

Company Name Network Waitaki Ltd

For Year Ended 31 March 2018

Schedule 14a Mandatory Explanatory Notes on Forecast Information

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012)

1. This Schedule provides for EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.5.
2. 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)

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

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

We have used the following predictions for CPI to adjust constant price forecasts to the nominal dollars expected to apply in each forecast year:

CY+1 no CPI adjustment has been made.

CY+2 onwards, CPI adjustment has been made at a rate of 2% per annum.

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

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

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

We have used the following predictions for CPI to adjust constant price forecasts to the nominal dollars expected to apply in each forecast year:

CY+1 no CPI adjustment has been made.

CY+2 onwards, CPI adjustment has been made at a rate of 2% per annum.