

**Electricity Distribution Information Disclosure Determination 2012**  
**Consolidated determination as of 18 May 2023**

**Schedules 1–10**  
**excluding 5f–5g**

Company Name

[Network Waitaki](#)

Disclosure Date

[31 August 2023](#)

Disclosure Year (year ended)

[31 March 2023](#)

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## **Disclosure Template Instructions**

This document forms Schedules 1–10 to the Electricity Distribution Information Disclosure Determination 2012 (Consolidated determination as of 18 May 2023)

The Schedules take the form of templates 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 schedule 4, 5b, 5c, 5d, 5e, 6a, 8, 9d, and 9e templates 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. Additional rows in the schedule 5c, 6a, and 9e templates 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.

The schedule 5d and 5e templates 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.

**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

**Changes Since Previous Version**

Refer to the Targeted Information Disclosure Review - Electricity Distribution Businesses Final reasons paper - Tranche 1, for the details of changes made. A summary is provided in Chapter 2.

Company Name  
For Year Ended

Network Waitaki  
31 March 2023

## 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 this ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of this determination.

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

sch ref

### 1(i): Expenditure metrics

	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)
<b>Operational expenditure</b>	39,645	804	165,410	5,621	46,192
Network	11,876	241	49,548	1,684	13,837
Non-network	27,770	563	115,862	3,938	32,355
<b>Expenditure on assets</b>	34,143	692	142,452	4,841	39,781
Network	32,745	664	136,620	4,643	38,152
Non-network	1,398	28	5,832	198	1,628

### 1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)
<b>Total consumer line charge revenue</b>	81,194	1,646
Standard consumer line charge revenue	96,190	1,404
Non-standard consumer line charge revenue	43,439	39,767

### 1(iii): Service intensity measures

Demand density	34	Maximum coincident system demand per km of circuit length (for supply) (kW/km)
Volume density	142	Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
Connection point density	7	Average number of ICPs per km of circuit length (for supply) (ICPs/km)
Energy intensity	20,272	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

### 1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	10,725	48.83%
Pass-through and recoverable costs excluding financial incentives and wash-ups	4,907	22.34%
Total depreciation	4,589	20.89%
Total revaluations	7,366	33.54%
Regulatory tax allowance	430	1.96%
Regulatory profit/(loss) including financial incentives and wash-ups	8,680	39.52%
<b>Total regulatory income</b>	<b>21,964</b>	

### 1(v): Reliability

Interruption rate	22.38	Interruptions per 100 circuit km
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Company Name

Network Waitaki

For Year Ended

31 March 2023

**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 this 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

**2(i): Return on Investment****ROI – comparable to a post tax WACC**

Reflecting all revenue earned  
Excluding revenue earned from financial incentives  
Excluding revenue earned from financial incentives and wash-ups

CY-2

CY-1

Current Year CY

%

%

%

4.64%	8.08%	7.52%
4.64%	8.08%	7.52%
4.64%	8.08%	7.52%

**Mid-point estimate of post tax WACC**

25th percentile estimate  
75th percentile estimate

3.72%	3.52%	4.88%
3.04%	2.84%	4.20%
4.40%	4.20%	5.56%

**ROI – comparable to a vanilla WACC**

Reflecting all revenue earned  
Excluding revenue earned from financial incentives  
Excluding revenue earned from financial incentives and wash-ups

4.97%	8.38%	8.03%
4.97%	8.38%	8.03%
4.97%	8.38%	8.03%

**WACC rate used to set regulatory price path**

N/A	N/A	N/A
-----	-----	-----

**Mid-point estimate of vanilla WACC**

25th percentile estimate  
75th percentile estimate

4.05%	3.82%	5.39%
3.37%	3.14%	4.71%
4.73%	4.50%	6.07%

**2(ii): Information Supporting the ROI**

(\$000)

Total opening RAB value  
plus Opening deferred tax

110,927	
(5,393)	
	105,534

**Opening RIV****Line charge revenue**

	21,964
--	--------

Expenses cash outflow

15,632
--------

add Assets commissioned

7,319
-------

less Asset disposals

–
---

add Tax payments

(15)
------

less Other regulated income

–
---

**Mid-year net cash outflows**

	22,935
--	--------

**Term credit spread differential allowance**

	–
--	---

Total closing RAB value  
less Adjustment resulting from asset allocation  
less Lost and found assets adjustment  
plus Closing deferred tax

120,992
(26)
(5)
(5,838)

**Closing RIV**

	115,185
--	---------

**ROI – comparable to a vanilla WACC**

8.03%

Leverage (%)

42%

Cost of debt assumption (%)

4.38%

Corporate tax rate (%)

28%

**ROI – comparable to a post tax WACC**

7.52%

Company Name

Network Waitaki

For Year Ended

31 March 2023

**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 this 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

**2(iii): Information Supporting the Monthly ROI**

Opening RIV

N/A

	Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
April						–
May						–
June						–
July						–
August						–
September						–
October						–
November						–
December						–
January						–
February						–
March						–
<b>Total</b>	–	–	–	–	–	–

Tax payments

N/A

Term credit spread differential allowance

N/A

Closing RIV

N/A

Monthly ROI – comparable to a vanilla WACC

N/A

Monthly ROI – comparable to a post tax WACC

N/A

**2(iv): Year-End ROI Rates for Comparison Purposes**

Year-end ROI – comparable to a vanilla WACC

7.95%

Year-end ROI – comparable to a post tax WACC

7.43%

\* these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by EDBs and do not represent the Commission's current view on ROI.

**2(v): Financial Incentives and Wash-Ups**

Net recoverable costs allowed under incremental rolling incentive scheme

–

Purchased assets – avoided transmission charge

N/A

Energy efficiency and demand incentive allowance

N/A

Quality incentive adjustment

N/A

Other financial incentives

N/A

**Financial incentives**

–

**Impact of financial incentives on ROI**

–

Input methodology claw-back

N/A

CPP application recoverable costs

N/A

Catastrophic event allowance

N/A

Capex wash-up adjustment

N/A

Transmission asset wash-up adjustment

N/A

2013–15 NPV wash-up allowance

N/A

Reconsideration event allowance

N/A

Other wash-ups

N/A

**Wash-up costs**

–

**Impact of wash-up costs on ROI**

–

### 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	<b>3(i): Regulatory Profit</b>	(S000)
8	<b>Income</b>	
9	Line charge revenue	21,964
10	plus Gains / (losses) on asset disposals	
11	plus Other regulated income (other than gains / (losses) on asset disposals)	
12		
13	<b>Total regulatory income</b>	21,964
14	<b>Expenses</b>	
15	less Operational expenditure	10,725
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	4,907
18		
19	<b>Operating surplus / (deficit)</b>	6,332
20		
21	less Total depreciation	4,589
22		
23	plus Total revaluations	7,366
24		
25	<b>Regulatory profit / (loss) before tax</b>	9,110
26		
27	less Term credit spread differential allowance	–
28		
29	less Regulatory tax allowance	430
30		
31	<b>Regulatory profit/(loss) including financial incentives and wash-ups</b>	8,680
32		
33	<b>3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups</b>	(S000)
34	<b>Pass through costs</b>	
35	Rates	99
36	Commerce Act levies	33
37	Industry levies	45
38	CPP specified pass through costs	N/A
39	<b>Recoverable costs excluding financial incentives and wash-ups</b>	
40	Electricity lines service charge payable to Transpower	4,529
41	Transpower new investment contract charges	201
42	System operator services	N/A
43	Distributed generation allowance	N/A
44	Extended reserves allowance	N/A
45	Other recoverable costs excluding financial incentives and wash-ups	N/A
46	<b>Pass-through and recoverable costs excluding financial incentives and wash-ups</b>	4,907
47		



Company Name **Network Waitaki**  
For Year Ended **31 March 2023**

### 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

#### 3(iii): Incremental Rolling Incentive Scheme

		(\$000)	
		CY-1	CY 31 Mar 23
48	Allowed controllable opex	N/A	N/A
49	Actual controllable opex	N/A	N/A
50			
51	Incremental change in year		N/A
52			
53			
54			
55			
		Previous years' incremental change	Previous years' incremental change adjusted for inflation
56	CY-5 [year]	N/A	N/A
57	CY-4 [year]	N/A	N/A
58	CY-3 [year]	N/A	N/A
59	CY-2 [year]	N/A	N/A
60	CY-1 [year]	N/A	N/A
61			
62	Net incremental rolling incentive scheme		—
63			
64	Net recoverable costs allowed under incremental rolling incentive scheme		—

#### 3(iv): Merger and Acquisition Expenditure

65			(\$000)
66	Merger and acquisition expenditure		N/A
67			
68	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)		

#### 3(v): Other Disclosures

69			(\$000)
70	Self-insurance allowance		N/A
71			

Company Name **Network Waitaki**  
For Year Ended **31 March 2023**

#### 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

4(i): Regulatory Asset Base Value (Rolled Forward)		RAB CY-4 (\$000)	RAB CY-3 (\$000)	RAB CY-2 (\$000)	RAB CY-1 (\$000)	RAB CY (\$000)
Total opening RAB value		91,008	95,283	98,825	100,426	110,927
less Total depreciation		4,019	4,123	4,400	4,390	4,589
plus Total revaluations		1,349	2,413	1,499	6,931	7,366
plus Assets commissioned		6,945	5,335	4,504	7,981	7,319
less Asset disposals		–	–	–	–	–
plus Lost and found assets adjustment		–	–	–	–	(5)
plus Adjustment resulting from asset allocation		–	(83)	(2)	(21)	(26)
Total closing RAB value		95,283	98,825	100,426	110,927	120,992

4(ii): Unallocated Regulatory Asset Base		Unallocated RAB * (\$000)	RAB (\$000)
Total opening RAB value		111,790	110,927
less Total depreciation		4,702	4,589
plus Total revaluations		7,421	7,366
plus Assets commissioned (other than below)		6,935	6,831
Assets acquired from a regulated supplier			
Assets acquired from a related party		488	488
Assets commissioned		7,423	7,319
less Asset disposals (other than below)			
Asset disposals to a regulated supplier			
Asset disposals to a related party			
Asset disposals		–	–
plus Lost and found assets adjustment			(5)
plus Adjustment resulting from asset allocation			(26)
Total closing RAB value		121,932	120,992

\* 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.

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 this ID determination), and so is subject to the assurance report required by section 2.8.

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69
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71
72
73
74
75

CPI <sub>t</sub>	1,218
CPI <sub>t-4</sub>	1,142
Revaluation rate (%)	6.65%

		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
	Total opening RAB value	111,790		110,927	
less	Opening value of fully depreciated, disposed and lost assets	276		237	
	Total opening RAB value subject to revaluation	111,514		110,690	
	<b>Total revaluations</b>		7,421		7,366

		Unallocated works under construction		Allocated works under construction	
<b>Works under construction—preceding disclosure year</b>			1,842		1,801
plus	Capital expenditure	7,166		7,021	
less	Assets commissioned	7,423		7,319	
plus	Adjustment resulting from asset allocation				
<b>Works under construction - current disclosure year</b>			1,585		1,503
Highest rate of capitalised finance applied					

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.

ch ref

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Unallocated RAB *		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
4,057		4,057	
645		532	
	4,702		4,589

## 85

Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation
--	---	---

86  
87  
88  
89  
90  
91  
92  
93  
94  
95

95

## 96

Other network assets	Non-network assets	Total
-------------------------	-----------------------	-------

98  
99  
100  
101  
102  
103  
104  
105  
106  
107

## 109

110	
111	

## 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 this ID determination), and so is subject to the assurance report required by section

sch ref

### 5a(i): Regulatory Tax Allowance

(\$000)

Regulatory profit / (loss) before tax

9,110

plus Income not included in regulatory profit / (loss) before tax but taxable  
Expenditure or loss in regulatory profit / (loss) before tax but not deductible  
Amortisation of initial differences in asset values  
Amortisation of revaluations

\*  
28  
1,132  
532

\*  
\*  
1,692

less Total revaluations  
Income included in regulatory profit / (loss) before tax but not taxable  
Discretionary discounts and customer rebates  
Expenditure or loss deductible but not in regulatory profit / (loss) before tax  
Notional deductible interest

7,366  
\*  
\*  
1,900

9,267

Regulatory taxable income

1,535

less Utilised tax losses  
Regulatory net taxable income

1,535

Corporate tax rate (%)

28%

Regulatory tax allowance

430

\* 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)

Opening unamortised initial differences in asset values  
less Amortisation of initial differences in asset values  
plus Adjustment for unamortised initial differences in assets acquired  
less Adjustment for unamortised initial differences in assets disposed  
Closing unamortised initial differences in asset values  
Opening weighted average remaining useful life of relevant assets (years)

22,630  
1,132  
21,499  
20

21,499

## 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 this ID determination), and so is subject to the assurance report required by section

sch ref

44	<b>5a(iv): Amortisation of Revaluations</b>				(5000)
45					
46	Opening sum of RAB values without revaluations		95,413		
47					
48	Adjusted depreciation		4,057		
49	Total depreciation		4,589		
50	Amortisation of revaluations			532	
51					
52	<b>5a(v): Reconciliation of Tax Losses</b>				(5000)
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>				(5000)
59					
60	Opening deferred tax		(5,393)		
61					
62	plus Tax effect of adjusted depreciation		1,136		
63					
64	less Tax effect of tax depreciation		1,899		
65					
66	plus Tax effect of other temporary differences*		635		
67					
68	less Tax effect of amortisation of initial differences in asset values		317		
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		-		
73					
74	plus Deferred tax cost allocation adjustment		0		
75					
76	Closing deferred tax				(5,838)
77					
78	<b>5a(vii): Disclosure of Temporary Differences</b>				
79	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).				
80					
81	<b>5a(viii): Regulatory Tax Asset Base Roll-Forward</b>				(5000)
82					
83	Opening sum of regulatory tax asset values		60,179		
84	less Tax depreciation		6,783		
85	plus Regulatory tax asset value of assets commissioned		9,011		
86	less Regulatory tax asset value of asset disposals				
87	Lost and found assets adjustment				
88	plus Adjustment resulting from asset allocation		(26)		
89	plus Other adjustments to the RAB tax value				
90	Closing sum of regulatory tax asset values				62,381

Company Name **Network Waitaki**  
For Year Ended **31 March 2023**

## 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 this ID determination.

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

sch ref

7	<b>5b(i): Summary—Related Party Transactions</b>	<b>(\$000)</b>	<b>(\$000)</b>
8	<b>Total regulatory income</b>		
9			
10	<b>Market value of asset disposals</b>		
11			
12	Service interruptions and emergencies	11	
13	Vegetation management	—	
14	Routine and corrective maintenance and inspection	1	
15	Asset replacement and renewal (opex)	8	
16	<b>Network opex</b>		20
17	Business support	—	
18	System operations and network support	—	
19	<b>Operational expenditure</b>		20
20	Consumer connection	249	
21	System growth	14	
22	Asset replacement and renewal (capex)	122	
23	Asset relocations	—	
24	Quality of supply	56	
25	Legislative and regulatory	18	
26	Other reliability, safety and environment	—	
27	<b>Expenditure on non-network assets</b>		29
28	<b>Expenditure on assets</b>		488
29	Cost of financing		
30	Value of capital contributions		
31	Value of vested assets		
32	<b>Capital Expenditure</b>		488
33	<b>Total expenditure</b>		508
34			
35	<b>Other related party transactions</b>		

## 5b(iii): Total Opex and Capex Related Party Transactions

	Name of related party	Nature of opex or capex service provided	Total value of transactions (\$000)
37	Whitestone Contracting Ltd	Service interruptions and emergencies	11
38	Whitestone Contracting Ltd	Routine and corrective maintenance and inspection	1
39	Whitestone Contracting Ltd	Asset replacement and renewal (opex)	8
40	Whitestone Contracting Ltd	Consumer connection	249
41	Whitestone Contracting Ltd	System growth	14
42	Whitestone Contracting Ltd	Asset replacement and renewal (capex)	122
43	Whitestone Contracting Ltd	Asset relocations	—
44	Whitestone Contracting Ltd	Legislative and regulatory	18
45	Whitestone Contracting Ltd	Expenditure on non-network assets	29
46	Whitestone Contracting Ltd	Quality of supply	56
47			
48			
49			
50			
51			
52			
53	<b>Total value of related party transactions</b>		508

\* include additional rows if needed

## 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7  
8  
9

### 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)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Debt issue cost readjustment
* include additional rows if needed						-	-	-

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

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

Gross term credit spread differential

-

Total book value of interest bearing debt

Leverage

42%

Average opening and closing RAB values

Attribution Rate (%)

-

Term credit spread differential allowance

-



## 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 this ID determination), and so is subject to the assurance report required by section 2.8.

*sch ref*

### 5d(i): Operating Cost Allocations

		Value allocated (\$'000s)			
	Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$'000s)
<b>Service interruptions and emergencies</b>					
Directly attributable		787			
Not directly attributable				–	
<b>Total attributable to regulated service</b>		787			
<b>Vegetation management</b>					
Directly attributable		727			
Not directly attributable				–	
<b>Total attributable to regulated service</b>		727			
<b>Routine and corrective maintenance and inspection</b>					
Directly attributable		1,117			
Not directly attributable				–	
<b>Total attributable to regulated service</b>		1,117			
<b>Asset replacement and renewal</b>					
Directly attributable		582			
Not directly attributable				–	
<b>Total attributable to regulated service</b>		582			
<b>System operations and network support</b>					
Directly attributable		3,415			
Not directly attributable				–	
<b>Total attributable to regulated service</b>		3,415			
<b>Business support</b>					
Directly attributable		298			
Not directly attributable		3,799	2,164	5,963	
<b>Total attributable to regulated service</b>		4,097			
<b>Operating costs directly attributable</b>		6,926			
<b>Operating costs not directly attributable</b>	–	3,799	2,164	5,963	–
<b>Operational expenditure</b>		10,725			

Company Name	Network Waitaki
For Year Ended	31 March 2023

## 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

39	<b>5d(ii): Other Cost Allocations</b>			
40	<b>Pass through and recoverable costs</b>		(\$000)	
41	<b>Pass through costs</b>			
42	Directly attributable		177	
43	Not directly attributable			
44	<b>Total attributable to regulated service</b>		177	
45	<b>Recoverable costs</b>			
46	Directly attributable		4,730	
47	Not directly attributable			
48	<b>Total attributable to regulated service</b>		4,730	
49				
50	<b>5d(iii): Changes in Cost Allocations* †</b>			
51			(\$000)	
52	<b>Change in cost allocation 1</b>		CY-1	Current Year (CY)
53	Cost category	N/A	Original allocation	
54	Original allocator or line items		New allocation	
55	New allocator or line items		Difference	-
56				
57	Rationale for change			
58				
59			(\$000)	
60	<b>Change in cost allocation 2</b>		CY-1	Current Year (CY)
61	Cost category	N/A	Original allocation	
62	Original allocator or line items		New allocation	
63	New allocator or line items		Difference	-
64				
65	Rationale for change			
66				
67			(\$000)	
68	<b>Change in cost allocation 3</b>		CY-1	Current Year (CY)
69	Cost category	N/A	Original allocation	
70	Original allocator or line items		New allocation	
71	New allocator or line items		Difference	-
72				
73	Rationale for change			
74				
75				
76				
77				
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			

## 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 this 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
<b>Subtransmission lines</b>	
Directly attributable	13,692
Not directly attributable	
<b>Total attributable to regulated service</b>	13,692
<b>Subtransmission cables</b>	
Directly attributable	1,642
Not directly attributable	
<b>Total attributable to regulated service</b>	1,642
<b>Zone substations</b>	
Directly attributable	19,068
Not directly attributable	
<b>Total attributable to regulated service</b>	19,068
<b>Distribution and LV lines</b>	
Directly attributable	36,500
Not directly attributable	
<b>Total attributable to regulated service</b>	36,500
<b>Distribution and LV cables</b>	
Directly attributable	10,326
Not directly attributable	
<b>Total attributable to regulated service</b>	10,326
<b>Distribution substations and transformers</b>	
Directly attributable	19,150
Not directly attributable	
<b>Total attributable to regulated service</b>	19,150
<b>Distribution switchgear</b>	
Directly attributable	13,626
Not directly attributable	
<b>Total attributable to regulated service</b>	13,626
<b>Other network assets</b>	
Directly attributable	2,746
Not directly attributable	
<b>Total attributable to regulated service</b>	2,746
<b>Non-network assets</b>	
Directly attributable	1,483
Not directly attributable	2,759
<b>Total attributable to regulated service</b>	4,242
<b>Regulated service asset value directly attributable</b>	118,233
<b>Regulated service asset value not directly attributable</b>	2,759
<b>Total closing RAB value</b>	120,992

### 5e(ii): Changes in Asset Allocations\* †

			(\$000)	
			CY-1	Current Year (CY)
<b>Change in asset value allocation 1</b>				
Asset category	N/A	Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				
<b>Change in asset value allocation 2</b>				
Asset category	N/A	Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				
<b>Change in asset value allocation 3</b>				
Asset category	N/A	Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				

\* 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 componen  
† include additional rows if needed

Company Name

Network Waitaki

For Year Ended

31 March 2023

**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 this 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>	(S000)	(S000)
8	Consumer connection		1,766
9	System growth		1,046
10	Asset replacement and renewal		4,812
11	Asset relocations		1
12	Reliability, safety and environment:		
13	Quality of supply	965	
14	Legislative and regulatory	268	
15	Other reliability, safety and environment	–	
16	<b>Total reliability, safety and environment</b>		1,233
17	<b>Expenditure on network assets</b>		8,858
18	Expenditure on non-network assets		378
19			
20	<b>Expenditure on assets</b>		9,236
21	plus Cost of financing		–
22	less Value of capital contributions		2,215
23	plus Value of vested assets		–
24			
25	<b>Capital expenditure</b>		7,021
26	<b>6a(ii): Subcomponents of Expenditure on Assets (where known)</b>		(S000)
27	Energy efficiency and demand side management, reduction of energy losses		–
28	Overhead to underground conversion		–
29	Research and development		–
30	Cybersecurity (Commission only)		–
31	<b>6a(iii): Consumer Connection</b>		
32	Consumer types defined by EDB*	(S000)	(S000)
33	Non-Standard Consumers - Large Commercial and Industrial	–	
34	Small Consumers - residential and commercial to 15kVA	707	
35	Medium Consumers - residential and commercial 16kVA to 50kVA	251	
36	Large Consumers - commercial and industrial 51kVA and above	808	
37	* include additional rows if needed		
38	<b>Consumer connection expenditure</b>		1,766
39	less Capital contributions funding consumer connection expenditure	1,507	
40	<b>Consumer connection less capital contributions</b>		259
41			
42	<b>6a(iv): System Growth and Asset Replacement and Renewal</b>		
43		System Growth	Asset Replacement and Renewal
44		(S000)	(S000)
45	Subtransmission	431	81
46	Zone substations	407	55
47	Distribution and LV lines	37	3,425
48	Distribution and LV cables	164	45
49	Distribution substations and transformers	–	502
50	Distribution switchgear	–	704
51	Other network assets	7	–
52	<b>System growth and asset replacement and renewal expenditure</b>	1,046	4,812
53	less Capital contributions funding system growth and asset replacement and renewal	708	
54	<b>System growth and asset replacement and renewal less capital contributions</b>	338	4,812
55			
56	<b>6a(v): Asset Relocations</b>		
57	Project or programme*	(S000)	(S000)
58	Transpower clearances project	1	
59			
60			
61			
62			
63	* include additional rows if needed		
64	All other projects or programmes - asset relocations	–	
65	<b>Asset relocations expenditure</b>		1
66	less Capital contributions funding asset relocations	–	
67	<b>Asset relocations less capital contributions</b>		1

Company Name

Network Waitaki

For Year Ended

31 March 2023

**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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

68

69

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

70

Project or programme\*

(\$000)

(\$000)

71

Arc Flash Protection Zone Subs

31

72

Install new ABS's &amp; Spur Fuses

127

73

Radio Link Upgrade

8

Investigate LV Customer Monitoring

126

Install Reclosers for Automation

65

Spare for Ripple Control Equipment

115

Fibre Comms Improvements

493

74

75

\* include additional rows if needed

76

All other projects programmes - quality of supply

-

77

**Quality of supply expenditure**

965

78

less Capital contributions funding quality of supply

-

79

**Quality of supply less capital contributions**

965

80

81

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

82

Project or programme\*

(\$000)

(\$000)

83

Distribution Box replacements

205

84

Over verandah distribution box replacements

49

85

Substation seismic improvements

14

86

87

\* include additional rows if needed

88

All other projects or programmes - legislative and regulatory

-

89

**Legislative and regulatory expenditure**

268

90

less Capital contributions funding legislative and regulatory

-

91

**Legislative and regulatory less capital contributions**

268

92

93

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

94

Project or programme\*

(\$000)

(\$000)

95

96

97

98

99

100

\* include additional rows if needed

101

All other projects or programmes - other reliability, safety and environment

-

102

**Other reliability, safety and environment expenditure**

-

103

less Capital contributions funding other reliability, safety and environment

-

104

**Other reliability, safety and environment less capital contributions**

-

105

106

**6a(ix): Non-Network Assets**

107

**Routine expenditure**

Project or programme\*

(\$000)

(\$000)

108

Buildings and Fitout

145

109

Computer Hardware

79

110

Computer Software

25

111

Vehicles

90

112

Office Equipment

16

113

Lease Asset

22

114

\* include additional rows if needed

115

All other projects or programmes - routine expenditure

-

116

**Routine expenditure**

378

117

**Atypical expenditure**

Project or programme\*

(\$000)

(\$000)

118

119

120

121

122

123

\* include additional rows if needed

124

All other projects or programmes - atypical expenditure

-

125

**Atypical expenditure**

-

126

127

**Expenditure on non-network assets**

378

128

Company Name

Network Waitaki

For Year Ended

31 March 2023

**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 this 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	787	
9	Vegetation management	727	
10	Routine and corrective maintenance and inspection	1,117	
11	Asset replacement and renewal	582	
12	<b>Network opex</b>		3,213
13	System operations and network support	3,415	
14	Business support	4,097	
15	<b>Non-network opex</b>		7,512
16			
17	<b>Operational expenditure</b>		10,725
18	<b>6b(ii): Subcomponents of Operational Expenditure (where known)</b>		
19	<i>EDBs' must disclose both a public version of this Schedule (excluding cybersecurity cost data) and a confidential version of this Schedule (including cybersecurity costs)</i>		
20	Energy efficiency and demand side management, reduction of energy losses		—
21	Direct billing*		—
22	Research and development		—
23	Insurance		626
24	Cybersecurity (Commission only)		—
25	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name

Network Waitaki

For Year Ended

31 March 2023

**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 this 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

**7(i): Revenue**

Line charge revenue

Target (\$000) <sup>1</sup> Actual (\$000) % variance

21,635 21,964 2%

**7(ii): Expenditure on Assets**

Consumer connection

System growth

Asset replacement and renewal

Asset relocations

Reliability, safety and environment:

Quality of supply

Legislative and regulatory

Other reliability, safety and environment

**Total reliability, safety and environment****Expenditure on network assets**

Expenditure on non-network assets

Expenditure on assets

Forecast (\$000) <sup>2</sup> Actual (\$000) % variance

1,366 1,766 29%

3,981 1,046 (74%)

4,665 4,812 3%

– 1 –

1,125 965 (14%)

357 268 (25%)

– – –

1,482 1,233 (17%)

11,494 8,858 (23%)

5,016 378 (92%)

16,510 9,236 (44%)

**7(iii): Operational Expenditure**

Service interruptions and emergencies

Vegetation management

Routine and corrective maintenance and inspection

Asset replacement and renewal

**Network opex**

System operations and network support

Business support

**Non-network opex****Operational expenditure**

460 787 71%

683 727 6%

1,448 1,117 (23%)

677 582 (14%)

3,268 3,213 (2%)

3,912 3,415 (13%)

3,916 4,097 5%

7,828 7,512 (4%)

11,096 10,725 (3%)

**7(iv): Subcomponents of Expenditure on Assets (where known)**

Energy efficiency and demand side management, reduction of energy losses

Overhead to underground conversion

Research and development

– – –

– – –

– – –

**7(v): Subcomponents of Operational Expenditure (where known)**

Energy efficiency and demand side management, reduction of energy losses

Direct billing

Research and development

Insurance

– – –

– – –

– – –

561 626 12%

<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 disclosure year (the second to last disclosure of Schedules 11a and 11b)

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This 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(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)
RCL	Residential and Commercial	Standard	4,464	25,526
RLU	Residential and Commercial	Standard	852	3,871
ISC	Residential and Commercial	Standard	4,065	36,975
ISU	Residential and Commercial	Standard	1,856	9,609
ROC	Residential and Commercial	Standard	196	2,468
ROU	Residential and Commercial	Standard	471	4,697
ROC	Residential and Commercial	Standard	153	4,823
ROU	Residential and Commercial	Standard	613	17,699
100	Commercial and Industrial	Standard	367	33,136
200	Commercial and Industrial	Standard	130	23,254
300	Commercial and Industrial	Standard	94	11,004
500	Commercial and Industrial	Standard	26	13,427
750	Commercial and Industrial	Standard	12	2,645
LC	Large Commercial and Industrial	Standard	1	879
IND	Large Commercial and Industrial	Non-standard	84	76,889

Add extra rows for additional consumer groups or price category codes as necessary				
Standard consumer totals			12,260	193,612
Non-standard consumer totals			84	76,889
Total for all consumers			12,344	270,511

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

Price component

Billed quantities by price component											
Distribution Fixed	Distribution Variable Day	Distribution Variable Night	Transmission Fixed	Transmission Variable Day	Transmission Variable Night	Distribution	Transmission	Distribution	Transmission		
ICP	MWh	MWh	ICP	MWh	MWh	MVA	MVA	Anytime MWh	Anytime MWh		
4,464	18,523	7,403	4,464	18,523	7,403						
852	2,866	905	852	2,866	905						
4,065	25,934	11,041	4,065	25,934	11,041						
1,856	7,111	2,497	1,856	7,111	2,497						
196	1,728	740	196	1,728	740						
471	3,444	1,253	471	3,444	1,253						
153	3,485	1,338	153	3,485	1,338						
613	12,917	4,782	613	12,917	4,782						
367	23,568	9,368	367	23,568	9,368						
130	15,019	6,235	130	15,019	6,235						
94	7,932	3,071	94	7,932	3,071						
26	9,120	4,307	26	9,120	4,307						
12	4,778	2,867	12	4,778	2,867						
1		1				1	1	0.1	0.1		
84			84			27	27	12	12		
12,260	126,926	55,807	12,260	126,926	55,807	1	1	0	0	-	-
84	-	-	84	-	-	27	27	12	12	-	-
12,344	126,926	55,807	12,344	126,926	55,807	28	28	12	12	-	-

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



SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This 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																			
					Line charge revenues (\$000) by price component														
					Price component														
					Distribution Fixed after discount														
					Distribution Variable Day														
					Distribution Variable Night														
					Transmission Fixed														
					Transmission Variable Day														
					Transmission Variable Night														
					Distribution														
					Transmission														
					Distribution														
					Transmission														
					IND Distribution Fixed														
					IND Transmission Fixed														
					Add extra column for additional line charge revenue by price component as necessary														
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.)	\$/ICP	\$/MWh	\$/MWh	\$/ICP	\$/MWh	\$/MWh	\$/kVA	\$/kVA	\$/kW	\$/kW	\$/ICP	\$/ICP
RLC	Residential and Commercial	Standard	\$2,709		\$2,053	\$650		\$40	\$1,915	\$27	\$138	\$486	\$20						
RLU	Residential and Commercial	Standard	\$206		\$184	\$20		\$26	\$208	\$9	\$123	\$23	\$13						
15C	Residential and Commercial	Standard	\$3,792		\$2,938	\$854		\$1,917	\$974	\$47	\$437	\$388	\$39						
15U	Residential and Commercial	Standard	\$1,738		\$1,298	\$440		\$1,020	\$267	\$11	\$327	\$109	\$4						
30C	Residential and Commercial	Standard	\$280		\$210	\$70		\$142	\$65	\$3	\$42	\$27	\$1						
30U	Residential and Commercial	Standard	\$231		\$179	\$50		\$197	\$129	\$5	\$145	\$53	\$2						
50C	Residential and Commercial	Standard	\$418		\$323	\$95		\$186	\$131	\$6	\$39	\$54	\$2						
50U	Residential and Commercial	Standard	\$1,767		\$1,134	\$632		\$828	\$486	\$20	\$225	\$199	\$8						
100	Commercial and Industrial	Standard	\$2,480		\$1,912	\$568		\$969	\$703	\$40	\$183	\$369	\$16						
200	Commercial and Industrial	Standard	\$1,492		\$1,115	\$377		\$722	\$466	\$24	\$122	\$251	\$11						
300	Commercial and Industrial	Standard	\$955		\$746	\$209		\$434	\$299	\$13	\$82	\$122	\$5						
500	Commercial and Industrial	Standard	\$933		\$714	\$218		\$333	\$243	\$18	\$71	\$140	\$7						
750	Commercial and Industrial	Standard	\$582		\$453	\$129		\$220	\$180	\$12	\$51	\$74	\$3						
LC	Large Commercial and Industrial	Standard	\$46		\$25	\$21		-\$0.31	\$21		\$23	\$17		\$2		\$2	\$4		
IND	Large Commercial and Industrial	Non-standard	\$3,340		\$2,072	\$1,268					\$1,252	\$628	\$708	\$257	\$113		\$382		
Add extra rows for additional consumer groups or price categories as necessary																			
Standard consumer totals			\$18,623	—		\$4,428		\$7,315	\$6,567	\$288	\$1,897	\$2,396	\$114	\$23	\$17	\$2	\$4	—	—
Non-standard consumer totals			\$3,340	—		\$2,072			—					\$1,252	\$628	\$708	\$257	\$113	\$382
Total for all consumers			\$21,964	—		\$6,500		\$7,315	\$6,567	\$288	\$1,897	\$2,396	\$114	\$1,275	\$646	\$710	\$261	\$113	\$382
8(iii): Number of ICPs directly billed																			
Number of directly billed ICPs at year end																			
2												OK							

Company Name	Network Waitaki
For Year Ended	31 March 2023
Network / Sub-network Name	

## 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

						Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
8	Voltage	Asset category	Asset class	Units					
9	All	Overhead Line	Concrete poles / steel structure	No.		9,130	9,192	62	4
10	All	Overhead Line	Wood poles	No.		12,474	12,416	(58)	4
11	All	Overhead Line	Other pole types	No.		2	—	(2)	N/A
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km		234	232	(2)	4
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km		—	—	—	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km		4	4	—	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km		—	—	—	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km		—	—	—	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km		—	—	—	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km		—	—	—	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km		—	—	—	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km		—	—	—	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km		—	—	—	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km		—	—	—	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.		19	19	—	4
24	HV	Zone substation Buildings	Zone substations 110kV+	No.		1	1	—	4
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.		—	—	—	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.		—	—	—	N/A
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.		—	—	—	N/A
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.		94	93	(1)	4
29	HV	Zone substation switchgear	33kV RMU	No.		—	—	—	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.		11	11	—	4
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.		51	51	—	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.		84	90	6	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.		4	3	(1)	4
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.		23	23	—	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km		1,255	1,256	2	4
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km		—	—	—	N/A
37	HV	Distribution Line	SWER conductor	km		—	—	—	N/A
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km		71	69	(2)	3
39	HV	Distribution Cable	Distribution UG PILC	km		13	17	5	3
40	HV	Distribution Cable	Distribution Submarine Cable	km		—	—	—	N/A
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.		56	59	3	4
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.		—	21	21	4
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.		4,032	4,049	17	4
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.		—	—	—	N/A
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.		199	177	(22)	4
46	HV	Distribution Transformer	Pole Mounted Transformer	No.		2,389	2,408	19	4
47	HV	Distribution Transformer	Ground Mounted Transformer	No.		560	585	25	4
48	HV	Distribution Transformer	Voltage regulators	No.		38	36	(2)	4
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.		—	—	—	N/A
50	LV	LV Line	LV OH Conductor	km		222	222	(0)	4
51	LV	LV Cable	LV UG Cable	km		104	107	2	4
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km		105	111	6	4
53	LV	Connections	OH/UG consumer service connections	No.		13,597	13,722	125	4
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.		170	172	2	4
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		2	2	—	4
57	All	Load Control	Centralised plant	Lot		3	3	—	4
58	All	Load Control	Relays	No		9,657	9,735	78	3
59	All	Civils	Cable Tunnels	km		—	—	—	N/A

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.

ref	Disclosure Year (year ended)		Number of assets at disclosure year end by installation date																																								No. with age unknown	Items at end of year	No. with default dates	Data accuracy (1-4)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	Asset category	Asset class	Units	pre-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
9	Voltage	Asset category	Asset class	No.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															

Company Name

Network Waitaki

For Year Ended

31 March 2023

Network / Sub-network Name

**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	232	4
14	SWER (all SWER voltages)		
15	22kV (other than SWER)		
16	6.6kV to 11kV (inclusive—other than SWER)	1,256	86
17	Low voltage (< 1kV)	222	107
18	<b>Total circuit length (for supply)</b>	<b>1,710</b>	<b>198</b>
19			
20	Dedicated street lighting circuit length (km)	75	35
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		
22			
23	<b>Overhead circuit length by terrain (at year end)</b>	<b>Circuit length (km)</b>	<b>(% of total overhead length)</b>
24	Urban	351	21%
25	Rural	1,357	79%
26	Remote only	2	0%
27	Rugged only	—	—
28	Remote and rugged	—	—
29	Unallocated overhead lines	—	—
30	<b>Total overhead length</b>	<b>1,710</b>	<b>100%</b>
31			
32		<b>Circuit length (km)</b>	<b>(% of total circuit length)</b>
33	Length of circuit within 10km of coastline or geothermal areas (where known)	768	40%
34		<b>Circuit length (km)</b>	<b>(% of total overhead length)</b>
35	Overhead circuit requiring vegetation management	13	1%

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			ICPs in disclosure	Line charge revenue
			year	(\$000)
8	Location *			
9	No embedded networks operate within the Network Waitaki network area or are operated elsewhere by Network Waitaki.			
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 **Network Waitaki**For Year Ended **31 March 2023**

Network / Sub-network Name

**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

**9e(i): Consumer Connections and Decommissionings**

Number of ICPs connected during year by consumer type

Consumer types defined by EDB\*

Non-standard customers - large commercial and industrial

Small customers - residential and commercial to 15kVA

Medium customers - residential and commercial 16kVA to 50kVA

Large customers - commercial and industrial 51kVA and above

\* include additional rows if needed

**Connections total**Number of  
connections (ICPs)

—

122

16

12

150

Number of ICPs decommissioned during year by consumer type

Consumer types defined by EDB\*

Non-standard customers - large commercial and industrial

Small customers - residential and commercial to 15kVA

Medium customers - residential and commercial 16kVA to 50kVA

Large customers - commercial and industrial 51kVA and above

\* include additional rows if needed

**Decommissionings total**Number of  
decommissionings

—

14

9

1

24

**Distributed generation**

Number of connections made in year

Capacity of distributed generation installed in year

47

connections

0.23

MVA

**9e(ii): System Demand****Maximum coincident system demand**

GXP demand

plus Distributed generation output at HV and above

**Maximum coincident system demand**

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

**Demand on system for supply to consumers' connection points**Demand at time  
of maximum  
coincident  
demand (MW)

65

—

65

—

65

**Electricity volumes carried**

Electricity supplied from GXPs

less Electricity exports to GXPs

plus Electricity supplied from distributed generation

less Net electricity supplied to (from) other EDBs

**Electricity entering system for supply to consumers' connection points**

less Total energy delivered to ICPs

**Electricity losses (loss ratio)**

Energy (GWh)

283

—

1.2

—

284

271

13

4.7%

**Load factor**

0.50

**9e(iii): Transformer Capacity**

Distribution transformer capacity (EDB owned)

Distribution transformer capacity (Non-EDB owned, estimated)

**Total distribution transformer capacity****Zone substation transformer capacity**

(MVA)

232

11.8

244

228

Company Name

For Year Ended

Network / Sub-network Name

Network Waitaki

31 March 2023

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

8

10(i): Interruptions

9

Interruptions by class

10

Class A (planned interruptions by Transpower)

11

Class B (planned interruptions on the network)

12

Class C (unplanned interruptions on the network)

13

Class D (unplanned interruptions by Transpower)

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)

19

Total

20

21

Interruption restoration

22

Class C interruptions restored within

23

24

SAIFI and SAIDI by class

25

Class A (planned interruptions by Transpower)

26

Class B (planned interruptions on the network)

27

Class C (unplanned interruptions on the network)

28

Class D (unplanned interruptions by Transpower)

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)

34

Total

35

36

Normalised SAIFI and SAIDI

37

Classes B & C (interruptions on the network)

38

39

Transitional SAIDI and SAIDI (previous method)

40

Where EDBs do not currently record their SAIFI and SAIDI values using the 'multi-count' approach, they shall continue to record their SAIFI and SAIDI values on the same basis that they employed as at 31 March 2023 as 'Transitional SAIFI' and 'Transitional SAIDI' values, in addition to their SAIFI and SAIDI values (Classes B & C) using the 'multi-count approach'. This is a transitional reporting requirement that shall be in place for the 2024, 2025, and 2026 disclosure years.

41

Class B (planned interruptions on the network)

42

Class C (unplanned interruptions on the network)

43

Number of interruptions	
—	
207	
135	
—	
—	
—	
—	
—	
85	
427	

≤3Hrs	>3hrs
95	40

SAIFI	SAIDI
—	—
0.1838	58.5058
1.1829	59.0565
—	—
—	—
—	—
—	—
—	—
0.0184	2.9345
1.3851	120.4968

Normalised SAIFI	Normalised SAIDI
1.3667	117.5623

SAIFI	SAIDI

Company Name

Network Waitaki

For Year Ended

31 March 2023

Network / Sub-network Name

**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 this 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**

Lightning  
Vegetation  
Adverse weather  
Adverse environment  
Third party interference  
Wildlife  
Human error  
Defective equipment  
Cause unknown

**SAIFI****SAIDI**

0.0726	2.7748
0.0969	8.7985
0.0380	7.0427
0.0028	0.1630
0.1574	6.9515
0.0924	5.5652
0.0176	0.2672
0.4441	20.4437
0.2611	7.0499

**Breakdown of third party interference**

Dig-in  
Overhead contact  
Vandalism  
Vehicle damage  
Other

**SAIFI****SAIDI**


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

Subtransmission lines  
Subtransmission cables  
Subtransmission other  
Distribution lines (excluding LV)  
Distribution cables (excluding LV)  
Distribution other (excluding LV)

**SAIFI****SAIDI**

—	—
—	—
—	—
0.1832	58.2257
0.0006	0.2801
—	—

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

Subtransmission lines  
Subtransmission cables  
Subtransmission other  
Distribution lines (excluding LV)  
Distribution cables (excluding LV)  
Distribution other (excluding LV)

**SAIFI****SAIDI**

0.4780	8.8084
—	—
—	—
0.6777	49.3391
0.0272	0.9090
—	—

**10(v): Fault Rate****Main equipment involved**

Subtransmission lines  
Subtransmission cables  
Subtransmission other  
Distribution lines (excluding LV)  
Distribution cables (excluding LV)  
Distribution other (excluding LV)

**Number of Faults****Circuit length  
(km)****Fault rate (faults  
per 100km)**

4	232
—	4
—	—
89	1,256
2	86
—	—
95	—

1.72
—
7.08
2.32

**Total**



Company Name      Network Waitaki Limited  
For Year Ended      31 March 2023

## **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 3 April 2018. 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**

Network Waitaki Limited's Return on Investment (comparable to a post-tax WACC) of 7.52% p.a. is above the 75<sup>th</sup> percentile WACC estimate of 5.56% p.a. and is a decrease on last year's ROI of 8.08%. The main contributing factor to the high ROI is the asset revaluation rate of 6.65% compared to the previous year's revaluation rate of 6.93%.

A revaluation rate of 1.52% (similar to FY21) would have resulted in an ROI less than the 25<sup>th</sup> percentile estimate of 4.2%.

The ROI reflects a reasonable return on investment for the Waitaki Power Trust who represent the electricity consumers in the Waitaki District.

No items have been reclassified.

### *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**

Other regulated income was nil.

No items have been reclassified.

*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 this 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 roll forward of Network Waitaki Limited's regulatory asset base was done using standard procedures. No items were reclassified this year.

Assets commissioned were 8.3% lower this year (\$7,319k) compared to last year (\$7,981k) with multiple significant projects remaining in WIP as at 31 March 2023.

*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**

Expenditure or loss in regulatory profit / (loss) before tax but not deductible of which \$24.4k is from entertainment expenses incurred by Network Waitaki Limited.

*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 are the tax effect of the difference between the tax and information disclosure treatment of capital contribution income. This amounts to \$635k depicted in Schedule 5a(vi) 'Tax effect of other temporary differences', which is made up of the Tax effect of \$597k as shown in the table 1 below, plus the \$38k for provisions shown in table 2.

**Table 1: derivation of \$597K Tax effect**

Capital Contributions	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Total Remaining
624,775	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	-	-
1,127,125	-	112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	-
1,459,782			- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	- 145,978
3,362,025				- 336,203	- 336,203	- 336,203	- 336,203	- 336,203	- 336,203	- 336,203	- 336,203	- 336,203
2,480,806					- 248,081	- 248,081	- 248,081	- 248,081	- 248,081	- 248,081	- 248,081	- 248,081
2,034,517						- 203,452	- 203,452	- 203,452	- 203,452	- 203,452	- 203,452	- 203,452
1,667,619							- 166,762	- 166,762	- 166,762	- 166,762	- 166,762	- 166,762
1,790,631								- 179,063	- 179,063	- 179,063	- 179,063	- 179,063
1,829,497									- 182,950	- 182,950	- 182,950	- 182,950
2,075,308										- 207,531	- 207,531	- 207,531
2,389,224											- 238,922	- 238,922
2,215,132												- 221,513
20,841,310	- 62,477	- 175,190	- 321,168	- 657,371	- 905,451	- 1,108,903	- 1,275,665	- 1,454,728	- 1,637,678	- 1,845,209	- 2,021,654	- 2,130,454
	-62477	-175190	-321168	-657371	-905451	-1108903	-1275665	-1454728	-1637678	-1845209	-2021654	-2130454
	562297	1514233	2652846	5357501	6932856	7858470	8250425	8586327	8778146	9008245	9375816	9460494
	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
	17	49	90	184	254	310	357	407	459	517	566	597

**Table 2: derivation of (\$38K) in provisions for leave etc**

Movement in Provisio	Opening	Closing	Movement
Annual Leave	- 540,443	- 586,624	46,181
63 day adjustment			-
ACC	- 16,668	- 6,170	10,498
Long service leave	- 121,480	- 143,052	21,572
63 day adjustment			-
Gratuity	- 44,971	- 117,752	72,781
Doubtful Debt	- 75,007	- 79,436	4,429
Total	- 798,569	- 933,034	134,465

*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**

The Business Support operational expenditure category has costs that are not directly attributable. ABAA was used as the allocation methodology in Business Support. Proxy cost allocators have been used for business support costs excluding IT costs due to no direct relationship between not directly attributable operating costs and the manner in which costs are incurred. IT costs are allocated on a causal allocator of the number of IT users.

*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**

The Non-network asset category has costs that are not directly attributable.

These include: Building & Fit-out, Office Equipment, Computers, Software, Motor Vehicles, Plant & Equipment, Generator.

The allocation methodology used in all cases is ABAA.

A Proxy allocator of estimated FTE's, is used for Building & Fit-out, Office Equipment, Motor Vehicles, Plant & Equipment and Generators, as it is a fair reflection of the proportion of assets used on the network business. A causal allocator, the number of IT users, is being used to allocate Computer and Software assets.

Proxy cost allocators have been used due to no direct relationship between not directly attributable non-network assets and the manner in which the economic benefits are derived.

*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**

No items have been reclassified this year.

No materiality threshold was applied. Projects as outlined in the network system reporting schedule were reported.

Expenditure is capital in nature if it relates to :

- a new asset on the network;
- the replacement of an existing asset; or
- an expense that extends the useful life of an existing asset.

***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, a 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**

Asset replacement and renewal in this category generally covers lower-level activities that are not classified as capital replacement. This covers activities such as:

- correcting minor defects found during line patrols (e.g. damaged insulators, crossarms, straightening leaning poles);
- defect remediation on service fuse boxes.
- transformer maintenance such as replacing minor components, rust repairs, and painting.
- Power transformer on load tap changer maintenance, repair of leaks, renewal of paintwork.
- Maintaining oil filled switch gear.
- Replacement of subcomponents of distribution poles, such as binders, cross arms or tightening and adjustment work on these assets.

No items have been reclassified this year.

*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**

Capital Expenditure

Capital expenditure was 29% higher than forecast in the area of Consumer Connections due to a significant increase in customer work projects.

System growth expenditure was 74% less than forecast due to deferral of the Waitaki GXP development into a later year, along with the Awamoko substation and associated line build pending a solution to the Transmission constraint into Oamaru.

Expenditure relating to reliability, safety and environment:

- 14% below target in the area of *Quality of Supply* due to a delayed progression of the LV network monitoring project because of monitor procurement lead times leading to delayed rollout of equipment and Ripple plant controller spares obtained under budget.
- 25% below target in the area of *Legislative and Regulatory* due to deferred progression of Substation Seismic improvements (mainly Chelmer Street which had been expected to be done in conjunction with site redevelopment).

Expenditure relating to non-network assets was 92% below target due to the planned site redevelopment which was delayed to allow for a redesign process to ensure it met the changing business needs.

Operational Expenditure

Actual expenditure for Service Interruptions and Emergencies was 71% over target. This was primarily due to the impact of a major snow storm in the Omarama area.

Routine and corrective maintenance and inspection was 23% below target due to routine maintenance below budget levels, no conductor sample testing required and 33kV inspections completed below budget.

Asset replacement and renewal was 14% below target due to less maintenance on ABS due to a change in policy, 33kV insulators no longer being refurbished as it is more cost effective to replace them.

System operations and network support was 13% below target due to reduced professional services costs as there was provision for items which were eventually not required.

Insurance was 12% above target as the budget target did not include a share of corporate insurances which have been allocated and included in the actual cost, along with significant cost increases for insurance during the year.

*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**

Actual revenue (post fixed discount) was 2% higher than the target revenue (post fixed discount) stated in the pricing methodology. Total billable volumes were 1.9% higher than budgeted due to slightly higher-than-forecasted demand.

Network Waitaki bills on GXP volumes (including losses) as reported by the Reconciliation Manager. Schedule 8 requires the reporting of energy delivered to ICPs and the billed quantities by price component. Under the GXP pricing methodology, the actual energy delivered to ICPs thus differs from the chargeable kWh quantities which include losses. Network Waitaki is reliant on the accuracy and completeness of information supplied to it by retailers for the measurement of electricity delivered to customers.

*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**

Network Waitaki's results for all categories as measured by SAIDI and SAIFI was favourable for SAIDI (except for a very minor increase in Class I SAIDI) and unfavourable for SAIFI compared to the previous year. This was mainly due to a large 33kV urban fault resulting in a large SAIFI impact. We continue to have a moderate level of interruptions to complete planned works, however when justified that it can be completed safely, live work is used to minimise customer impact as well as maintaining focus on installing generators on the high voltage network to also minimise customer impact.

Network Waitaki still has limited ability to independently verify its network reliability information due to the limitations of our systems, and lack of access to data relating to the status of individual customer premises (e.g. through the provision of retailer held smart meter data). SCADA switching times are only available for larger interruptions. In recent times, there has again been more automated devices installed on the network, improving the recorded interruption times. For smaller interruptions the information is derived from consumer reports and fault documentation. These limitations are included in the network reliability information required to be disclosed in Reports 10(i) to 10(iv).

*Insurance cover*

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

Network Waitaki insures its vehicles and buildings (including substations) and has public liability insurance. It does not insure its network, e.g. poles and lines, as it is not cost effective to do so. Insurance costs significantly increased from our renewal in Oct 21 due to premium and cover increase.

*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**

No material errors identified.

Company Name      Network Waitaki Limited

For Year Ended      31 March 2023

## **Schedule 14a      Mandatory Explanatory Notes on Forecast Information**

*(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018.)*

19.      This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.
20.      This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

*Commentary on difference between nominal and constant price capital expenditure forecasts (Schedule 11a)*

21.      In the box below, comment on the difference between nominal and constant price capital expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11a.

**Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts**

Network Waitaki has consistent with previous years, based predictions for CPI on information extracted from the Reserve Bank of New Zealand Monetary Policy Statement (February 2022).

For CY+1 a CPI adjustment of 3% has been applied. For CY+2 to CY+10 a CPI forecast of 2% per annum was applied.

*Commentary on difference between nominal and constant price operational expenditure forecasts (Schedule 11b)*

22.      In the box below, comment on the difference between nominal and constant price operational expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11b.

**Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts**

Network Waitaki has, consistent with previous years, based predictions for CPI on information extracted from the Reserve Bank of New Zealand Monetary Policy Statement (February 2022).

For CY+1 a CPI adjustment of 3% has been applied. For CY+2 to CY+10 a CPI forecast of 2% per annum was applied.

Company Name      Network Waitaki Limited

For Year Ended      31 March 2023

## **Schedule 15      Voluntary Explanatory Notes**

*(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018.)*

23.      This schedule enables EDBs to provide, should they wish to-
- 23.1      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;
  - 23.2      information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.
24.      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.
25.      Provide additional explanatory comment in the box below.

**Box 1: Voluntary explanatory comment on disclosed information****Schedule 1**

Low rainfall during the latter part of FY2023 causing higher irrigation and low temperatures during some winter months causing higher electricity usage resulted in higher energy volumes (10% higher compared to FY22) and a higher maximum demand (6.3% higher compared to FY22).

**Schedule 9a and 9b**

Oil filled Ring Main Units are now replaced with enclosed vacuum Indoor Circuit Breakers when they are renewed.

LV Connections include both Active and Inactive connections. Previous years had only included Active connections.

Connection Installation dates have been updated to use the Registry connection data as the source.

**Schedule 9c**

The 13km of overhead circuit requiring vegetation management is based on the actual number of recorded vegetation management jobs (excluding inspections) completed in FY23.

**Schedule 10**

Network Waitaki have treated successive interruptions the same way for the 2023 disclosure year as completed for the 2022 disclosure year, i.e. the process followed did not recognise successive interruptions following an initial outage as the disclosed SAIFI statistics only took into consideration the total unique ICPs affected by an outage.

As a result of the Electricity Distribution Information Disclosure (Targeted Review Tranche 1) Amendment Determination 2022 the process for 2024 will mean SAIDI and SAIFI is determined on a basis that will recognise successive interruptions as defined in the Information Disclosure Determination 2012, i.e. that a successive interruption means an interruption that follows an initial interruption and:

- a) Relates directly to that initial interruption; or
- b) Occurs as part of the process of restoring supply of electricity lines services following that initial interruption

For 2024 transitional disclosures will also be made in line with the Information Disclosure Determination (Consolidated 6 July 2023) which will disclose a SAIDI/SAIFI value determined in the same method as prior to the 2022 Determination amendments.

## Certification for Yearend Disclosures

### Pursuant to Schedule 18

### Clause 2.9.2 of section 2.9

#### Electricity Distribution Information Disclosure Determination 2012

We, Messers. M.J. de Buyzer and A.J. Wood, being directors of Network Waitaki 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 Determination 2012 in all material respects comply 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 Network Waitaki'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.

  
\_\_\_\_\_  
M. J. de Buyzer  
Chairman of the Board of Directors

Date: 31 July 2023

  
\_\_\_\_\_  
A.J. Wood  
Chairman of the Audit & Finance Committee

Date: 31 July 2023

## Appendix A – Related Party Disclosure Requirements

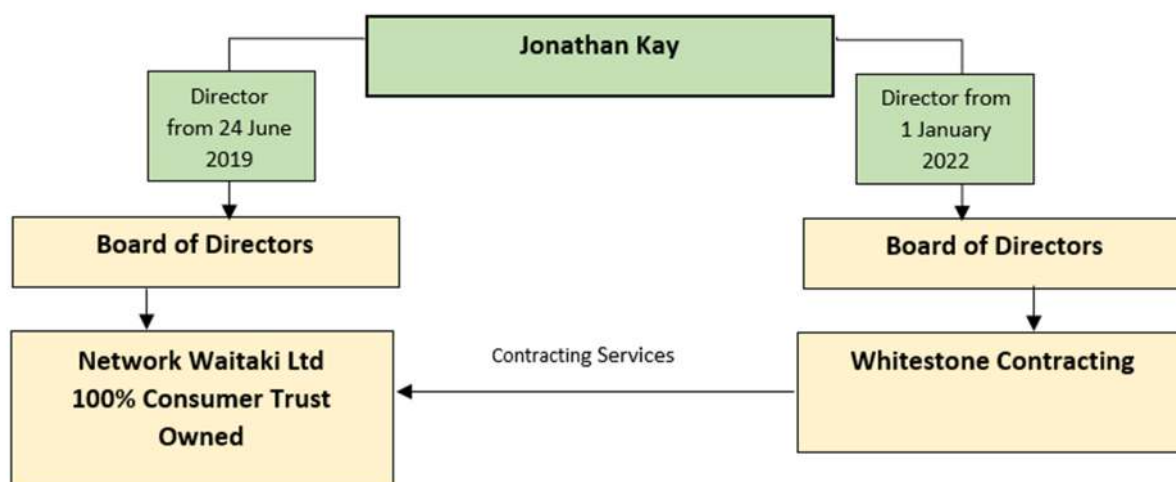
For the year ended 31 March 2023

Dated 31 August 2023

### Requirement 2.3.8: Relationships between the EDB and the related party

#### 2.3.8(1) What is the relationship between Network Waitaki and Whitestone Contracting?

As shown in the following diagrams the relationship is one of common directorship. One of Network Waitaki's Directors, Jonathan Kay was also a Director of Whitestone Contracting during the 2023 year.



#### 2.3.8(2) What are the principal activities of Whitestone Contracting?

Whitestone Contracting's principal activities relate to civil contracting and construction; water and drainage, cable and pipe location, asphalt, chipseal, road maintenance and plant hire.

Network Waitaki purchases civil contracting works from Whitestone Contracting in the ordinary course of providing an electricity distribution service. The terms governing this relationship were negotiated on an arms-length basis prior to the appointments of Jonathan Kay to the Network Waitaki Board of Directors and have not changed since.

As the terms were negotiated prior to Whitestone Contracting becoming a deemed related party, these are considered fair market terms.

#### 2.3.8(3) What is the total annual expenditure incurred by Network Waitaki with Whitestone Contracting?

Total annual expenditure for FY2023 is \$604,972. Due to the Information Disclosure related party definitions, related party expenditure in schedule 5b is \$508,000.



## Independent Assurance Report

### **To the Directors of Network Waitaki Limited and to the Commerce Commission on the disclosure information for the disclosure year ended 31 March 2023 as required by the Electricity Distribution Information Disclosure Determination 2012 (Consolidated 6 July 2023)**

Network Waitaki Limited (the company) is required to disclose certain information under the Electricity Distribution Information Disclosure Determination 2012 (consolidated 6 July 2023) ('the Determination') and to procure an assurance report by an independent auditor in terms of section 2.8.1 of the Determination.

The Auditor-General is the auditor of the company.

The Auditor-General has appointed me, Maxwell John Dixon, using the staff and resources of PricewaterhouseCoopers, to undertake a reasonable assurance engagement, on his behalf, on whether the information prepared by the company for the disclosure year ended 31 March 2023 (the Disclosure Information) complies, in all material respects, with the Determination.

The Disclosure Information that falls within the scope of the assurance engagement are:

- Schedules 1 to 4, 5a to 5g, 6a and 6b, 7, 10 and 14 (limited to the explanatory notes in boxes 1 to 11) of the Determination.
- Clause 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 20 May 2020) (the IM Determination), in respect of the basis for valuation of related party transactions (the Related Party Transaction Information).

This assurance report should be read in conjunction with the Commerce Commission's Information Disclosure exemption, issued to all electricity distribution businesses on 26 May 2023 under clause 2.11.1 of the Determination. The Commerce Commission granted an exemption from the requirement that the assurance report, in respect of the information in Schedule 10 of the Determination, must take into account any issues arising out of the company's recording of SAIDI, SAIFI, and number of interruptions due to successive interruptions.

### **Qualified Opinion**

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, in all material respects:

- as far as appears from an examination, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the company;
- as far as appears from an examination, the information used in the preparation of the Disclosure Information has been properly extracted from the company's accounting and other records, sourced from the company's financial and non-financial systems;
- the Disclosure Information complies, in all material respects, with the Determination; and
- the basis for valuation of related party transactions complies with the Determination and the IM Determination.

### **Basis for Qualified opinion**

As described in Box 13 of Schedule 14, there are inherent limitations in the ability of the Company to collect and record the network reliability information required to be disclosed in the Schedules 10(i) to 10(iv). Consequently, there is no independent evidence available to support the completeness and accuracy of recorded faults, and control over the completeness and accuracy of interconnection point ('ICP') data included in the SAIDI and SAIFI calculations was limited throughout the year.



There are no practical audit procedures that we could adopt to independently confirm that all the faults and ICP data were properly recorded for the purposes of inclusion in the amounts relating to quality measures set out in Schedules 10(i) to 10(iv). Because of the potential effect of these limitations, we are unable to obtain sufficient appropriate audit evidence to confirm the completeness and accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(iv).

We conducted our engagement in accordance with the Standard on Assurance Engagements (SAE) 3100 (Revised) *Assurance Engagements on Compliance*, issued by the New Zealand Auditing and Assurance Standards Board. An engagement conducted in accordance with SAE 3100 (Revised) requires that we comply with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

We have obtained sufficient recorded evidence and explanations that we required to provide a basis for our qualified opinion.

### Key Assurance Matters

Key assurance matters are those matters that, in our professional judgement, required significant attention when carrying out the assurance engagement during the current disclosure year. These matters were addressed in the context of our compliance engagement, and in forming our opinion. We do not provide a separate opinion on these matters.

Key Assurance Matter	How our procedures addressed the key assurance matter
<p><b>Regulatory asset base</b></p> <p>The Regulatory Asset Base (RAB), as set out in Schedule 4, reflects the value of the Network Waitaki Limited's electricity distribution assets. These are valued using an indexed historic cost methodology prescribed by the Determination. It is a measure which is used widely and is key to measuring the Network Waitaki Limited's return on investment and therefore important when monitoring financial performance or setting electricity distribution prices.</p> <p>The RAB inputs, as set out in the IM Determination, are similar to those used in the measurement of fixed assets in the financial statements, however, there are a number of different requirements and complexities which require careful consideration.</p> <p>Due to the importance of the RAB within the regulatory regime, the incentives to overstate the RAB value, and complexities within the regulations, we have considered it to be a key area of focus.</p>	<p>We have obtained an understanding of the compliance requirements relevant to the RAB as set out in the Determination and the IM Determination.</p> <p>Our procedures over the regulatory asset base included the following:</p> <p><b>Assets commissioned</b></p> <ul style="list-style-type: none"> <li>• We inspected the assets commissioned during the period, as per the regulatory fixed asset register, to identify any specific cost or asset type exclusions, as set out in the Determination, which are required to be removed from the RAB;</li> <li>• We reconciled the assets commissioned, as per the regulatory fixed asset register, to the asset additions disclosed in the audited annual financial statements and investigated any material reconciling items; and</li> <li>• We tested a sample of assets commissioned during the disclosure period for appropriate asset category classification.</li> </ul> <p><b>Depreciation</b></p> <ul style="list-style-type: none"> <li>• For assets with no standard asset lives we assessed the reasonableness of the lives used by reference to the accounting depreciation rates used in preparing the financial statements;</li> </ul>



Key Assurance Matter	How our procedures addressed the key assurance matter
	<ul style="list-style-type: none"> <li>• We compared the spreadsheet formula utilised to calculate regulatory depreciation expense with IM Determination clause 2.2.5; and</li> <li>• We compared the standard asset lives by asset category to those set out in the IM Determination.</li> </ul> <p><b>Revaluation</b></p> <ul style="list-style-type: none"> <li>• We recalculated the revaluation rate set out in the IM Determination using the relevant Consumer Price Index indices taken from the Statistics New Zealand website; and</li> <li>• We tested the mathematical accuracy of the revaluation calculation performed by management.</li> </ul> <p><b>Disposals</b></p> <ul style="list-style-type: none"> <li>• We reconciled the disposals, as per the regulatory fixed asset register, to the asset disposals disclosed in the audited annual financial statements and investigated any material reconciling items; and</li> <li>• We inspected the asset disposals within the accounting fixed asset register to ensure disposals in the RAB meet the definition of a disposal per the IMs.</li> </ul>
<p><b>Cost and Asset Allocation</b></p> <p>The Determination relates to information concerning the supply of electricity distribution services. In addition to the regulated supply of electricity, Network Waitaki Limited also supplies customers with other unregulated services such as metering services.</p> <p>As set out in schedules 5d, 5e, 5f and 5g, costs and asset values that relate to electricity distribution services regulated under the Determination should comprise:</p> <ul style="list-style-type: none"> <li>• All of the costs directly attributable to the regulated goods or services; and</li> <li>• An allocated portion of the costs that are not directly attributable.</li> </ul> <p>The IM Determination set out rules and processes for allocating costs and assets which are not directly attributable to either regulated or unregulated services. A number of screening tests apply which</p>	<p>We obtained an understanding of the Network Waitaki Limited's cost and asset allocation processes and the methodologies applied.</p> <p>Our procedures over cost and asset allocation included:</p> <ul style="list-style-type: none"> <li>• Reconciling the regulated and unregulated financial information to the audited financial statements.</li> </ul> <p><b>Classification as directly/not directly attributable</b></p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the costs allocated as directly attributable, based on the nature and our understanding of the business to determine the reasonableness of the directly attributable classification;</li> <li>• Testing a sample of transactions to ensure their classification as either directly attributable or not directly attributable costs are appropriate and in line with the Determination, as amended;</li> <li>• Inspecting the fixed asset register to identify any asset classes which based on their nature and</li> </ul>

Key Assurance Matter	How our procedures addressed the key assurance matter
<p>must be considered when deciding on the appropriate allocation method.</p> <p>Network Waitaki Limited has applied the Accounting-Based Allocation Approach Methodology (ABAA) utilising proxy cost and asset allocators to allocate the asset values and operating costs that are not directly attributable where causal relationships could not be identified.</p> <p>Given the judgement involved in the application of the cost and asset allocation methodologies we consider it a key assurance matter.</p>	<p>our understanding of the business could be considered assets directly attributable to a specific business unit; and</p> <ul style="list-style-type: none"> <li>• Testing a sample of assets commissioned to ensure their classification as either directly attributable or not directly attributable are appropriate and in line with the Determination, as amended, by inspecting the related invoice.</li> </ul> <p><b>Appropriateness of the allocators used for not directly attributable costs and assets</b></p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the cost and asset causal and proxy allocators used in applying the ABAA to not directly attributable costs including inspecting supporting documentation and recalculating proxy allocators;</li> <li>• Understanding why causal relationships could not be identified in allocating some costs or assets and ensuring appropriate disclosure has been included outlining these in Schedule 14; and</li> <li>• Recalculating the split between not directly attributable costs and asset values allocated to electricity distribution services and non-electricity distribution services.</li> </ul>

#### Directors' responsibilities

The directors of the company are responsible in accordance with the Determination for:

- the preparation of the Disclosure Information; and
- the Related Party Transaction Information

The directors of the company are also responsible for the identification of risks that may threaten compliance with the schedules and clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

#### Auditor's responsibilities

Our responsibilities in terms of clauses 2.8.1(1)(b)(vi) and (vii), 2.8.1(1)(c) and 2.8.1(1)(d) are to express an opinion on whether:

- as far as appears from an examination, the information used in the preparation of the audited Disclosure Information has been properly extracted from the company's accounting and other records, sourced from its financial and non-financial systems;
- as far as appears from an examination, proper records to enable the complete and accurate compilation of the audited Disclosure Information required by the Determination have been kept by the company and, if not, the records not so kept;
- the company complied, in all material respects, with the Determination in preparing the audited Disclosure Information; and
- the company's basis for valuation of related party transactions in the disclosure year has complied, in all material respects, with clause 2.3.6 of the Determination and clauses 2.2.11(1)(g) and 2.2.11(5) of the IM Determination.



To meet these responsibilities, we planned and performed procedures in accordance with SAE 3100 (Revised), to obtain reasonable assurance about whether the company has complied, in all material respects, with the Disclosure Information (which includes the Related Party Transaction Information) required to be audited by the Determination.

An assurance engagement to report on the company's compliance with the Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the requirements. The procedures selected depend on our judgement, including the identification and assessment of the risks of material non-compliance with the requirements.

#### **Inherent limitations**

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with the Determination may occur and not be detected. A reasonable assurance engagement throughout the disclosure year does not provide assurance on whether compliance with the Determination will continue in the future.

#### **Restricted use**

This report has been prepared for use by the directors of the company and the Commerce Commission in accordance with clause 2.8.1(1)(a) of the Determination and is provided solely for the purpose of establishing whether the compliance requirements have been met. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company and the Commerce Commission, or for any other purpose than that for which it was prepared.

#### **Independence and quality control**

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

The Auditor-General, and his employees, and PricewaterhouseCoopers and its partners and employees may deal with the company on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of trading activities of the company, this engagement and the annual audit of the company's financial statements and performance information, we have no relationship with, or interests in, the company.

A handwritten signature in black ink, appearing to read 'Maxwell John Dixon', written over a horizontal line.

Maxwell John Dixon  
PricewaterhouseCoopers  
On behalf of the Auditor-General  
Christchurch, New Zealand  
31 July 2023