels	km	-	-	-	4

Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Western Region

**SCHEDULE 9a: ASSET REGISTER**

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

8	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
9	All	Overhead Line	Concrete poles / steel structure	No.	148,142	149,201	1,059	4
10	All	Overhead Line	Wood poles	No.	27,055	26,003	(1,052)	3
11	All	Overhead Line	Other pole types	No.	1,277	1,271	(6)	2
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	952	963	11	4
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	4
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	86	103	18	3
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	13	13	0	4
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	4
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	1	1	(0)	4
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	4
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	4
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	4
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	4
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	4
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	85	83	(2)	2
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	4
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	4
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	-	-	-	4
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	19	24	5	2
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	531	519	(12)	4
29	HV	Zone substation switchgear	33kV RMU	No.	1	2	1	4
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	68	82	14	3
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	106	103	(3)	3
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	471	500	29	3
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	41	41	-	3
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	129	126	(3)	3
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	10,068	10,056	(12)	4
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	4
37	HV	Distribution Line	SWER conductor	km	17	23	6	4
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	685	723	38	3
39	HV	Distribution Cable	Distribution UG PILC	km	95	73	(22)	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	4
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	453	463	10	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	279	270	(9)	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	24,514	24,886	372	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	829	678	(151)	2
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1,222	1,373	151	2
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	18,912	18,683	(229)	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	3,870	3,942	72	3
48	HV	Distribution Transformer	Voltage regulators	No.	76	79	3	3
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	1,604	1,485	(119)	2
50	LV	LV Line	LV OH Conductor	km	3,448	3,509	61	3
51	LV	LV Cable	LV UG Cable	km	2,334	2,477	143	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	1,370	1,378	8	2
53	LV	Connections	OH/UG consumer service connections	No.	156,326	185,409	29,083	2
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	1,264	1,289	25	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
56	All	Capacitor Banks	Capacitors including controls	No.	5	5	-	4
57	All	Load Control	Centralised plant	Lot	26	25	(1)	4
58	All	Load Control	Relays	No.	1,619	1,675	56	2
59	All	Civils	Cable Tunnels	km	-	-	-	4



Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Eastern Region

**SCHEDULE 9a: ASSET REGISTER**

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

8	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
9	All	Overhead Line	Concrete poles / steel structure	No.	81,868	82,370	502	4
10	All	Overhead Line	Wood poles	No.	3,943	3,730	(213)	3
11	All	Overhead Line	Other pole types	No.	2,426	2,374	(52)	2
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	542	543	1	4
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	4
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	154	157	3	3
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	4
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	4
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	4
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	4
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	4
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	4
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	4
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	4
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	71	67	(4)	2
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	4
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	4
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	19	18	(1)	4
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	11	17	6	2
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	291	288	(3)	4
29	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	4
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	73	95	22	3
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	77	75	(2)	3
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	379	420	41	3
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	-	-	-	3
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	87	89	2	3
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	4,629	4,605	(24)	4
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	4
37	HV	Distribution Line	SWER conductor	km	61	69	7	4
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	1,296	1,336	40	3
39	HV	Distribution Cable	Distribution UG PILC	km	98	99	1	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	11	11	0	4
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	336	341	5	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	142	139	(3)	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	15,396	15,610	214	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	907	751	(156)	2
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	1,548	1,757	209	2
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	8,875	8,966	91	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	5,225	5,382	157	3
48	HV	Distribution Transformer	Voltage regulators	No.	57	58	1	3
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	2,435	2,298	(137)	2
50	LV	LV Line	LV OH Conductor	km	1,905	1,983	78	3
51	LV	LV Cable	LV UG Cable	km	2,118	2,189	71	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	1,673	1,689	16	2
53	LV	Connections	OH/UG consumer service connections	No.	136,146	168,697	32,551	2
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	1,193	1,331	138	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
56	All	Capacitor Banks	Capacitors including controls	No.	46	46	-	4
57	All	Load Control	Centralised plant	Lot	10	11	1	4
58	All	Load Control	Relays	No.	1,821	2,232	411	2
59	All	Civils	Cable Tunnels	km	-	-	-	4





Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Eastern Region

SCHEDULE 9b: ASSET AGE PROFILE

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

Discloser Year (year ended)	Number of assets at disclosure year end by installation date																														No. with age unknown	Items at end of year (quantity)	No. with default dates	Data accuracy (1-5)				
	1940	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018					2019	2020	2021	2022
9 Voltage																																						
10 All																																						
11 All																																						
12 All																																						
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Company Name **Powerco Limited**

For Year Ended **31 March 2022**

Network / Sub-network Name **Powerco Limited**

**SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES**

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

9			
10	<b>Circuit length by operating voltage (at year end)</b>	<b>Overhead (km)</b>	<b>Underground (km)</b>
11	> 66kV	–	–
12	50kV & 66kV	163	6
13	33kV	1,343	269
14	SWER (all SWER voltages)	92	–
15	22kV (other than SWER)	121	1
16	6.6kV to 11kV (inclusive—other than SWER)	14,540	2,241
17	Low voltage (< 1kV)	5,493	4,666
18	<b>Total circuit length (for supply)</b>	<b>21,752</b>	<b>7,183</b>
19			<b>Total circuit length (km)</b>
20	Dedicated street lighting circuit length (km)	1,069	1,998
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		–
22			
23	<b>Overhead circuit length by terrain (at year end)</b>	<b>(% of total)</b>	
24	Urban	<b>Circuit length (km)</b>	<b>overhead length</b>
25	Rural	2,653	12%
26	Remote only	7,294	34%
27	Rugged only	–	–
28	Remote and rugged	11,480	53%
29	Unallocated overhead lines	325	1%
30	<b>Total overhead length</b>	<b>21,752</b>	<b>100%</b>
31			
32		<b>(% of total circuit length)</b>	
33	Length of circuit within 10km of coastline or geothermal areas (where known)	<b>Circuit length (km)</b>	<b>length</b>
34		11,645	40%
35		<b>(% of total overhead length)</b>	
	Overhead circuit requiring vegetation management	<b>Circuit length (km)</b>	<b>overhead length</b>
		21,752	100%

Company Name **Powerco Limited**

For Year Ended **31 March 2022**

Network / Sub-network Name **Western Region**

**SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES**

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

9			
10	<b>Circuit length by operating voltage (at year end)</b>	<b>Overhead (km)</b>	<b>Underground (km)</b>
11	> 66kV	–	–
12	50kV & 66kV	–	–
13	33kV	963	117
14	SWER (all SWER voltages)	23	–
15	22kV (other than SWER)	121	1
16	6.6kV to 11kV (inclusive—other than SWER)	9,935	795
17	Low voltage (< 1kV)	3,509	2,477
18	<b>Total circuit length (for supply)</b>	<b>14,552</b>	<b>3,390</b>
19			<b>Total circuit length (km)</b>
20	Dedicated street lighting circuit length (km)	747	631
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		–
22			
23	<b>Overhead circuit length by terrain (at year end)</b>	<b>(% of total)</b>	
24	Urban	<b>Circuit length (km)</b>	<b>overhead length</b>
25	Rural	1,696	12%
26	Remote only	4,092	28%
27	Rugged only	–	–
28	Remote and rugged	8,440	58%
29	Unallocated overhead lines	325	2%
30	<b>Total overhead length</b>	<b>14,552</b>	<b>100%</b>
31			
32		<b>(% of total circuit length)</b>	
33	Length of circuit within 10km of coastline or geothermal areas (where known)	<b>Circuit length (km)</b>	<b>length</b>
34		5,481	31%
35		<b>(% of total overhead length)</b>	
	Overhead circuit requiring vegetation management	<b>Circuit length (km)</b>	<b>overhead length</b>
		14,552	100%

Company Name **Powerco Limited**

For Year Ended **31 March 2022**

Network / Sub-network Name **Eastern Region**

**SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES**

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

9			
10	<b>Circuit length by operating voltage (at year end)</b>	<b>Overhead (km)</b>	<b>Underground (km)</b>
11	> 66kV	–	–
12	50kV & 66kV	163	6
13	33kV	380	152
14	SWER (all SWER voltages)	69	–
15	22kV (other than SWER)	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	4,605	1,446
17	Low voltage (< 1kV)	1,983	2,189
18	<b>Total circuit length (for supply)</b>	<b>7,200</b>	<b>3,793</b>
19			<b>Total circuit length (km)</b>
20	Dedicated street lighting circuit length (km)	323	1,367
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		–
22			
23	<b>Overhead circuit length by terrain (at year end)</b>	<b>(% of total)</b>	
24	Urban	<b>Circuit length (km)</b>	<b>overhead length</b>
25	Rural	958	13%
26	Remote only	3,203	44%
27	Rugged only	–	–
28	Remote and rugged	3,040	42%
29	Unallocated overhead lines	–	–
30	<b>Total overhead length</b>	<b>7,200</b>	<b>100%</b>
31			
32		<b>(% of total circuit length)</b>	
33	Length of circuit within 10km of coastline or geothermal areas (where known)	<b>Circuit length (km)</b>	<b>length</b>
		6,165	56%
34		<b>(% of total overhead length)</b>	
35	Overhead circuit requiring vegetation management	<b>Circuit length (km)</b>	<b>overhead length</b>
		7,200	100%

Company Name **Powerco Limited**  
 For Year Ended **31 March 2022**

**SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS**

This schedule requires information concerning embedded networks owned by an EDB that are embedded in another EDB's network or in another embedded network.

*sch ref*

	Location *	Number of ICPs served	Line charge revenue (\$000)
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	* Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB's network or in another embedded network		



Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Powerco Limited

**SCHEDULE 9e: REPORT ON NETWORK DEMAND**

This schedule requires a summary of the key measures of network utilisation for the disclosure year (number of new connections including distributed generation, peak demand and electricity volumes conveyed).

sch ref

8	<b>9e(i): Consumer Connections</b>		
9	Number of ICPS connected in year by consumer type		
10	Consumer types defined by EDB*	Number of connections (ICPs)	
11	Residential/Small Commercial	5,255	
12	Commercial	47	
13	Large Commercial/Industrial	12	
14	[EDB consumer type]	–	
15	[EDB consumer type]	–	
16	* include additional rows if needed		
17	<b>Connections total</b>	<b>5,314</b>	
18			
19	<b>Distributed generation</b>		
20	Number of connections made in year	1,103	connections
21	Capacity of distributed generation installed in year	13	MVA
22	<b>9e(ii): System Demand</b>		
23			
24		Demand at time of maximum coincident demand (MW)	
25	<b>Maximum coincident system demand</b>		
26	GXP demand	861	
27	plus Distributed generation output at HV and above	125	
28	<b>Maximum coincident system demand</b>	<b>986</b>	
29	less Net transfers to (from) other EDBs at HV and above	–	
30	<b>Demand on system for supply to consumers' connection points</b>	<b>986</b>	
31	<b>Electricity volumes carried</b>	Energy (GWh)	
32	Electricity supplied from GXPs	4,624	
33	less Electricity exports to GXPs	164	
34	plus Electricity supplied from distributed generation	806	
35	less Net electricity supplied to (from) other EDBs	–	
36	<b>Electricity entering system for supply to consumers' connection points</b>	<b>5,266</b>	
37	less Total energy delivered to ICPS	4,994	
38	<b>Electricity losses (loss ratio)</b>	<b>272</b>	<b>5.2%</b>
39			
40	<b>Load factor</b>	<b>0.61</b>	
41	<b>9e(iii): Transformer Capacity</b>		
42		(MVA)	
43	Distribution transformer capacity (EDB owned)	3,492	
44	Distribution transformer capacity (Non-EDB owned, estimated)	149	
45	<b>Total distribution transformer capacity</b>	<b>3,640</b>	
46			
47	<b>Zone substation transformer capacity</b>	<b>2,376</b>	

Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Western Region

**SCHEDULE 9e: REPORT ON NETWORK DEMAND**

This schedule requires a summary of the key measures of network utilisation for the disclosure year (number of new connections including distributed generation, peak demand and electricity volumes conveyed).

sch ref

8	<b>9e(i): Consumer Connections</b>		
9	Number of ICPS connected in year by consumer type		
10	Consumer types defined by EDB*	Number of connections (ICPs)	
11	Residential/Small Commercial	2,269	
12	Commercial	12	
13	Large Commercial/Industrial	-	
14	[EDB consumer type]	-	
15	[EDB consumer type]	-	
16	* include additional rows if needed		
17	<b>Connections total</b>	2,281	
18			
19	<b>Distributed generation</b>		
20	Number of connections made in year	590	connections
21	Capacity of distributed generation installed in year	8	MVA
22	<b>9e(ii): System Demand</b>		
23			
24		Demand at time of maximum coincident demand (MW)	
25	<b>Maximum coincident system demand</b>		
26	GXP demand	352	
27	plus Distributed generation output at HV and above	112	
28	<b>Maximum coincident system demand</b>	464	
29	less Net transfers to (from) other EDBs at HV and above	-	
30	<b>Demand on system for supply to consumers' connection points</b>	464	
31	<b>Electricity volumes carried</b>	Energy (GWh)	
32	Electricity supplied from GXPs	2,042	
33	less Electricity exports to GXPs	25	
34	plus Electricity supplied from distributed generation	404	
35	less Net electricity supplied to (from) other EDBs	-	
36	<b>Electricity entering system for supply to consumers' connection points</b>	2,421	
37	less Total energy delivered to ICPS	2,260	
38	<b>Electricity losses (loss ratio)</b>	161	6.6%
39			
40	<b>Load factor</b>	0.60	
41	<b>9e(iii): Transformer Capacity</b>		
42		(MVA)	
43	Distribution transformer capacity (EDB owned)	1,743	
44	Distribution transformer capacity (Non-EDB owned, estimated)	104	
45	<b>Total distribution transformer capacity</b>	1,847	
46			
47	<b>Zone substation transformer capacity</b>	1,133	

Company Name **Powerco Limited**

For Year Ended **31 March 2022**

Network / Sub-network Name **Eastern Region**

### SCHEDULE 9e: REPORT ON NETWORK DEMAND

This schedule requires a summary of the key measures of network utilisation for the disclosure year (number of new connections including distributed generation, peak demand and electricity volumes conveyed).

sch ref

#### 8 9e(i): Consumer Connections

9 Number of ICPs connected in year by consumer type

10 Consumer types defined by EDB\*

Consumer types defined by EDB*	Number of connections (ICPs)
11 Residential/Small Commercial	2,986
12 Commercial	35
13 Large Commercial/Industrial	12
14 [EDB consumer type]	–
15 [EDB consumer type]	–

16 \* include additional rows if needed

17 **Connections total** **3,033**

#### 18 Distributed generation

19 Number of connections made in year **751** connections

20 Capacity of distributed generation installed in year **5** MVA

#### 21 9e(ii): System Demand

Demand at time of maximum coincident demand (MW)

#### 22 Maximum coincident system demand

23 GXP demand **450**

24 plus Distributed generation output at HV and above **76**

25 **Maximum coincident system demand** **526**

26 less Net transfers to (from) other EDBs at HV and above **–**

27 **Demand on system for supply to consumers' connection points** **526**

#### 28 Electricity volumes carried

Energy (GWh)

29 Electricity supplied from GXPs **2,582**

30 less Electricity exports to GXPs **138**

31 plus Electricity supplied from distributed generation **402**

32 less Net electricity supplied to (from) other EDBs **–**

33 **Electricity entering system for supply to consumers' connection points** **2,846**

34 less Total energy delivered to ICPs **4,994**

35 **Electricity losses (loss ratio)** **(2,148)** **(75.5%)**

36 **Load factor** **0.62**

#### 37 9e(iii): Transformer Capacity

(MVA)

38 Distribution transformer capacity (EDB owned) **1,749**

39 Distribution transformer capacity (Non-EDB owned, estimated) **45**

40 **Total distribution transformer capacity** **1,794**

41 **Zone substation transformer capacity** **1,243**

Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Powerco Limited

**SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

8	<b>10(i): Interruptions</b>		
9	<b>Interruptions by class</b>	<b>Number of interruptions</b>	
10	Class A (planned interruptions by Transpower)	8	
11	Class B (planned interruptions on the network)	2,192	
12	Class C (unplanned interruptions on the network)	3,390	
13	Class D (unplanned interruptions by Transpower)	6	
14	Class E (unplanned interruptions of EDB owned generation)		
15	Class F (unplanned interruptions of generation owned by others)	6	
16	Class G (unplanned interruptions caused by another disclosing entity)		
17	Class H (planned interruptions caused by another disclosing entity)		
18	Class I (interruptions caused by parties not included above)	670	
19	<b>Total</b>	<b>6,272</b>	
20			
21	<b>Interruption restoration</b>	<b>≤3Hrs</b>	<b>&gt;3hrs</b>
22	Class C interruptions restored within	1,829	1,561
23			
24	<b>SAIFI and SAIDI by class</b>	<b>SAIFI</b>	<b>SAIDI</b>
25	Class A (planned interruptions by Transpower)	0.12	25.48
26	Class B (planned interruptions on the network)	0.40	95.74
27	Class C (unplanned interruptions on the network)	2.20	315.04
28	Class D (unplanned interruptions by Transpower)	0.14	24.58
29	Class E (unplanned interruptions of EDB owned generation)		
30	Class F (unplanned interruptions of generation owned by others)	0.00	0.01
31	Class G (unplanned interruptions caused by another disclosing entity)		
32	Class H (planned interruptions caused by another disclosing entity)		
33	Class I (interruptions caused by parties not included above)	0.11	25.67
34	<b>Total</b>	<b>2.96</b>	<b>486.5</b>
35			
36	<b>Normalised SAIFI and SAIDI</b>	<b>Normalised SAIFI</b>	<b>Normalised SAIDI</b>
37	Classes B & C (interruptions on the network)	2.49	285.56
38			

Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Powerco Limited

**SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

**10(ii): Class C Interruptions and Duration by Cause**

Cause	SAIFI	SAIDI
Lightning	0.04	3.35
Vegetation	0.46	112.66
Adverse weather	0.11	34.33
Adverse environment	0.00	0.71
Third party interference	0.21	23.58
Wildlife	0.21	12.17
Human error	0.14	2.78
Defective equipment	0.74	99.54
Cause unknown	0.29	25.91

**10(iii): Class B Interruptions and Duration by Main Equipment Involved**

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.01	1.27
Subtransmission cables		
Subtransmission other	0.00	0.00
Distribution lines (excluding LV)	0.36	89.15
Distribution cables (excluding LV)	0.00	0.43
Distribution other (excluding LV)	0.03	4.90

**10(iv): Class C Interruptions and Duration by Main Equipment Involved**

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.39	41.10
Subtransmission cables		
Subtransmission other	0.05	6.32
Distribution lines (excluding LV)	1.55	250.41
Distribution cables (excluding LV)	0.08	9.69
Distribution other (excluding LV)	0.12	7.51

**10(v): Fault Rate**

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	186	1,506	12.35
Subtransmission cables		275	-
Subtransmission other	8		
Distribution lines (excluding LV)	4,380	14,753	29.69
Distribution cables (excluding LV)	123	2,242	5.49
Distribution other (excluding LV)	199		
<b>Total</b>	<b>4,896</b>		

Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Western Region

**SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

8	<b>10(i): Interruptions</b>		
9	<b>Interruptions by class</b>	<b>Number of interruptions</b>	
10	Class A (planned interruptions by Transpower)	5	
11	Class B (planned interruptions on the network)	1,212	
12	Class C (unplanned interruptions on the network)	2,331	
13	Class D (unplanned interruptions by Transpower)	3	
14	Class E (unplanned interruptions of EDB owned generation)		
15	Class F (unplanned interruptions of generation owned by others)	6	
16	Class G (unplanned interruptions caused by another disclosing entity)		
17	Class H (planned interruptions caused by another disclosing entity)		
18	Class I (interruptions caused by parties not included above)	426	
19	<b>Total</b>	<b>3,983</b>	
20			
21	<b>Interruption restoration</b>	<b>≤3Hrs</b>	<b>&gt;3hrs</b>
22	Class C interruptions restored within	1,256	1,075
23			
24	<b>SAIFI and SAIDI by class</b>	<b>SAIFI</b>	<b>SAIDI</b>
25	Class A (planned interruptions by Transpower)	0.06	12.56
26	Class B (planned interruptions on the network)	0.41	96.91
27	Class C (unplanned interruptions on the network)	2.63	331.81
28	Class D (unplanned interruptions by Transpower)	0.05	6.09
29	Class E (unplanned interruptions of EDB owned generation)		
30	Class F (unplanned interruptions of generation owned by others)	0.00	0.02
31	Class G (unplanned interruptions caused by another disclosing entity)		
32	Class H (planned interruptions caused by another disclosing entity)		
33	Class I (interruptions caused by parties not included above)	0.13	30.90
34	<b>Total</b>	<b>3.28</b>	<b>478.3</b>
35			
36	<b>Normalised SAIFI and SAIDI</b>	<b>Normalised SAIFI</b>	<b>Normalised SAIDI</b>
37	Classes B & C (interruptions on the network)	3.00	322.88
38			

Company Name	<b>Powerco Limited</b>
For Year Ended	<b>31 March 2022</b>
Network / Sub-network Name	<b>Western Region</b>

**SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

**10(ii): Class C Interruptions and Duration by Cause**

Cause	SAIFI	SAIDI
Lightning	0.07	5.89
Vegetation	0.51	99.79
Adverse weather	0.10	26.83
Adverse environment	0.01	0.81
Third party interference	0.22	21.91
Wildlife	0.35	17.69
Human error	0.11	2.31
Defective equipment	0.89	127.21
Cause unknown	0.36	29.37

**10(iii): Class B Interruptions and Duration by Main Equipment Involved**

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.00	0.22
Subtransmission cables		
Subtransmission other	0.00	0.00
Distribution lines (excluding LV)	0.36	87.97
Distribution cables (excluding LV)	0.00	0.69
Distribution other (excluding LV)	0.04	8.03

**10(iv): Class C Interruptions and Duration by Main Equipment Involved**

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.53	25.64
Subtransmission cables		
Subtransmission other	0.03	2.69
Distribution lines (excluding LV)	1.92	287.28
Distribution cables (excluding LV)	0.04	5.79
Distribution other (excluding LV)	0.11	10.41

**10(v): Fault Rate**

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	151	963	15.68
Subtransmission cables		117	-
Subtransmission other	5		
Distribution lines (excluding LV)	3,129	10,080	31.04
Distribution cables (excluding LV)	36	796	4.52
Distribution other (excluding LV)	124		
<b>Total</b>	<b>3,445</b>		

Company Name	Powerco Limited
For Year Ended	31 March 2022
Network / Sub-network Name	Eastern Region

**SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

8	<b>10(i): Interruptions</b>		
9	<b>Interruptions by class</b>	<b>Number of interruptions</b>	
10	Class A (planned interruptions by Transpower)	3	
11	Class B (planned interruptions on the network)	980	
12	Class C (unplanned interruptions on the network)	1,059	
13	Class D (unplanned interruptions by Transpower)	3	
14	Class E (unplanned interruptions of EDB owned generation)		
15	Class F (unplanned interruptions of generation owned by others)		
16	Class G (unplanned interruptions caused by another disclosing entity)		
17	Class H (planned interruptions caused by another disclosing entity)		
18	Class I (interruptions caused by parties not included above)	244	
19	<b>Total</b>	<b>2,289</b>	
20			
21	<b>Interruption restoration</b>	<b>≤3Hrs</b>	<b>&gt;3hrs</b>
22	Class C interruptions restored within	573	486
23			
24	<b>SAIFI and SAIDI by class</b>	<b>SAIFI</b>	<b>SAIDI</b>
25	Class A (planned interruptions by Transpower)	0.18	39.71
26	Class B (planned interruptions on the network)	0.39	94.45
27	Class C (unplanned interruptions on the network)	1.73	296.58
28	Class D (unplanned interruptions by Transpower)	0.24	44.94
29	Class E (unplanned interruptions of EDB owned generation)		
30	Class F (unplanned interruptions of generation owned by others)	-	-
31	Class G (unplanned interruptions caused by another disclosing entity)		
32	Class H (planned interruptions caused by another disclosing entity)		
33	Class I (interruptions caused by parties not included above)	0.08	19.91
34	<b>Total</b>	<b>2.61</b>	<b>495.6</b>
35			
36	<b>Normalised SAIFI and SAIDI</b>	<b>Normalised SAIFI</b>	<b>Normalised SAIDI</b>
37	Classes B & C (interruptions on the network)	2.12	252.81
38			



Company Name	<b>Powerco Limited</b>
For Year Ended	<b>31 March 2022</b>
Network / Sub-network Name	<b>Eastern Region</b>

**SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

**39 10(ii): Class C Interruptions and Duration by Cause**

Cause	SAIFI	SAIDI
42 Lightning	0.01	0.55
43 Vegetation	0.40	126.83
44 Adverse weather	0.11	42.59
45 Adverse environment	0.00	0.61
46 Third party interference	0.20	25.43
47 Wildlife	0.06	6.08
48 Human error	0.17	3.31
49 Defective equipment	0.56	69.08
50 Cause unknown	0.23	22.10

**52 10(iii): Class B Interruptions and Duration by Main Equipment Involved**

Main equipment involved	SAIFI	SAIDI
55 Subtransmission lines	0.03	2.42
56 Subtransmission cables		
57 Subtransmission other	-	-
58 Distribution lines (excluding LV)	0.35	90.45
59 Distribution cables (excluding LV)	0.00	0.13
60 Distribution other (excluding LV)	0.01	1.45

**61 10(iv): Class C Interruptions and Duration by Main Equipment Involved**

Main equipment involved	SAIFI	SAIDI
64 Subtransmission lines	0.25	58.13
65 Subtransmission cables		
66 Subtransmission other	0.07	10.32
67 Distribution lines (excluding LV)	1.14	209.83
68 Distribution cables (excluding LV)	0.13	13.99
69 Distribution other (excluding LV)	0.13	4.32

**70 10(v): Fault Rate**

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
72 Subtransmission lines	35	543	6.44
73 Subtransmission cables		157	-
74 Subtransmission other	3		
75 Distribution lines (excluding LV)	1,251	4,674	26.77
76 Distribution cables (excluding LV)	87	1,446	6.02
77 Distribution other (excluding LV)	75		
78 <b>Total</b>	<b>1,451</b>		

Company Name	Powerco Limited
For Year Ended	31 March 2022

## Schedule 14 Mandatory Explanatory Notes

*(Guidance Note: This Microsoft Word version of Schedules 14, 14a and 15 is from the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 9 December 2021. Clause references in this template are to that determination)*

1. This schedule requires EDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and subclauses 2.5.1(1)(f), and 2.5.2(1)(e).
2. This schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 11 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for EDBs to give additional explanation of disclosed information should they elect to do so.

### *Return on Investment (Schedule 2)*

4. In the box below, comment on return on investment as disclosed in Schedule 2. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

#### **Box 1: Explanatory comment on return on investment**

The disclosed ROI under both a Vanilla and Post tax approach for 2022 is higher than 2021 (↑191.2% to 8.40% and ↑217.3% to 8.10% respectively). This is primarily driven by a \$111.1m (382.15%) increase in revaluation.

### *Regulatory Profit (Schedule 3)*

5. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 3. This comment must include-
  - 5.1 a description of material items included in other regulated income (other than gains / (losses) on asset disposals), as disclosed in 3(i) of Schedule 3
  - 5.2 information on reclassified items in accordance with subclause 2.7.1(2).

#### **Box 2: Explanatory comment on regulatory profit**

Regulatory profit for the year ended 31 March 2022 is \$170.8m reflecting an increase of \$114.9m (205.72%) compared to the previous year. This was primarily due to increases in total regulatory income (↑\$38.6m, 12.3%), higher revaluations (↑\$111.1m, 382.2%), offset by higher operating expenditure (↑\$12.5m, 13.8%), higher depreciation (↑\$13.1m, 16.3%), higher pass-through and recoverable costs (↑\$4.7m, 4.5%), and regulatory tax (↑\$4.1m, 41.1%)

Other regulated income includes

- reimbursement of costs arising from network damage caused by a third party (e.g. income received from insurers or directly from the third parties), and
- revenue for shared corporate services provided by the regulated business to related parties.

*Merger and acquisition expenses (3(iv) of Schedule 3)*

6. If the EDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below-

6.1 information on reclassified items in accordance with subclause 2.7.1(2)

6.2 any other commentary on the benefits of the merger and acquisition expenditure to the EDB.

**Box 3: Explanatory comment on merger and acquisition expenditure**

No merger and acquisition expenditure was incurred during the disclosure year.

*Value of the Regulatory Asset Base (Schedule 4)*

7. In the box below, comment on the value of the regulatory asset base (rolled forward) in Schedule 4. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

**Box 4: Explanatory comment on the value of the regulatory asset based (rolled forward)**

The closing Regulatory Asset Base (RAB) value has increased by \$232.0m (11.3%) during the year to \$2,286m. Commissioned assets (↑\$15.1m, 8.2%), Revaluations (↑\$111.1m, 382.2%) and Depreciation (↑\$13.1m, 16.3%) were higher than 2021. Disposals (↓\$27.9m, 66.5%) were lower than 2021.

The increase in revaluation is a result of the large increase in the CPI index from 2021 (1.52% compared to 6.93% in 2022).

As per 2021, the Depreciation and Disposal numbers include a provision. The provisions relate to the high WIP balance, resulting from our transition to a new ERP system. At the end of 2022 disclosure period, the Disposal provision was \$41.7m and the Depreciation provision was \$12.0m.

The adjustment resulting from asset allocations includes the below

- The removal of the 2022 movement in fibre related pole assets from the RAB. This is due to the removal of Avoidable Cost Allocation Methodology (ACAM) as a stand-alone cost allocation methodology from 01 April 2018

The asset category transfer line in Schedule 4 (vii) represents

1. The movement in WIP
2. The reclassification of substation buildings from network assets to non-network

The movements are detailed below.

Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV Lines	Distribution & LV cables	Distribution substations & transformers	Distribution Switchgear	Other network assets	Non-network assets
(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
\$0	(\$1)	(\$3)	(\$2)	(\$3)	(\$1)	(\$1)	\$6	\$5

*Regulatory tax allowance: disclosure of permanent differences (5a(i) of Schedule 5a)*

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-
- 8.1 Income not included in regulatory profit / (loss) before tax but taxable;
  - 8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible;
  - 8.3 Income included in regulatory profit / (loss) before tax but not taxable;
  - 8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax.

**Box 5: Regulatory tax allowance: permanent differences**

There is \$1.7m of income that is not included in regulatory profit / (loss) before tax but is taxable. This relates predominantly to customer contribution revenue that is recognised over 10 years for tax purposes.

There is \$0.7m of expenditure in regulatory profit that is not deductible for tax relating to legal and entertainment expenditure and tool expenses that should have been capitalised.

There is no income included in regulatory profit / (loss) before tax that is not taxable.

There is \$0.2m deductible for tax but not in regulatory profit / (loss) relating to lease expenditure under NZ IFRS-16.

*Regulatory tax allowance: disclosure of temporary differences (5a(vi) of Schedule 5a)*

9. In the box below, provide descriptions and workings of material items recorded in the asterisked category 'Tax effect of other temporary differences' in 5a(vi) of Schedule 5a.

**Box 6: Tax effect of other temporary differences (current disclosure year)**

Temporary differences amount to \$4m. The total tax effect of \$1.1m relates to:

- \$1.7m CIW income that will be recognised as taxable income over a period of 10 years
- -\$3.9m movement in employee related provisions
- \$3.6m other provisions associated with year-end
- \$2.6m prior period adjustments

*Cost allocation (Schedule 5d)*

10. In the box below, comment on cost allocation as disclosed in Schedule 5d. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

**Box 7: Cost allocation**

Powerco has adopted a fully distributed cost approach to allocate shared costs between Powerco's electricity distribution, gas distribution and unregulated businesses.

**Directly attributable costs**

\$67.9m operating costs (65.7% of total operating costs) are directly attributable to the electricity distribution business (EDB) compared to \$59.2m in the previous disclosure year.

All operating costs except specified systems operations and network support (SONS) costs and specified business support costs are directly attributable to the specific regulated businesses. Costs that are directly attributable to the electricity distribution business primarily relate to:

- SONS (except network information services management costs)
- Customised Price-Quality Path related costs
- Network management and administration
- Customer related costs

**Proxy allocators**

Powerco adopts ABBA (accounting-based allocation approach) to determine the cost allocators that are used to allocate operating costs not directly attributable (less any arm's length deduction) to the electricity distribution business or any other regulated service. If a causal relationship cannot be established between the cost incurred and the cost driver a proxy relationship may be used to determine the cost allocator.

Following analysis of each financial statement item by Powerco's management team and based on a combination of experience, knowledge and the comparative sizes of Powerco's regulated businesses proxy relationships have been used to allocate operating costs for which a causal relationship cannot be established. The main reason a causal relationship cannot be established is that some costs do not have just one driver. The use of one cost allocator would unfairly affect the allocation of costs between regulated businesses.

**Costs not directly attributable**

\$35.5m operating costs (34.3% of total) that are not directly attributable to the EDB have been allocated to the EDB, compared to \$31.7m in the prior disclosure year.

Costs that are not directly attributable to the electricity distribution business primarily relate to SONS network information services management and business support costs.

SONS network information services management costs include personnel costs and professional service fees. A proxy fixed asset allocator based on the carrying value of network fixed assets is used.

Business support costs include personnel, professional services, information technology, building & insurance, administration and communication & marketing. The allocators vary as follows:

- Corporate services apply a proxy allocator of net revenue
- Human resources apply a proxy allocator of employee numbers
- Regulatory management apply a causal allocation of managements estimate of staff time working on electricity regulated, other regulated and unregulated services and legal apply a proxy fixed asset allocator
- Insurance apply causal allocators of indemnity values, vehicle allocations and employee numbers
- Facility costs apply a causal allocator of employee numbers and a proxy fixed assets allocator
- Information systems and projects apply a proxy fixed asset allocator

Only one allocation methodology has been applied to each functional area and there have been no changes to any cost allocator used in the current disclosure year.

Rationale for the quantifiable measure used for each proxy allocator is as follows:

Functional Area	Proxy Allocator	Rationale
Corporate Services	Net Revenue	Corporate services for the business do not only relate to asset management, therefore net revenue has been chosen as the most complete measure that encompasses all activities of the business to allocate corporate service costs.
Human Resources	Employee numbers	Human resource costs relate to managing employees of the business. Therefore an assumption can be made that the greater number of employees in a business segment, the greater the share of human resources costs required to support that segment.
Legal	Fixed Assets	A significant amount of legal costs relate to capital expenditure and existing assets. Therefore an assumption can be made the greater amount of assets in a business segment, the greater the share of legal costs required to support that segment.
Information Systems and projects	Fixed Assets	A significant amount of information systems costs relate to managing and supporting the assets of the business. Therefore an assumption can be made the greater amount of assets in a business segment, the greater the share of information system costs required to support that segment.

*Asset allocation (Schedule 5e)*

11. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

**Box 8: Commentary on asset allocation**

\$2,214.2m (96.9%) of the total RAB value is directly attributable to the electricity distribution business (EDB). \$71.6m (3.1%) of the total RAB value is not directly attributable but has been allocated to the EDB. In the previous disclosure year, the proportionate split was 96.6% and 3.4% respectively.

The principles supporting Powerco's asset allocation are consistent with the principles supporting cost allocation described in Box 7.

Shared non-network assets have been allocated to the regulatory asset base based on the proxy allocator of fixed asset net book value.

During 2022, \$4.4m of building substation assets have been transferred from network to non-network assets. The reason for the transfer was to provide greater granularity of the assets that from 1 April 2021 we could start claiming tax depreciation on again. Refer to Schedule 15, Box 1 for additional information.

*Capital Expenditure for the Disclosure Year (Schedule 6a)*

12. In the box below, comment on expenditure on assets for the disclosure year, as disclosed in Schedule 6a. This comment must include-
- 12.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;
  - 12.2 information on reclassified items in accordance with subclause 2.7.1(2).

**Box 9: Explanation of capital expenditure for the disclosure year**

Expenditure on assets for the year ended March 2022 totalled \$252.1m which is \$10.4m (4.3%) more than the prior year (\$241.7m). This reflects increased expenditure across consumer connection, system growth and asset relocations offset by decreased expenditure in asset replacement and renewal; reliability, safety and environment and non-network. A \$28.6m increase in consumer connection, a \$5.0m increase in system growth which is offset by a \$15.4m decrease in asset replacement and renewal and \$8.8m decrease in reliability, safety and environment. These numbers account for 92% of the increase.

**Materiality threshold**

A number of capex project and programme classifications exist. Whether they are material is defined as follows:

- quality of supply project - the project value exceeds 5% of the category's total value
- asset relocation project - the project value exceeds \$100k
- other reliability, safety and environment project or programme - expenditure exceeds \$150k
- non-network programme - expenditure exceeds \$300k

**Reclassified items**

No capital expenditure has been reclassified during the current disclosure year.

*Operational Expenditure for the Disclosure Year (Schedule 6b)*

13. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-

13.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b;

13.2 Information on reclassified items in accordance with subclause 2.7.1(2);

13.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

**Box 10: Explanation of operational expenditure for the disclosure year**

Operating expenditure (opex) for the year ended March 2022 totalled \$103.4m which is \$12.5m (13.8%) more than the prior year (\$90.9m). All opex categories increased during the year with the exception of vegetation management. The largest increases are routine and corrective maintenance and inspection \$4.9m, business support \$3.9m and asset replacement and renewal \$2.1m. Variances noted across the remaining opex categories are smaller and account for the balance of the total opex increase.

**Reclassified items**

No items have been reclassified during this disclosure year.

**Atypical expenditure**

There have been no material items of atypical expenditure.

*Variance between forecast and actual expenditure (Schedule 7)*

14. In the box below, comment on variance in actual to forecast expenditure for the disclosure year, as reported in Schedule 7. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

## **Box 11: Explanatory comment on variance in actual to forecast expenditure**

### **Expenditure on assets**

Expenditure on assets (network and non-network) for the year ended March 2022 totalled \$252.1m which is \$6.2m (2.5%) above the 2021 Asset Management Plan (AMP) forecast (\$245.9m). This net overspend is the result of a \$4.7m (2.0%) overspend on expenditure on network assets and a \$1.5m (11.1%) overspend on expenditure on non-network assets.

- **Consumer connection**

Despite Covid restrictions customer development was extremely strong across all of the Powerco footprint and was well over forecast levels \$25.0m (56.4%) higher than forecast. Subdivisions and associated residential connections were exceptionally strong, along with continued development for retirement village complexes. There was also a significant amount of commercial and industrial activity, with large commercial and industrial projects and multiple light industrial subdivisions across the entire Powerco footprint. Decarbonisation projects are likely to see this industrial work continue over the next year.

- **System growth**

Actual expenditure on system growth is less than forecast by \$28.4m (33.9%). This variance is driven largely by delays or deferrals relating to several major and minor projects.

Significant cost estimate increases to deliver the original scope have prompted a review of alternative options for Whenuakite, Kerepehi Paeroa and Kopu-Tairua projects. For Kopu-Tairua, the decision was made to move to a combination of 11kV backup generation and third party non-network support for solving the network need in the Coromandel. The backup generation projects have progressed to design and is expected to be delivered in FY2024. We are also in the process of finalising non-network support agreements.

Delays resulting from challenges with landowner access and resource availability on several large projects (Kereone Walton, Feilding-Sanson-Bulls cable link and substation, Putaruru) have also delayed spend from FY2022 to FY2023.

- **Asset replacement and renewal**

Asset replacement and renewal expenditure was higher than forecast by \$14.6m (16.9%).

Overhead renewals work was accelerated into FY2022 to fill the anticipated underspends in the growth portfolio (due to the challenges progressing major projects). This opportunity was again available to us because of a large pool of construction ready largely overhead projects in hand, with construction ready contractors available to deliver.

We had higher than forecast spend on reactive ARR Capex. During FY2022, we actively pursued reducing the backlog of high priority Amber defects (resolution within 6 months). The backlog reduction is an important target in our CPP submission. We also experienced a significant storm event (Cyclone Dovi) in Feb 2022, resulting in significant repair work.

- **Asset relocations**

Asset relocation expenditure for FY2022 was \$3.4m (61.5%) less than the AMP2021 forecast.

Asset Relocations were mostly related to NZTA or Council roading projects throughout the Powerco Network area. The upgrade of the NZTA Northern Link road from Tauranga is by far the most significant and involves lines at 33kV, 11kV and LV. That project will continue through the next year. There were a number of smaller projects related to relocating Powerco assets for safety, such as LV fuse pillars near driveways that were vulnerable to vehicle damage.

- **Reliability, safety and environment**

- **Quality of supply**

Expenditure on quality of supply was lower than forecast for the period by \$3.2m (41.2%). This reduction in expenditure was primarily due to the flow-on impacts of accelerating reliability initiatives for delivery in the preceding year (FY21).

- **Other reliability, safety and environment**

Expenditure on other reliability, safety and environment was largely aligned with forecast.

- **Expenditure on non-network assets**

Expenditure on non-network assets was \$1.5m (11.1%) over forecast. The variance resulted from the timing of a planned upgrade of the Enterprise Asset Management System.

### **Operational expenditure**

Operational expenditure (opex) totalled \$103.4m during the period which is \$5.0m (5.1%) above the 2021 Asset Management Plan (AMP) forecast (\$98.4m). Network opex was \$3.2m (7.1%) above the forecast, primarily driven by overspend on routine corrective maintenance and inspections and asset replacement and renewal, while non-network opex was \$1.8m (3.4%) above the forecast.



Commentary is provided for each category where the variance against target exceeds 5.0% (subject to the difference being material in dollar terms).

- Routine corrective maintenance and inspections

Expenditure on routine corrective maintenance and inspections was \$1.5m (8.8%) higher than forecast. The primary reason for this overspend is the completion of high value maintenance activities that had been deferred from FY21 due to planned SAIDI/SAIFI constraints.

- Asset replacement and renewal

Expenditure on asset replacement and renewal was \$2.1m (19.6%) higher than forecast. This increase can largely be attributed to higher expenditure on second response following large storms events such as Cyclone Dovi, a large fault requiring generation for a sustained period of time, and an increase in fault crew deployment to manage SAIDI levels.

*Information relating to revenues and quantities for the disclosure year*

15. In the box below provide-

15.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and subclause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and

15.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

**Box 12: Explanatory comment relating to revenue for the disclosure year**

Powerco's actual revenue for the year ended 31 March 2022 was \$364.2 compared to target revenue of \$358.7m. There is no material difference between target revenue and total billed line charge revenue.

*Network Reliability for the Disclosure Year (Schedule 10)*

16. In the box below, comment on network reliability for the disclosure year, as disclosed in Schedule 10.

**Box 13: Commentary on network reliability for the disclosure year**

For the year ended March 2022 Powerco's normalised SAIDI (Class B and Class C) was 286 minutes extending the worsening trend in unplanned fault restoration durations. SAIFI (Class B and Class C) rose back to 2.49 reflecting the impact of three major storms.

The increasing SAIDI supports Powerco's analysis in its customised price path (CPP) application of underlying deterioration in the network performance, reflecting declining asset condition. This is one of the drivers for increasing our investment in asset renewal. Despite increasing expenditure across a number of areas, we expect at best, only marginal improvement in network performance (measured by the average level of unplanned interruptions) during the CPP period; but with increasing improvements over the longer term.

**Calculating reliability results**

Powerco has well developed processes to capture outage / interruption information and ensure the accuracy of these records. In utilising this data to complete schedule 10 the following key calculation steps are applied:

- To calculate SAIDI and SAIFI customer connection numbers ("ICPs") are calculated from the Geographic Information System ("GIS") for the transformers affected. ICPs are updated to the GIS daily from the Electricity Registry;
- The customer connection number used in the annual calculation of SAIDI and SAIFI is the average of the daily customer numbers over the Assessment year. The sum of all customer minutes interrupted is divided by the average customer connection numbers to derive the annual SAIDI minutes and SAIFI value;
- Calculation of the final year result no longer incorporates the adjustment of three minutes per interruption across all fault records historically used to correct for practical delays affecting the recorded restoration time for many faults caused by SCADA polling delays, voice communication constraints, clock time coding discrepancies, etc. This adjustment was first removed in the March 2021 year.

**The normalised results for Powerco**

The normalised result (line 37 of Schedule 10) reports SAIDI and SAIFI by applying the methodology contained in the Information Disclosure Determination (IDD).

This methodology is different to the methodology used for calculating SAIDI and SAIFI for the Customised Price-Quality Path (CPP) compliance statement therefore the actual normalised result reported in this information disclosure is not the same as the CPP quality path normalised reliability result.

The Commerce Commission is aware of this inherent inconsistency and will consider this issue in future amendments to the Information Disclosure Determination<sup>1</sup>. From 2019 the quality path normalised reliability limits are not required to be disclosed in this Schedule 10.

**The normalised results for Powerco's sub-networks**

When calculating the normalised SAIDI and SAIFI for the sub-networks for the purposes of Information Disclosure, Powerco has derived normalised datasets for each sub-network using boundary values calculated using the reference dataset (2005-2009 disclosure years) for each sub-network. This approach follows one of the two options provided by the Commerce Commission in its Issues Register for Electricity and Gas Information Disclosure<sup>2</sup>. Powerco has chosen this option as we consider it provides a more meaningful analysis of the actual performance of each sub-network than the alternative option of applying a Powerco wide network boundary value to the sub-networks.

*Insurance cover*

17. In the box below, provide details of any insurance cover for the assets used to provide electricity distribution services, including-

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<sup>1</sup> Commerce Commission's issues register for gas and electricity information disclosure, item number 447.

<sup>2</sup> Commerce Commission's issues register for gas and electricity information disclosure, item number 231.

- 17.1 The EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;
- 17.2 In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

**Box 14: Explanation of insurance cover**

Powerco holds significant insurance cover relating to material damage and business interruption, targeted at key assets. This includes full cover for buildings and contents, substations and IS server equipment, and natural disaster cover for distribution transformers and SCADA equipment.

Powerco continues to prudently insure our network and other assets where it is economically feasible to do so, in line with good industry practice. Cover for poles, wires and pipes (commonly referred to as transmission and distribution cover) are, for all practical purposes, unavailable in NZ. Where it may be available in small amounts across our geographic region, the cost is considered to be uneconomic versus the risk, as there is a restricted retained limit and a premium cost of 10-15% of the sum insured.

To manage the immediate financial exposure to a catastrophic event affecting uninsured assets, the company maintains headroom in its debt facilities as explained below. The geographically diverse nature of Powerco's assets, and the resilience of those assets, also provides some practical mitigation of seismic risks.

Powerco maintains debt facilities, in excess of net (drawn) debt, that would be available for use should events occur which require extra funds to be made available quickly. This headroom amount is in excess of our day-to-day working capital requirements.

The value of this facility headroom, currently \$100 million, is based primarily on an assessment of the uninsured damage to Powerco's network assets undertaken by Marsh Risk Consulting. This analysis reviewed the catastrophic risk and expected loss from a catastrophic event, and was last assessed at \$70-96 million.

Insurance costs are allocated to Powerco's separate businesses following Powerco's allocation policies discussed earlier in this document.

*Amendments to previously disclosed information*

18. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:
  - 18.1 a description of each error; and
  - 18.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

**Box 15: Disclosure of amendment to previously disclosed information**

There have been no amendments to previously disclosed information.

Company Name	<u>Powerco Limited</u>
For Year Ended	<u>31 March 2022</u>

## **Schedule 15      Voluntary Explanatory Notes**

*(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 9 December 2021.)*

1. This schedule enables EDBs to provide, should they wish to-
  - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1 and 2.5.2;
  - 1.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.
2. Information in this schedule is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.
3. Provide additional explanatory comment in the box below.

**Box 1: Voluntary explanatory comment on disclosed information**  
**Finance (schedules 2-7)**

*Weighted average remaining useful life of assets (schedule 4)*

The weighted average remaining useful life of assets has been calculated in accordance with Schedule 16 of the Information Disclosure Determination which specifies the weighting is based on opening RAB values. Opening RAB is a depreciated value that skews the weighted average remaining useful life value towards the newer, and consequently, higher value longer remaining life assets. This measure is therefore not a true reflection of the age of Powerco's assets.

It is also important to note that asset age, particularly total average remaining asset life, is not a key driver of the need to replace network assets. Good asset management practice would suggest this is primarily driven by overall asset health – i.e. condition/performance/criticality. For this reason, Powerco's forecast investment profiles set out in the company's current Asset Management Plan are not directly linked to addressing specific movements in average asset age although this is one of a number of key considerations.

*Disposals and Depreciation provisions*

As noted in Box 4 the disposals and depreciation result for the current year include provisions related to Commissioned WIP that is included in RAB.

Powerco implemented a new ERP system in the 2020 Disclosure year, and since this implementation, the balance of assets that are commissioned but remain in WIP has increased significantly. Any disposal or depreciation related to these new assets is not fully captured in the ERP system. This has highlighted the need to include provisions in 2021, to reflect that the growth in value of Commissioned WIP should also result in disposals related to the commissioned WIP, and depreciation where the assets have been included in commissioned WIP for more than one year. These provisions have been recalculated in 2022.

The disposal and depreciation provisions apply the same methodology as is used for accounting, while also ensuring that these provisions are calculated in line with the relevant Input Methodology.

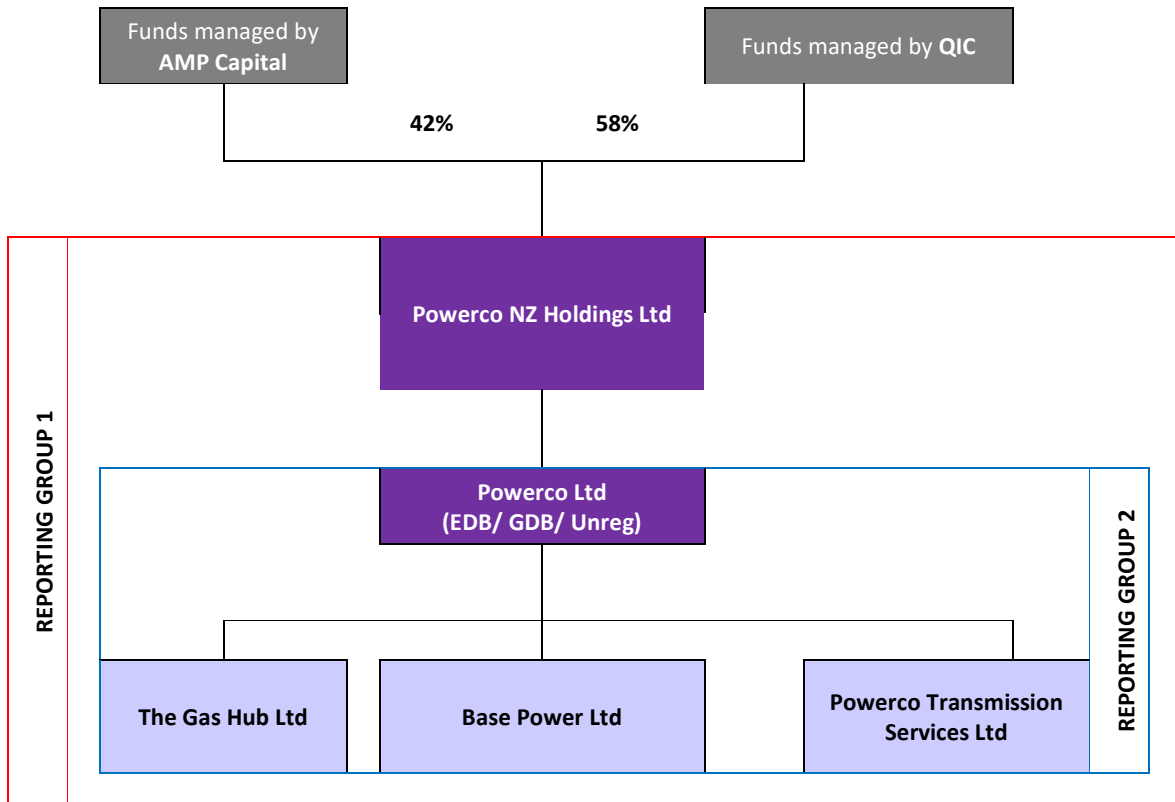
The high level of disposals included in 2021 reflected the change in methodology.

The provision included in 2022 captures new assets included in commissioned WIP this year, and assets that remain in commissioned WIP from previous years.

This provision-based approach will be used in future years.

*Related parties (schedule 5b)*

Referencing limb a) of the related party definition, Powerco Limited's external related parties include:



- Powerco NZ Holdings Limited does not trade. Its purpose is to form a corporate group through share ownership.
- Powerco Limited is primarily a regulated electricity and gas distribution business. It also conduct's unregulated activities such as gas metering and includes a business development team to identify and take advantage of both regulated and unregulated opportunities. Powerco Limited provides business support services to Base Power Ltd and the unregulated 'parts' of the regulated business.
- The Gas Hub Limited and Powerco Transmission Limited are not active.
- Base Power Limited provides remote area power supply units to the market and Powerco's Electricity Distribution business.

Referencing limb b) of the related party definition, Powerco Limited's internal related parties include:

- Gas metering

All related party transactions are valued on an equivalent arm's length basis. Powerco Limited has not adopted the consolidation approach. Depending on the type of transaction the valuation method may require the application of a:

- a) market-tested value; or
- b) market-tested margin.

Powerco applies a market-tested value to expenditure on assets purchased from Base Power Ltd.

Powerco applies a market-tested margin to regulatory income for business support services provided to related parties. To ensure Powerco's valuation of related party transactions is based on an objective and independent measure, PwC were engaged to report the margin benchmarks observed in the market for relevant corporate services.

- The equivalent arm's length value of services provided to Base Power Limited is \$7.2k, of which 100% is allocated to Powerco's Electricity Distribution business.

- The equivalent arm's length value of services provided to Gas metering is \$526k, of which 0% is allocated to Powerco's Electricity Distribution business.

#### *Overhead to underground conversion (schedule 6a)*

Powerco does not collect information separately where the conversion from overhead line to underground cable forms part of a larger project. The capital expenditure for this metric reported in schedule 6a is for those projects that are only converting overhead distribution to underground.

#### **Asset Information (schedules 9a-9c)**

##### *Asset management system*

- The new ERP system in 2020 continues to be bedded-in with ongoing impact to asset data outcomes.

##### *Data quality*

- Powerco's network is made up of fifteen legacy lines networks that have been amalgamated over time and this diversity continues to present challenges. We continue to invest in improving asset data quality and completeness and, whilst we believe it is adequate for business purposes and in line with the levels of quality available by other electricity distributors, there are some known limitations with key points are noted as follows:
  - Underlying asset data comprises a comprehensive set of network information that is generally complete and consistently applied. However, a small proportion of the asset data is either internally conflicting or not wholly reliable and, for a small number of asset categories, there are also gaps in the attribute information.
  - Ongoing programmes of work are continually improving the completeness and accuracy of our asset data. This work can impact asset quantities and age profile.
  - Some asset ages have been estimated after initial data capture. While based on the best information available, these estimates contain some assumptions.
  - Consumer service connections are not explicitly recorded as assets.

##### *Asset categorisation*

Powerco operates network assets which do not clearly fit into a specified category, such as reclosers in zone substations. These assets have been included in the category that most closely relates to the asset type and function, in accordance with guidance of the Commission's issues register for electricity disclosure.

##### *Low voltage circuit length*

- Powerco notes that low voltage circuit length has been calculated in accordance with information provided by the Commission. This requires low voltage service lines in transport corridors (other than road crossings) to be excluded. For completeness, Powerco considers that this definition understates the practical circuit length under management by Powerco.

##### *Consumer Service Connections*

- In disclosures prior to 2022 consumer service connections were inferred using a bespoke process. Asset management system streamlining has obsoleted that process and replaced it with ICP reporting. This resolves previous incompleteness but introduces an increased level of unknown and assumed age information.

##### *Circuits in sensitive areas*

Powerco does not record sensitive area geography and therefore no circuit length is reported for this criterion.

##### *Circuit length under vegetation management*

- Powerco's vegetation management policy applies to the whole overhead electricity network. Subject to annual budget constraints, this strategy involves an intensive trimming period in high criticality areas until the areas are under control and then a reduction to a sustainable level of vegetation management to maintain clearance from the lines.

#### **Transformer capacity (schedule 9e)**

##### *Distribution transformer capacity*

- Disclosed distribution transformer capacity includes transformers that are recorded as being network connected. Assumptions have been made for operational distribution substations where installed capacity is not known.
-

*Zone substation transformer capacity*

Powerco owns transformers provided by various suppliers with ratings calculated at varying temperatures. The capacity disclosed uses a standardised rating for continuous operation at 20°C. The 2022 total includes some additional capacity resulting from refreshed calculations.

**Successive interruptions (Schedule 10)**

As required by the exemption granted 17 May 2021 Powerco confirms that successive interruptions have been treated in the same way for the 2022 disclosure as they were for the 2021 disclosures.

Powerco's methodology for recognising successive interruptions is summarised below.

- If supply is cut for more than 1 minute - SAIDI and SAIFI will apply
- If supply is restored for less than 1 minute - it is a continuation of the initial interruption. SAIDI continues to apply and there isn't a new SAIFI
- If supply is restored for more than 1 minute but then fails again for greater than 1 minute – SAIDI applies, and this event incurs a new SAIFI. There is a no SAIDI component whilst the power is on



## Electricity Distribution Services Information Disclosure

For the year ended 31 March 2022

Certificate for year-end disclosures

Pursuant to clause 2.9.2 of section 2.9

We, John Laughlin and Paul Callow

being directors of Powerco Limited certify that, having made all reasonable enquiry, to the best of our knowledge -

- a) The information prepared for the purposes of clauses 2.3.1, 2.3.2, 2.4.21, 2.4.22, 2.5.1, 2.5.2 and 2.7.1 of the Electricity Distribution Information Disclosure 2012 in all material respects complies with that determination; and
- b) The historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 9e, 10, and 14 has been properly extracted from the Powerco Limited's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained.
- c) In respect of information concerning assets, costs and revenues valued or disclosed in accordance with clause 2.3.6 of the Electricity Distribution Information Disclosure Determination 2012 and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012, we are satisfied that-
  - i. the costs and values of assets or goods or services acquired from a related party comply, in all material respects, with clauses 2.3.6(1) and 2.3.6(3) of the Electricity Distribution Information Disclosure Determination 2012 and clauses 2.2.11(1)(g) and 2.2.11(5)(a)-2.2.11(5)(b) of the Electricity Distribution Services Input Methodologies Determination 2012; and
  - ii. the value of assets or goods or services sold or supplied to a related party comply, in all material respects, with clause 2.3.6(2) of the Electricity Distribution Information Disclosure Determination 2012.

Director

Date

18 August 2022

Director

Date

18 August 2022



**INDEPENDENT AUDITOR'S REPORT  
TO THE DIRECTORS OF POWERCO LIMITED AND THE COMMERCE COMMISSION**

**Report on the Disclosure Information prepared in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated December 2021)**

We have conducted a reasonable assurance engagement on whether the information disclosed by Powerco Limited (the 'Company') required to be disclosed in accordance with the Electricity Information Disclosure Determination 2012 (consolidated December 2021) (the 'Determination') for the disclosure year ended 31 March 2022, has been prepared in all material respects, in accordance with the Determination.

The information required to be reported by the Company, under the Determination is in Schedule 1 to 4, 5a to 5g, 6a and 6b, 7, 10, and the explanatory notes in boxes 1 to 11 of Schedule 14 ('the Disclosure Information').

Further, we have conducted a reasonable assurance engagement on whether the Company's basis for valuation of related party transactions ('the Related Party Transaction Information') for the disclosure year ended 31 March 2022, has been prepared, in all material respects, in accordance with clauses 2.3.6 of the Determination, and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated May 2020) ('the Input Methodologies Determination').

**Opinion**

This opinion has been formed on the basis of, and is subject to, the inherent limitations outlined elsewhere in this independent assurance report.

In our opinion:

- The Company has complied, in all material respects, with the Determination in preparing the Disclosure Information;
- The Related Party Transaction Information complies, in all material respects, with the Determination and the Input Methodologies Determination;
- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information and the Related Party Transaction information have been kept by the Company; and
- As far as appears from an examination of the records, the information used in the preparation of the Disclosure Information and the Related Party Transaction Information has been properly extracted from the Company's accounting and other records and has been sourced, where appropriate, from the Company's financial and non-financial systems.

**Basis of opinion**

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Standard on Assurance Engagements 3100 (Revised): *Compliance Engagements* issued by the New Zealand Auditing and Assurance Standards Board. Copies of these standards are available on the External Reporting Board's website.

These standards require that we comply with ethical requirements and plan and perform our assurance engagement to provide reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, with the Determination, and about whether the Related Party Transaction Information has been prepared, in all material respects, with the Determination and the Input Methodologies Determination. Reasonable assurance is a high level of assurance.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Key assurance matters

Key assurance matters are those matters that, in our professional judgement, were of most significance in our assurance procedures of the Disclosure Information. These matters were addressed in the context of our audit of the Disclosure Information, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key assurance matter	How our procedures addressed the key assurance matter
<b>Capital expenditure and assets commissioned into the regulatory asset base ('RAB')</b>	
<p>The Company carries out a large number of individual network system projects that can be either operational (network maintenance) or capital (asset replacement or network growth) in nature.</p> <p>Capital expenditure in the current year was \$210 million and commissioned assets in to the RAB of \$199 million, compared to network operating expenditure of \$103 million.</p> <p>Capital expenditure and assets commissioned into the RAB are a key assurance matter due to the significant judgment pertaining to the assessment of whether the capital expenditure and assets commissioned meet the definition under the Determination.</p>	<p>Our procedures on capital expenditure and commissioned assets into the RAB included the following:</p> <ul style="list-style-type: none"> <li>Assessing the Company's capitalisation policy was in line with NZ IAS 16 – <i>Property, plant and equipment</i>, NZ IFRS 16 – <i>Leases</i> and NZ IAS 38 – <i>Intangible assets</i>;</li> <li>Evaluating the design and implementation of controls over the classification of network expenditure;</li> <li>Examining a sample of capital expenditure and assets included in the RAB to invoice(s) or other supporting information to determine whether the expenditure met the capitalisation criteria in the Determination; and</li> <li>Comparing the assets commissioned into the RAB to those commissioned for financial statement purposes and investigating any significant variances.</li> </ul>
<b>Valuation of the provision for asset disposals</b>	
<p>As detailed in Schedule 14 and Schedule 15, the Company included a provision for assets disposals amounting to \$41 million in the regulatory asset base disclosed in the information disclosure Schedule 4.</p> <p>The provision is calculated using an input assumption based on historical trends. The input factor is applied against the proportion of asset replacement and renewals in commissioned assets.</p> <p>This is a key assurance matter due to the quantum of the balance and the level of judgement required in determining the estimate.</p>	<p>Our procedures on management's estimation of the provision for asset disposals included the following:</p> <ul style="list-style-type: none"> <li>Evaluating the design and implementation of key controls over the disposals provision;</li> <li>Assessing key assumptions against internal information such as disposals and capitalisation history;</li> <li>Assessing changes in assumptions and methodologies from prior periods;</li> <li>Testing the arithmetical accuracy of the calculation; and</li> <li>Evaluating the sensitivity of the calculation to changes in the key variables and assumptions.</li> </ul>

Key assurance matter	How our procedures addressed the key assurance matter
<p><b>Completeness and accuracy of System Average Interruption Duration Index ('SAIDI') and System Average Interruption Frequency Index ('SAIFI')</b></p> <p>The Determination defines certain quality measures in relation to the number of interruptions, faults, cause of faults and the average SAIDI and SAIFI values.</p> <p>SAIFI and SAIDI is calculated using aggregate faults and interruptions information for the period through prescribed formulas and requirements per Attachment B of the Determination.</p> <p>The completeness and accuracy of SAIDI and SAIFI is a key assurance matter due to the reliance on manual switching sheets to inform the data entry of interruption information for a large volume of faults.</p> <p>Additionally, the SAIDI and SAIFI calculation is subject to manual adjustments processed to normalise the calculation.</p>	<p>Our procedures on the completeness and accuracy of SAIDI and SAIFI included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining a robust understanding of the Company's methods for recording electricity outages and their duration;</li> <li>• Evaluating the design and implementation of key controls related to the recording and the reviewing of outage data;</li> <li>• Utilising media searches to assess whether there are major events omitted from the outages recorded;</li> <li>• On a sample basis, we selected faults recorded on the outage database and traced the number of customers, number of minutes, the class type and fault cause to the information recorded on the outage listing;</li> <li>• On a sample basis, we selected faults recorded on the switching sheets and traced the number of customers, number of minutes, the class type and fault cause to the information recorded in the system and the information recorded on the outage listing;</li> <li>• Where a manual adjustment is processed, for planned or unplanned, we have, on a sample basis, obtained supporting information for the adjustment;</li> <li>• Recalculating the normalised SAIDI and SAIFI according to the methodology of the Determination; and</li> <li>• Reviewing the disclosures in Schedule 15 in respect of the treatment of successive interruptions.</li> </ul>

## Responsibilities of the Board of Directors for the Disclosure Information and Related Party Transaction Information

The Board of Directors is responsible on behalf of the Company for the preparation of the Disclosure Information and Related Party Transaction Information in accordance with the Determination. The responsibility includes the design, implementation and maintenance of internal control relevant to the Company's preparation of the Disclosure Information and the Related Party Transaction Information with the Determination.

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* ('PES-1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



Other than in our capacity as auditor and the provision of other assurance services including the audit of financial statements, the audit of regulatory disclosure statements and greenhouse gas assurance, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor of the Company as required by the Determination.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Our responsibility for the audit of the Disclosure Information and the Related Party Transaction Information**

Our responsibility is to express an opinion whether the Disclosure Information and the Related Party Transaction Information has been prepared, in all material respects, in accordance with the Determination and the Input Methodologies Determination. ISAE 3000 (Revised) and SAE 3100 (Revised) require that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material respects, with the Determination and the Input Methodologies Determination in relation to the preparation of the Disclosure Information and the Related Party Transaction Information.

An assurance engagement to report on the Company's preparation of the Disclosure Information and the Related Party Transaction Information in accordance with the Determination and the Input Methodologies Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the requirements of the Determination and the Input Methodologies Determination. The procedures selected depend on our judgement, including the identification and assessment of risk of material non-compliance with the Determination and the Input Methodologies Determination.

We have performed procedures to obtain evidence about the amounts and disclosures in the Disclosure Information and the basis of valuation in the Related Party Transaction Information. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Disclosure Information and Related Party Transaction Information, whether due to fraud or error or non-compliance with the Determination or the Input Methodologies Determination. In making those risk assessments, we considered internal control relevant to the Company's preparation of the Disclosure Information and Related Party Transaction Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

### **Inherent Limitations**

Because of the inherent limitations of a reasonable assurance engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

We did not examine every transaction, adjustment or event underlying the Disclosure Information or the Related Party Transaction Information nor do we guarantee complete accuracy of the Disclosure Information or the Related Party Transaction Information. Also we did not evaluate the security and controls over the electronic publication of the Disclosure Information or the Related Party Transaction Information.

The opinion expressed in this report has been formed on the above basis.

### **Use of Report**

This independent assurance report has been prepared solely for the directors of the Company and the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination, and about whether the Related Party Transaction Information has been prepared, in all material respects, in accordance with the Determination and the Input Methodologies Determination.



We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the Company or the Commerce Commission, or for any other purpose than that for which it was prepared.

*Deloitte Limited*

**Chartered Accountants**

18 August 2022

Auckland, New Zealand