



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

Company Name

Network Waitaki Limited

Disclosure Date

31 August 2016

Disclosure Year (year ended)

31 March 2016

Templates for Schedules 1–10 excluding 5f–5g

Template Version 4.1. Prepared 24 March 2015

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Disclosure Template Instructions

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

Company Name and Dates

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

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

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

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

Data Entry Cells and Calculated Cells

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

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

Validation Settings on Data Entry Cells

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

Conditional Formatting Settings on Data Entry Cells

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

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

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

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

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

Inserting Additional Rows and Columns

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

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

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

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

Disclosures by Sub-Network

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

Schedule References

The references labelled 'sch ref' in the leftmost column of each template are consistent with the row references in the Electricity Distribution ID Determination 2012 (as issued on 24 March 2015). They provide a common reference between the rows in the determination and the template.

Description of Calculation References

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

Worksheet Completion Sequence

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

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

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2016**

SCHEDULE 1: ANALYTICAL RATIOS

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

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

sch ref

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)
Operational expenditure	17,003	352	82,843	2,271	22,986
Network	7,066	146	34,428	944	9,553
Non-network	9,937	206	48,415	1,327	13,434
Expenditure on assets	35,354	732	172,259	4,723	47,797
Network	31,416	651	153,072	4,197	42,473
Non-network	3,938	82	19,187	526	5,324

1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)
Total consumer line charge revenue	67,456	1,397
Standard consumer line charge revenue	84,732	1,218
Non-standard consumer line charge revenue	29,190	26,643

1(iii): Service intensity measures

Demand density	27	Maximum coincident system demand per km of circuit length (for supply) (kW/km)
Volume density	134	Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
Connection point density	6	Average number of ICPs per km of circuit length (for supply) (ICPs/km)
Energy intensity	20,712	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	4,451	25.50%
Pass-through and recoverable costs excluding financial incentives and wash-ups	4,785	27.41%
Total depreciation	3,459	19.81%
Total revaluations	434	2.48%
Regulatory tax allowance	1,113	6.37%
Regulatory profit/(loss) including financial incentives and wash-ups	4,085	23.40%
Total regulatory income	17,459	

1(v): Reliability

Interruption rate	18.93	Interruptions per 100 circuit km
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Company Name

Network Waitaki Limited

For Year Ended

31 March 2016

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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

sch ref

2(i): Return on Investment**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

Mid-point estimate of post tax WACC

25th percentile estimate
75th percentile estimate

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

WACC rate used to set regulatory price path**Mid-point estimate of vanilla WACC**

25th percentile estimate
75th percentile estimate

CY-2
31 Mar 14
%
CY-1
31 Mar 15
%
Current Year CY
31 Mar 16
%

3.12%	3.55%	4.76%
3.12%	3.55%	4.76%
3.12%	3.55%	4.76%

5.43%	6.10%	5.37%
4.71%	5.39%	4.66%
6.14%	6.82%	6.09%

3.81%	4.33%	5.41%
3.81%	4.33%	5.41%
3.81%	4.33%	5.41%

n/a	n/a	n/a
-----	-----	-----

6.11%	6.89%	6.02%
5.39%	6.17%	5.30%
6.83%	7.60%	6.74%

2(ii): Information Supporting the ROI

(\$000)

Total opening RAB value
plus Opening deferred tax

Opening RIV**Line charge revenue**

Expenses cash outflow

add Assets commissioned

less Asset disposals

add Tax payments

less Other regulated income

Mid-year net cash outflows**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

Closing RIV**ROI – comparable to a vanilla WACC**

Leverage (%)

Cost of debt assumption (%)

Corporate tax rate (%)

ROI – comparable to a post tax WACC

74,256	
(1,758)	
	72,498
	17,661
9,236	
10,575	
146	
602	
(202)	
	20,468
	–
81,660	
0	
–	
(2,269)	
	79,391

5.41%

44%

5.26%

28%

4.76%

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2016**

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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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						–
Total	–	–	–	–	–	–

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

5.25%

Year-end ROI – comparable to a post tax WACC

4.60%

* 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

Recoverable customised price-quality path costs

N/A

Catastrophic event allowance

N/A

Capex wash-up adjustment

N/A

Transmission asset wash-up adjustment

N/A

2013–2015 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

–

Company Name **Network Waitaki Limited**
For Year Ended **31 March 2016**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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

sch ref

7	3(i): Regulatory Profit		(\$000)
8	Income		
9	Line charge revenue		17,661
10	plus Gains / (losses) on asset disposals		(202)
11	plus Other regulated income (other than gains / (losses) on asset disposals)		
12			
13	Total regulatory income		17,459
14	Expenses		
15	less Operational expenditure		4,451
16			
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups		4,785
18			
19	Operating surplus / (deficit)		8,223
20			
21	less Total depreciation		3,459
22			
23	plus Total revaluations		434
24			
25	Regulatory profit / (loss) before tax		5,198
26			
27	less Term credit spread differential allowance		–
28			
29	less Regulatory tax allowance		1,113
30			
31	Regulatory profit/(loss) including financial incentives and wash-ups		4,085
32			
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups		(\$000)
34	Pass through costs		
35	Rates	97	
36	Commerce Act levies	8	
37	Industry levies	48	
38	CPP specified pass through costs	N/A	
39	Recoverable costs excluding financial incentives and wash-ups		
40	Electricity lines service charge payable to Transpower	4,205	
41	Transpower new investment contract charges	426	
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	Pass-through and recoverable costs excluding financial incentives and wash-ups		4,785
47			

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2016**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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

sch ref

48	3(iii): Incremental Rolling Incentive Scheme		(\$000)	
49			CY-1	CY
50			31 Mar 15	31 Mar 16
51	Allowed controllable opex		N/A	N/A
52	Actual controllable opex		N/A	N/A
53				
54	Incremental change in year			N/A
55				
56			Previous years' incremental change	Previous years' incremental change adjusted for inflation
57	CY-5	31 Mar 11	N/A	N/A
58	CY-4	31 Mar 12	N/A	N/A
59	CY-3	31 Mar 13	N/A	N/A
60	CY-2	31 Mar 14	N/A	N/A
61	CY-1	31 Mar 15	N/A	N/A
62	Net incremental rolling incentive scheme			—
63				
64	Net recoverable costs allowed under incremental rolling incentive scheme			—
65	3(iv): Merger and Acquisition Expenditure			
70				(\$000)
66	Merger and acquisition expenditure			N/A
67				
68	<i>Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)</i>			
69	3(v): Other Disclosures			
70				(\$000)
71	Self-insurance allowance			N/A

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016****SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2.

EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

4(i): Regulatory Asset Base Value (Rolled Forward)

for year ended	RAB 31 Mar 12 (\$000)	RAB 31 Mar 13 (\$000)	RAB 31 Mar 14 (\$000)	RAB 31 Mar 15 (\$000)	RAB 31 Mar 16 (\$000)
Total opening RAB value	71,638	72,135	73,883	75,102	74,256
less Total depreciation	2,959	3,050	3,202	3,295	3,459
plus Total revaluations	1,125	620	1,128	63	434
plus Assets commissioned	2,331	4,149	3,322	2,628	10,575
less Asset disposals			226	199	146
plus Lost and found assets adjustment				(43)	–
plus Adjustment resulting from asset allocation		29	197		0
Total closing RAB value	72,135	73,883	75,102	74,256	81,660

4(ii): Unallocated Regulatory Asset Base

	Unallocated RAB *	RAB
	(\$000)	(\$000)
Total opening RAB value	74,451	74,256
less Total depreciation	3,530	3,459
plus Total revaluations	435	434
plus Assets commissioned (other than below)	10,366	10,108
Assets acquired from a regulated supplier		
Assets acquired from a related party	467	467
Assets commissioned	10,833	10,575
less Asset disposals (other than below)	146	146
Asset disposals to a regulated supplier		
Asset disposals to a related party		
Asset disposals	146	146
plus Lost and found assets adjustment		–
plus Adjustment resulting from asset allocation		0
Total closing RAB value	82,043	81,660

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

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016****SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2.

EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

51

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

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CPI_tCPI_t⁻⁴

Revaluation rate (%)

1,200

1,193

0.59%

Unallocated RAB *

RAB

(\$000)

(\$000)

(\$000)

(\$000)

Total opening RAB value

74,451

74,256

less Opening value of fully depreciated, disposed and lost assets

315

315

Total opening RAB value subject to revaluation

74,136

73,941

Total revaluations

435

434

4(iv): Roll Forward of Works Under Construction

Unallocated works under

construction

Allocated works under construction

Works under construction—preceding disclosure year

4,712

4,693

plus Capital expenditure

7,034

6,776

less Assets commissioned

10,833

10,575

plus Adjustment resulting from asset allocation

913

894

Works under construction - current disclosure year

Highest rate of capitalised finance applied

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016****SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2.

EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

4(v): Regulatory Depreciation

Depreciation - standard

Depreciation - no standard life assets

Depreciation - modified life assets

Depreciation - alternative depreciation in accordance with CPP

Total depreciation

Unallocated RAB *		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
2,984		2,984	
546		475	
	3,530		3,459

4(vi): Disclosure of Changes to Depreciation Profiles

(\$000 unless otherwise specified)

Asset or assets with changes to depreciation*	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation

* include additional rows if needed

4(vii): Disclosure by Asset Category

(\$000 unless otherwise specified)

	Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
Total opening RAB value	4,293	885	11,759	24,719	6,886	15,807	6,684	1,270	1,953	74,256
less Total depreciation	169	15	389	1,141	334	545	324	67	475	3,459
plus Total revaluations	26	5	69	145	40	92	39	7	11	434
plus Assets commissioned	4,479	—	2,255	1,019	653	626	273	239	1,031	10,575
less Asset disposals			14	13	7	80	27	5	—	146
plus Lost and found assets adjustment										—
plus Adjustment resulting from asset allocation										—
plus Asset category transfers										—
Total closing RAB value	8,629	875	13,680	24,729	7,238	15,900	6,645	1,444	2,520	81,660
Asset Life										
Weighted average remaining asset life	45.6	58.1	36.1	32.7	32.4	34.4	25.5	23.0	1.7	(years)
Weighted average expected total asset life	58.8	67.3	49.2	54.4	48.0	49.2	37.5	30.4	2.7	(years)

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).

sch ref

S5a.Regulatory Tax Allowance

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2016**

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

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

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

sch ref

44	5a(iv): Amortisation of Revaluations				(\$000)
45					
46	Opening sum of RAB values without revaluations		72,432		
47					
48	Adjusted depreciation		2,963		
49	Total depreciation		3,459		
50	Amortisation of revaluations			496	
51					
52	5a(v): Reconciliation of Tax Losses				(\$000)
53					
54	Opening tax losses		-		
55	plus Current period tax losses				
56	less Utilised tax losses				
57	Closing tax losses			-	
58	5a(vi): Calculation of Deferred Tax Balance				(\$000)
59					
60	Opening deferred tax		(1,758)		
61					
62	plus Tax effect of adjusted depreciation		830		
63					
64	less Tax effect of tax depreciation		1,307		
65					
66	plus Tax effect of other temporary differences*		251		
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		(32)		
73					
74	plus Deferred tax cost allocation adjustment		(0)		
75					
76	Closing deferred tax			(2,269)	
77					
78	5a(vii): Disclosure of Temporary Differences				
79	<i>In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).</i>				
80					
81	5a(viii): Regulatory Tax Asset Base Roll-Forward				
82					(\$000)
83	Opening sum of regulatory tax asset values		37,337		
84	less Tax depreciation		4,668		
85	plus Regulatory tax asset value of assets commissioned		11,565		
86	less Regulatory tax asset value of asset disposals		31		
87	plus Lost and found assets adjustment				
88	plus Adjustment resulting from asset allocation				
89	plus Other adjustments to the RAB tax value				
90	Closing sum of regulatory tax asset values			44,203	

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2016**

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination.

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

sch ref

5b(i): Summary—Related Party Transactions

(\$000)

Total regulatory income	
Operational expenditure	102
Capital expenditure	467
Market value of asset disposals	
Other related party transactions	

5b(ii): Entities Involved in Related Party Transactions

Name of related party	Related party relationship
Whitestone Contracting Limited	Shared Director

* include additional rows if needed

5b(iii): Related Party Transactions

Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
Whitestone Contracting Limited	Opex	Maintenance of Assets	103	ID clause 2.3.6(1)(c)(i)
Whitestone Contracting Limited	Opex	Maintenance of Assets	(1)	ID clause 2.3.7(2)(a)
Whitestone Contracting Limited	Capex	System Growth	300	IM clause 2.2.11(5)(h)
Whitestone Contracting Limited	Capex	Quality of Supply	18	IM clause 2.2.11(5)(h)
Whitestone Contracting Limited	Capex	Legislative and Regulatory	2	IM clause 2.2.11(5)(h)
Whitestone Contracting Limited	Capex	Replacement and Renewal	63	IM clause 2.2.11(5)(h)
Whitestone Contracting Limited	Capex	Consumer Connection	85	IM clause 2.2.11(5)(h)
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]

* include additional rows if needed

Company Name	Network Waitaki Limited
For Year Ended	31 March 2016

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

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

sch ref

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	Cost of executing an interest rate swap	Debt issue cost readjustment
No debt greater than 5 years									
* include additional rows if needed						-	-	-	-

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

Gross term credit spread differential

-

Total book value of interest bearing debt

Leverage

44%

Average opening and closing RAB values

Attribution Rate (%)

-

Term credit spread differential allowance

-

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016****SCHEDULE 5d: REPORT ON COST ALLOCATIONS**

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

sch ref

5d(i): Operating Cost Allocations

		Value allocated (\$000s)			
	Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000s)
Service interruptions and emergencies					
Directly attributable		544			
Not directly attributable				–	
Total attributable to regulated service		544			
Vegetation management					
Directly attributable		336			
Not directly attributable				–	
Total attributable to regulated service		336			
Routine and corrective maintenance and inspection					
Directly attributable		374			
Not directly attributable				–	
Total attributable to regulated service		374			
Asset replacement and renewal					
Directly attributable		595			
Not directly attributable				–	
Total attributable to regulated service		595			
System operations and network support					
Directly attributable		1,230			
Not directly attributable				–	
Total attributable to regulated service		1,230			
Business support					
Directly attributable					
Not directly attributable		1,372	343	1,715	
Total attributable to regulated service		1,372			
Operating costs directly attributable		3,080			
Operating costs not directly attributable	–	1,372	343	1,715	–
Operational expenditure		4,451			

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2016**

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

5d(ii): Other Cost Allocations

Pass through and recoverable costs

(\$000)

Pass through costs

Directly attributable

153

Not directly attributable

Total attributable to regulated service

153

Recoverable costs

Directly attributable

4,631

Not directly attributable

Total attributable to regulated service

4,631

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

(\$000)

Change in cost allocation 1

Cost category

N/A

Original allocator or line items

New allocator or line items

Original allocation

New allocation

Difference

CY-1 Current Year (CY)

-

-

Rationale for change

(\$000)

Change in cost allocation 2

Cost category

N/A

Original allocator or line items

New allocator or line items

Original allocation

New allocation

Difference

CY-1 Current Year (CY)

-

-

Rationale for change

(\$000)

Change in cost allocation 3

Cost category

N/A

Original allocator or line items

New allocator or line items

Original allocation

New allocation

Difference

CY-1 Current Year (CY)

-

-

Rationale for change

* 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.

† include additional rows if needed

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2016**

SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

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

sch ref

5e(i): Regulated Service Asset Values

	Value allocated (\$000s)
Electricity distribution services	
Subtransmission lines	
Directly attributable	8,629
Not directly attributable	
Total attributable to regulated service	8,629
Subtransmission cables	
Directly attributable	875
Not directly attributable	
Total attributable to regulated service	875
Zone substations	
Directly attributable	13,680
Not directly attributable	
Total attributable to regulated service	13,680
Distribution and LV lines	
Directly attributable	24,729
Not directly attributable	
Total attributable to regulated service	24,729
Distribution and LV cables	
Directly attributable	7,238
Not directly attributable	
Total attributable to regulated service	7,238
Distribution substations and transformers	
Directly attributable	15,900
Not directly attributable	
Total attributable to regulated service	15,900
Distribution switchgear	
Directly attributable	6,645
Not directly attributable	
Total attributable to regulated service	6,645
Other network assets	
Directly attributable	1,444
Not directly attributable	
Total attributable to regulated service	1,444
Non-network assets	
Directly attributable	990
Not directly attributable	1,530
Total attributable to regulated service	2,520
Regulated service asset value directly attributable	80,130
Regulated service asset value not directly attributable	1,530
Total closing RAB value	81,660

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

			(\$000)	
			CY-1	Current Year (CY)
Change in asset value allocation 1				
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–
Rationale for change				
Change in asset value allocation 2				
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	–	–
Rationale for change				
Change in asset value allocation 3				
Asset category		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 compone

† include additional rows if needed

Company Name	Network Waitaki Limited
For Year Ended	31 March 2016

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

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs.

EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates).

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

sch ref

7	6a(i): Expenditure on Assets	(\$000)	(\$000)
8	Consumer connection		1,497
9	System growth		5,274
10	Asset replacement and renewal		1,099
11	Asset relocations		–
12	Reliability, safety and environment:		
13	Quality of supply	317	
14	Legislative and regulatory	28	
15	Other reliability, safety and environment	10	
16	Total reliability, safety and environment		355
17	Expenditure on network assets		8,225
18	Expenditure on non-network assets		1,031
19			
20	Expenditure on assets		9,256
21	plus Cost of financing		
22	less Value of capital contributions		2,480
23	plus Value of vested assets		
24			
25	Capital expenditure		6,776
26	6a(ii): Subcomponents of Expenditure on Assets (where known)		(\$000)
27	Energy efficiency and demand side management, reduction of energy losses		
28	Overhead to underground conversion		
29	Research and development		
30	6a(iii): Consumer Connection		
31	<i>Consumer types defined by EDB*</i>	(\$000)	(\$000)
32	Independent Contract Customers - Large Commercial and Industrial	0	
33	Small Consumers - residential and commercial to 15kVA	962	
34	Medium Consumers - residential and commercial 16kVA to 50kVA	285	
35	Large Consumers - commercial and industrial 51kVA and above	249	
36			
37	<i>* include additional rows if needed</i>		
38	Consumer connection expenditure		1,497
39			
40	less Capital contributions funding consumer connection expenditure	452	
41	Consumer connection less capital contributions		1,045
42	6a(iv): System Growth and Asset Replacement and Renewal		
43			
44			
45	Subtransmission	3,530	119
46	Zone substations	1,169	25
47	Distribution and LV lines		
48	Distribution and LV cables	262	65
49	Distribution substations and transformers	295	231
50	Distribution switchgear	–	41
51	Other network assets	18	618
52	System growth and asset replacement and renewal expenditure	5,274	1,099
53	less Capital contributions funding system growth and asset replacement and renewal	1,592	332
54	System growth and asset replacement and renewal less capital contributions	3,682	767
55			
56	6a(v): Asset Relocations		
57	<i>Project or programme*</i>	(\$000)	(\$000)
58		–	
59		–	
60		–	
61			
62			
63	<i>* include additional rows if needed</i>		
64	All other projects or programmes - asset relocations		
65	Asset relocations expenditure		–
66	less Capital contributions funding asset relocations	0	
67	Asset relocations less capital contributions		–

Company Name	Network Waitaki Limited
For Year Ended	31 March 2016

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

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

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

sch ref

6a(vi): Quality of Supply

Project or programme*	(\$000)	(\$000)
Ferry Rd Feeder	101	
Rural switch gear, install fault indicators, and other minor rural protection changes	7	
Purchase and Install Reclosers/Sectionalisers/Tie Switches	13	
Replace Reclosers R650 and R654 and reuse elsewhere	3	
Fibre for Hampden (to fix radio comms issue here)	43	
Fibre for Pukeuri	1	
UG Ducting HV LV Fibre (General)	8	
Differential Zone Transformer Protection	14	
Zone Substation Info. System & Protn. (Two Subs per year)	16	
Retrofit RPS Switchgear covers for safer racking in/out	13	
TWZ/Kurow/Parsons Ripple isolation Project	24	
Replace 1 X 551 relay and unsafe protection panel	28	
Linak SD2 RMU remote actuators	12	
Differential Zone Transformer Protection Materials Rollover	32	
* include additional rows if needed		
All other projects programmes - quality of supply		
Quality of supply expenditure		317
less Capital contributions funding quality of supply	96	
Quality of supply less capital contributions		222

6a(vii): Legislative and Regulatory

Project or programme*	(\$000)	(\$000)
Distribution Box replacement	28	
* include additional rows if needed		
All other projects or programmes - legislative and regulatory		
Legislative and regulatory expenditure		28
less Capital contributions funding legislative and regulatory	9	
Legislative and regulatory less capital contributions		19

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

Project or programme*	(\$000)	(\$000)
Easement	10	
* include additional rows if needed		
All other projects or programmes - other reliability, safety and environment		
Other reliability, safety and environment expenditure		10
less Capital contributions funding other reliability, safety and environment		
Other reliability, safety and environment less capital contributions		10

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

Project or programme*	(\$000)	(\$000)
Buildings and Fitout	180	
Computer Hardware	65	
Computer Software	194	
Plant and Office Equipment	146	
Vehicles	446	
* include additional rows if needed		
All other projects or programmes - routine expenditure		
Routine expenditure		1,031

Atypical expenditure

Project or programme*	(\$000)	(\$000)

Company Name

Network Waitaki Limited

For Year Ended

31 March 2016

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

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs.

EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates).

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

sch ref

120			
121			
122			
123			
124	* include additional rows if needed		
125	All other projects or programmes - atypical expenditure		
126	Atypical expenditure		–
127			
128	Expenditure on non-network assets		1,031

Company Name

Network Waitaki Limited

For Year Ended

31 March 2016

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

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

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

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

sch ref

		(\$000)	(\$000)
7	6b(i): Operational Expenditure		
8	Service interruptions and emergencies	544	
9	Vegetation management	336	
10	Routine and corrective maintenance and inspection	374	
11	Asset replacement and renewal	595	
12	Network opex		1,850
13	System operations and network support	1,230	
14	Business support	1,372	
15	Non-network opex		2,602
16			
17	Operational expenditure		4,451
18	6b(ii): Subcomponents of Operational Expenditure (where known)		
19	Energy efficiency and demand side management, reduction of energy losses		—
20	Direct billing*		—
21	Research and development		—
22	Insurance		94
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name

Network Waitaki Limited

For Year Ended

31 March 2016

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

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

sch ref

7(i): RevenueTarget (\$000) ¹ Actual (\$000) % variance

Line charge revenue

16,383

17,661

8%

7(ii): Expenditure on AssetsForecast (\$000) ² Actual (\$000) % variance

Consumer connection

520

1,497

188%

System growth

4,905

5,274

8%

Asset replacement and renewal

1,174

1,099

(6%)

Asset relocations

–

–

Reliability, safety and environment:

Quality of supply

853

317

(63%)

Legislative and regulatory

50

28

(44%)

Other reliability, safety and environment

10

–

Total reliability, safety and environment

903

355

(61%)

Expenditure on network assets

7,502

8,225

10%

Expenditure on non-network assets

2,512

1,031

(59%)

Expenditure on assets

10,014

9,256

(8%)

7(iii): Operational Expenditure

Service interruptions and emergencies

228

544

139%

Vegetation management

294

336

14%

Routine and corrective maintenance and inspection

562

374

(33%)

Asset replacement and renewal

820

595

(27%)

Network opex

1,904

1,850

(3%)

System operations and network support

1,935

1,230

(36%)

Business support

935

1,372

47%

Non-network opex

2,870

2,602

(9%)

Operational expenditure

4,774

4,451

(7%)

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

96

94

(2%)

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

² 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)

Company Name
For Year Ended
Network / Sub-Network Name

Network Waitaki Limited
31 March 2016

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.

sch ref

8(i): Billed Quantities by Price Component

Price component	Billed quantities by price component						
	Distribution Fixed	Distribution Variable Day	Distribution Variable Night	Transmission Fixed	Transmission Variable Day	Transmission Variable Night	IND Distribution
Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)	ICP	MWh	MWh	ICP	MWh	MWh	ICP
	3,630	15,573	5,153	3,630	15,573	5,153	
	522	1,858	373	522	1,858	373	
	26	150	56	26	150	56	
	11	39	9	11	39	9	
	1	4	1	1	4	1	
	1	3	1	1	3	1	
	4,937	31,239	11,806	4,937	31,239	11,806	
	1,497	5,687	1,147	1,497	5,687	1,147	
	205	1,993	643	205	1,993	643	
	447	3,787	903	447	3,787	903	
	154	3,607	1,122	154	3,607	1,122	
	616	14,024	5,298	616	14,024	5,298	
	322	19,381	10,080	322	19,381	10,080	
	106	11,659	5,923	106	11,659	5,923	
	49	7,388	2,789	49	7,388	2,789	
	21	9,002	4,594	21	9,002	4,594	
	7	2,872	2,210	7	2,872	2,210	
							89
							89
	12,551	128,266	52,109	12,551	128,266	52,109	89
	-	-	-	-	-	-	-
	12,551	128,266	52,109	12,551	128,266	52,109	89

Add extra columns
for additional
billed quantities
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)	Average no. of ICPs in disclosure year	Energy delivered to ICPs in disclosure year (MWh)
DLU15C	Residential and Commercial	Standard	3,630	20,726
DLU15U	Residential and Commercial	Standard	522	2,231
DLU30C	Residential and Commercial	Standard	26	206
DLU30U	Residential and Commercial	Standard	11	49
DLU50C	Residential and Commercial	Standard	1	5
DLU50U	Residential and Commercial	Standard	1	3
15C	Residential and Commercial	Standard	4,937	43,045
15U	Residential and Commercial	Standard	1,497	6,834
30C	Residential and Commercial	Standard	205	2,636
30U	Residential and Commercial	Standard	447	4,690
50C	Residential and Commercial	Standard	154	4,729
50U	Residential and Commercial	Standard	616	19,322
100	Commercial and Industrial	Standard	322	29,460
200	Commercial and Industrial	Standard	106	17,582
300	Commercial and Industrial	Standard	49	10,177
500	Commercial and Industrial	Standard	21	13,596
750	Commercial and Industrial	Standard	7	5,083
IND	Large Commercial and Industrial	Non-standard	89	81,438
		[Select one]		
Add extra rows for additional consumer groups or price category codes as necessary				
Standard consumer totals			12,551	180,375
Non-standard consumer totals			89	81,438
Total for all consumers			12,641	261,813

Company Name
For Year Ended
Network / Sub-Network Name

Network Waitaki Limited
31 March 2016

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	Distribution Variable Day	Distribution Variable Night	Transmission Fixed	Transmission Variable Day	Transmission Variable Night	IND Distribution	IND Transmission
ICP	MWh	MWh	ICP	MWh	MWh	ICP	ICP
126	1,208.74	41.22	72	473.39	16.14		
18	144.19	2.99	10	56.47	1.17		
1	11.65	0.45	1	4.56	0.17		
1	3.06	0.07	0	1.20	0.03		
0	0.33	0.01	0	0.13	0.00		
0	0.21	0.01	0	0.08	0.00		
430	2,389.21	93.24	101	1,038.64	40.52		
148	434.94	9.06	103	189.08	3.94		
20	152.45	5.08	6	66.27	2.21		
49	289.65	7.13	35	125.92	3.10		
21	275.85	8.86	8	119.92	3.85		
89	1,072.62	41.84	61	466.29	18.18		
59	1,482.30	79.61	47	644.38	34.59		
37	891.71	46.78	31	387.64	20.33		
23	565.06	22.03	19	245.64	9.57		
13	687.83	36.25	13	299.01	15.75		
6	219.70	17.46	6	95.51	7.59		
						1,042	\$1,406
\$1,043	\$9,829	\$412	\$513	\$4,214	\$177	–	–
–	–	–	–	–	–	\$1,042	\$1,406
\$1,043	\$9,829	\$412	\$513	\$4,214	\$177	\$1,042	\$1,406

Add extra columns for additional line charge revenues 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)
DLU15C	Residential and Commercial	Standard	\$1,729	
DLU15U	Residential and Commercial	Standard	\$203	
DLU30C	Residential and Commercial	Standard	\$18	
DLU30U	Residential and Commercial	Standard	\$5	
DLU50C	Residential and Commercial	Standard	\$1	
DLU50U	Residential and Commercial	Standard	\$0	
15C	Residential and Commercial	Standard	\$3,793	
15U	Residential and Commercial	Standard	\$802	
30C	Residential and Commercial	Standard	\$233	
30U	Residential and Commercial	Standard	\$471	
50C	Residential and Commercial	Standard	\$418	
50U	Residential and Commercial	Standard	\$1,674	
100	Commercial and Industrial	Standard	\$2,295	
200	Commercial and Industrial	Standard	\$1,380	
300	Commercial and Industrial	Standard	\$863	
500	Commercial and Industrial	Standard	\$1,052	
750	Commercial and Industrial	Standard	\$347	
IND	Large Commercial and Industrial	Non-standard	\$2,377	
	(Select one)		–	
	(Select one)		–	
	(Select one)		–	
	(Select one)		–	

Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$ per day, \$ per kWh, etc.)
\$1,167	\$562	
\$135	\$68	
\$13	\$5	
\$4	\$1	
\$0	\$0	
\$0	\$0	
\$2,614	\$1,180	
\$506	\$296	
\$159	\$74	
\$307	\$164	
\$287	\$131	
\$1,129	\$545	
\$1,569	\$726	
\$941	\$439	
\$588	\$274	
\$724	\$328	
\$237	\$109	
\$971	\$1,406	

Add extra rows for additional consumer groups or price category codes as necessary

Standard consumer totals	\$15,284	–
Non-standard consumer totals	\$2,377	–
Total for all consumers	\$17,661	–

\$10,380	\$4,904
\$971	\$1,406
\$11,351	\$6,310

8(iii): Number of ICPs directly billed

Number of directly billed ICPs at year end

9

Zone substations

st st st st

assets

Check OK

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016**Network / Sub-network Name **Network Waitaki****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.	8,557	8,651	94	3
10	All	Overhead Line	Wood poles	No.	12,643	13,141	498	3
11	All	Overhead Line	Other pole types	No.	167	169	2	3
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	180	210	30	2
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	—	—	—	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	5	5	0	2
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	—	—	—	2
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.	18	18	—	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.	1	1	—	4
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	—	—	—	N/A
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	84	84	—	3
29	HV	Zone substation switchgear	33kV RMU	No.	—	—	—	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	11	11	—	3
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	37	37	—	3
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	65	65	—	3
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	3	3	—	3
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	21	21	—	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,327	1,351	24	2
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	43	47	4	2
39	HV	Distribution Cable	Distribution UG PILC	km	24	26	1	2
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	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	—	—	—	N/A
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	3,283	3,422	139	3
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.	167	170	3	3
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	2,277	2,350	73	2
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	405	444	39	2
48	HV	Distribution Transformer	Voltage regulators	No.	14	14	—	3
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	—	—	—	N/A
50	LV	LV Line	LV OH Conductor	km	231	231	0	2
51	LV	LV Cable	LV UG Cable	km	86	90	4	2
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	87	87	—	2
53	LV	Connections	OH/UG consumer service connections	No.	12,587	12,587	—	3
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	118	118	—	2
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	9,645	9,669	24	3
59	All	Civils	Cable Tunnels	km	—	—	—	N/A

Company Name
For Year Ended
Network / Sub-network Name

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.

[illegible]

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016**Network / Sub-network Name **Network Waitaki****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	Circuit length by operating voltage (at year end)	Overhead (km)	Underground (km)
11	> 66kV		
12	50kV & 66kV		
13	33kV	210	5
14	SWER (all SWER voltages)		
15	22kV (other than SWER)		
16	6.6kV to 11kV (inclusive—other than SWER)	1,352	72
17	Low voltage (< 1kV)	231	90
18	Total circuit length (for supply)	1,793	167
19			
20	Dedicated street lighting circuit length (km)	80	7
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		
22			
23	Overhead circuit length by terrain (at year end)	Circuit length (km)	(% of total overhead length)
24	Urban	251	14%
25	Rural	1,244	69%
26	Remote only	290	16%
27	Rugged only		—
28	Remote and rugged		—
29	Unallocated overhead lines	8	0%
30	Total overhead length	1,793	100%
31			
32		Circuit length (km)	(% of total circuit length)
33	Length of circuit within 10km of coastline or geothermal areas (where known)	799	41%
34		Circuit length (km)	(% of total overhead length)
35	Overhead circuit requiring vegetation management	54	3%

Company Name	Network Waitaki Limited
For Year Ended	31 March 2016

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

		Number of ICPs served	Line charge revenue (\$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 Limited

For Year Ended

31 March 2016

Network / Sub-network Name

Network Waitaki

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

Number of ICPs connected in year by consumer type

Consumer types defined by EDB*

Individual Contract 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)

—
54
16
14

84

Distributed generation

Number of connections made in year

Capacity of distributed generation installed in year

22 connections

0.08 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)

54
54
54

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)

289
0
0
289
262
27

9.4%

Load factor

0.61

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)

194
3
197
221

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016**Network / Sub-network Name **Network Waitaki****SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

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

sch ref

10(i): Interruptions**Interruptions by class****Number of interruptions**

Class A (planned interruptions by Transpower)
 Class B (planned interruptions on the network)
 Class C (unplanned interruptions on the network)
 Class D (unplanned interruptions by Transpower)
 Class E (unplanned interruptions of EDB owned generation)
 Class F (unplanned interruptions of generation owned by others)
 Class G (unplanned interruptions caused by another disclosing entity)
 Class H (planned interruptions caused by another disclosing entity)
 Class I (interruptions caused by parties not included above)

—
211
160
371

Total**Interruption restoration**

≤3Hrs

>3hrs

Class C interruptions restored within

106	54
-----	----

SAIFI and SAIDI by class

SAIFI

SAIDI

Class A (planned interruptions by Transpower)
 Class B (planned interruptions on the network)
 Class C (unplanned interruptions on the network)
 Class D (unplanned interruptions by Transpower)
 Class E (unplanned interruptions of EDB owned generation)
 Class F (unplanned interruptions of generation owned by others)
 Class G (unplanned interruptions caused by another disclosing entity)
 Class H (planned interruptions caused by another disclosing entity)
 Class I (interruptions caused by parties not included above)

—	—
0.14	35.5
1.30	151.2
1.44	186.7

Total**Normalised SAIFI and SAIDI**

Classes B & C (interruptions on the network)

Normalised SAIFI

Normalised SAIDI

1.35	133.1
------	-------

Quality path normalised reliability limit

SAIFI reliability limit

SAIDI reliability limit

SAIFI and SAIDI limits applicable to disclosure year*

* not applicable to exempt EDBs

Company Name **Network Waitaki Limited**For Year Ended **31 March 2016**Network / Sub-network Name **Network Waitaki****SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

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

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

Lightning	0.0	0.1
Vegetation	0.3	25.3
Adverse weather	0.3	84.3
Adverse environment	–	–
Third party interference	0.1	4.5
Wildlife	0.0	1.0
Human error	0.0	0.2
Defective equipment	0.5	30.9
Cause unknown	0.1	5.0

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

Subtransmission lines	0.00	0.04
Subtransmission cables	–	–
Subtransmission other	–	–
Distribution lines (excluding LV)	0.14	35.5
Distribution cables (excluding LV)	–	–
Distribution other (excluding LV)	–	–

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

Subtransmission lines	0.42	22.1
Subtransmission cables	–	–
Subtransmission other	–	–
Distribution lines (excluding LV)	0.89	129.6
Distribution cables (excluding LV)	0.00	0.0
Distribution other (excluding LV)	–	–

10(v): Fault Rate**Main equipment involved****Number of Faults****Circuit length
(km)****Fault rate (faults
per 100km)**

Subtransmission lines	9	210	4.29
Subtransmission cables	–	5	–
Subtransmission other	–	–	–
Distribution lines (excluding LV)	361	1,352	26.70
Distribution cables (excluding LV)	8	72	11.11
Distribution other (excluding LV)	–	–	–
Total	378		

Company Name Network Waitaki Limited

For Year Ended 31 March 2016

Schedule 14 Mandatory Explanatory Notes

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 12 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 of 4.6% is below the 75th percentile WACC estimate of 6.74%.

This reflects a reasonable return on investment for its shareholders, 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 this year.

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.

In FY16 a number of large assets were commissioned which incorporated capex spent in previous years. This reduced the works under construction balance.

Asset disposals were mainly due to replacement of assets as a result of age and deterioration. Asset disposals included assets in the following high level categories:

- Zone substations
- Distribution and LV lines
- Distribution and LV cables
- Distribution substations and transformers
- Distribution switchgear
- Other network assets

4(iv) Roll forward of Works Under Construction

Works under construction has been adjusted in accordance with subclause 2.7.1.(2).

Last year's Works under construction for unallocated works were incorrectly stated. The **corrected Works under construction—preceding disclosure year** for 2015 is shown below.

4(iv): Roll Forward of Works Under Construction				Disclosed for year ended 31 March 2016			
Adjustment							
	Unallocated works under construction	Allocated works under construction		Unallocated works under construction	Allocated works under construction		
Works under construction—preceding disclosure year	6,417	4,693		4,712	4,693		
plus Capital expenditure	7,034	6,776		7,034	6,776		
less Assets commissioned	10,833	10,575		10,833	10,575		
plus Adjustment resulting from asset allocation							
Works under construction - current disclosure year	2,618	894		913	894		

The variance was immaterial and had no flow on effect to the 2016 RAB values.

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 \$11K 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 \$251K depicted in Schedule 5a(vi) 'Tax effect of other temporary differences', which is made of the Tax effect of \$254K as shown in the table 1 below, plus a further (\$3K) for provisions shown in table 2.

Table 1: derivation of \$254K Tax effect.

Capital contributions	2012	2013	2014	2015	2016	Total remaining
624,770 -	62,477 -	62,477 -	62,477 -	62,477 -	62,477	312,385
1,127,130	-	112,713 -	112,713 -	112,713 -	112,713	676,278
1,459,780		-	145,978 -	145,978 -	145,978	1,021,846
3,362,030			-	336,203 -	336,203	2,689,624
2,480,806				-	248,081	2,232,725
6,573,710 -	62,477 -	175,190 -	321,168 -	657,371 -	905,452	6,932,858
	28%	28%	28%	28%	28%	
	17	49	90	184	254	

Table 2: derivation of (\$11K) in provisions for leave etc.

Movement in provisions	Opening	Closing	Movement		
Accrual for Long Service Leave					
Annual Leave	(417,632)	(352,664)	(64,968)		
63 day adjustment	25,972	44,755	(18,783)		
ACC	(11,878)	(33,718)	21,840		
Long service leave	(58,386)	(104,361)	45,975		
Gratuity	(104,923)	(109,525)	4,602		
Total	(566,847)	(555,512)	(11,335)	28%	(3)

Related party transactions: disclosure of related party transactions (Schedule 5b)

10. In the box below, provide descriptions of related party transactions beyond those disclosed on Schedule 5b including identification and descriptions as to the nature of directly attributable costs disclosed under subclause 2.3.6(1)(b).

Box 7: Related party transactions

All related party transactions have been disclosed.

Whitestone Contracting is one of the sub-contractors who provide civil contracting services to NWL.

NWL Contracting was amalgamated with Network Waitaki and therefore there is no longer any work from them as a related party.

Cost allocation (Schedule 5d)

11. 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 8: Cost allocation

The Business Support operational expenditure category has costs that are not directly attributable. These include:

- Labour
- ACC
- Professional Subscriptions
- Training
- Computers
- Communications
- Audit
- Apparel
- Bank Fees
- Directors' Expenses
- Printing and Stationery
- Travel, Accommodation & meals
- Vehicle Operating Costs
- Premises
- Legal
- Consulting

ABAA was used as the allocation methodology in Business Support. A proxy cost allocator has been used for Business support. No items were reclassified.

Asset allocation (Schedule 5e)

12. 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 9: Commentary on asset allocation

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

These include: Office Equipment, Software, Plant & Equipment.

The allocation methodology used in all cases is ABAA.

A proxy cost allocator has been used in all cases.

No items were reclassified this year.

Capital Expenditure for the Disclosure Year (Schedule 6a)

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

13.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;

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

Box 10: 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.

The main criteria to determine if expenditure is capitalised / commissioned is:

- a new asset; or
- whether the expense improves the asset value / life of the asset

Operational Expenditure for the Disclosure Year (Schedule 6b)

14. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-
- 14.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b;
 - 14.2 Information on reclassified items in accordance with subclause 2.7.1(2);
 - 14.3 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 11: Explanation of operational expenditure for the disclosure year

No items have been reclassified this year.

Variance between forecast and actual expenditure (Schedule 7)

15. 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 12: Explanatory comment on variance in actual to forecast expenditure

Consumer Connection: - was significantly more than forecast as Network Waitaki Limited has no control over the demand for customer connections to its network. The forecast was based on historical trends and economic data available at the time of preparing the forecast. Network Waitaki traditionally takes a conservative view when forecasting rather than overstating forward work.

System Growth: Actual expenditure was in line with the forecast.

Asset Replacement & Renewal: - actual expenditure was in line with the forecast.

Asset Relocations: Asset relocations are mainly driven by requests from third parties. Network Waitaki Limited do not budget for asset relocations unless there is confirmation of future planning. No work categorised as asset relocations during 2015-16.

Reliability, Safety, and Environment: - Network Waitaki has carried out some work in all RSE budget areas. There were a couple of major projects that are being re-scoped as a result of this initial work and therefore the spent was much lower.

Operational Expenditure

Service interruptions and emergencies: Service interruptions and emergencies were higher than budgeted. A major snow storm in June 2015 contributed significantly to these costs. Estimations of LT Faults and tree faults were lower than what was required.

Vegetation management: Actual expenditure was as expected.

Routine and corrective maintenance and inspection: Actual expenditure was less than forecast due to growth projects taking precedence. Some maintenance was deferred to next year.

Asset replacement and renewal: Was less than forecast due to 11 kV line renewal work not being completed and contracting resources being less than anticipated.

Information relating to revenues and quantities for the disclosure year

16. In the box below provide-

- 16.1 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
- 16.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

Box 13: Explanatory comment relating to revenue for the disclosure year

Actual revenue was 8% greater than the target. The main reason was a higher than expected growth in volumes (compared to forecasted volumes). Network Waitaki normally uses an average of three years' volume data as budgeted volume for the next year.

Network Waitaki bills on GXP volumes. Network Waitaki operates a GXP (grid exit point) pricing methodology. Schedule 8 requires the reporting of energy delivered to ICPs and also the billed quantities by price component. Under the GXP pricing methodology, the actual energy delivered to ICPs differs from the chargeable kWh quantities detailed in the billed quantities section of Schedule 8, which are based on GXP quantities delivered. Network Waitaki uses volumes reconciled at each GXP to determine billable charges. Consequently, Network Waitaki is reliant on the accuracy and completeness of information supplied to it by retailers for the measurement of electricity delivered to customers. As such, the losses figure disclosed in Schedule 9e contains both losses as a result of network engineering matters, and cumulative shortcomings in the information supplied by some retailers. Network Waitaki's internal high voltage metering has provided readings suggestive of network inputs and delivery similar to the previous year. The data provided from some retailers, if assessed in isolation, generally concurs. Anomalous retailer data has been identified through statistical means, and is being investigated.

Network Reliability for the Disclosure Year (Schedule 10)

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

Box 14: Commentary on network reliability for the disclosure year

Network Waitaki Limited continues to achieve high reliability on its network.

SAIDI and SAIFI Indexes were over targeted levels. Several large extreme weather events during the year, including a snow storm in June 2015 which caused prolonged outages and wind storms which affected large areas of the network have led to higher than normal reliability numbers.

Network Waitaki has limited ability to independently verify its network reliability information. SCADA switching times and GIS ICP counts can be provided for larger outages. For smaller outages the information is derived from consumer reports and fault documentation. These limitations are included the network reliability information required to be disclosed in Reports 10(i) to 10(iv).

Insurance cover

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

Box 15: Explanation of insurance cover

Network Waitaki Limited insures its vehicles and buildings (including substations) and has public liability insurance. It does not insure its network, e.g. poles and lines, as the premiums to do so are exorbitant.

Amendments to previously disclosed information

19. 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:
- 19.1 a description of each error; and
 - 19.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 16: Disclosure of amendment to previously disclosed information

No material errors identified.

Company Name	Network Waitaki Limited
For Year Ended	31 March 2016

Schedule 14a Mandatory Explanatory Notes on Forecast Information

1. This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.
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 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 Limited has consistent with previous years 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, predictions of annual CPI for the year ended 30 September (mid-year) of the year being forecast and have been taken from “Appendix A Summary tables”, of the Reserve Bank of New Zealand Monetary Policy Statement, December 2014.

The Reserve Bank made predictions out to 31 December 2017 and Network Waitaki Limited has carried the Reserve Bank’s predictions for 31 December 2017 out to CY+4, CY+5, CY+6, CY+7, CY+8, CY+9 and CY+10.

For 1 April 2015 to 31 March 2016, CY: N/A

For 1 April 2016 to 31 March 2017, CY+1: N/A

From CY+2 to CY+10 the CPI forecast for September 2017 was used.

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 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 Limited has consistent with previous years 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, predictions of annual CPI for the year ended 30 September (mid-year) of the year being forecast and have been taken from “Appendix A Summary tables”, of the Reserve Bank of New Zealand Monetary Policy Statement, December 2014.

The Reserve Bank made predictions out to 31 December 2017 and Network Waitaki Limited has carried the Reserve Bank’s predictions for 31 December 2017 out to CY+4, CY+5, CY+6, CY+7, CY+8, CY+9 and CY+10.

For 1 April 2015 to 31 March 2016, CY: N/A

For 1 April 2016 to 31 March 2017, CY+1: N/A

From CY+2 to CY+10 the CPI forecast for September 2017 was used.

Company Name	Network Waitaki Limited
For Year Ended	31 March 2016

Schedule 15 Voluntary Explanatory Notes

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

Box 1: Voluntary explanatory comment on disclosed information**Schedule 8**

Network Waitaki operates a GXP (grid exit point) pricing methodology. Schedule 8 requires the reporting of energy delivered to ICPs and also the billed quantities by price component. Under the GXP pricing methodology, the actual energy delivered to ICPs differs from the chargeable kWh quantities detailed in the billed quantities section of Schedule 8, which are based on GXP quantities delivered. Network Waitaki uses volumes reconciled at each GXP to determine billable charges. Consequently, Network Waitaki is reliant on the accuracy and completeness of information supplied to it by retailers for the measurement of electricity delivered to customers. As such, the losses figure disclosed in Schedule 9e contains both losses as a result of network engineering matters, and cumulative shortcomings in the information supplied by some retailers. Network Waitaki's internal high voltage metering has provided readings suggestive of network inputs and delivery similar to the previous year. The data provided from some retailers, if assessed in isolation, generally concurs. Anomalous retailer data has been identified through statistical means, and is being investigated.

Schedule 8

The change in non-standard ICPs from 29 (2014/15) to 89 is as a result of an incorrect interpretation previously of what was required. Network Waitaki has 29 Non-Standard customers, but these customers collectively cover 89 ICPs.

This change has decreased the revenue per average no. of ICPs of non-standard customers in **Schedule 1(ii)** from about \$81k to \$26k.

Schedules 9a, 9b

Improvement in GIS accuracy and a review of data have led to corrections in age profiles and therefore the items (quantity) at the start of this disclosure year differs from the items (quantity) at the end of the previous disclosure year.

Schedule 9c

Schedule 9c line 16 and 17. Updated numbers are the result of retirement of some lines and improvement in GIS accuracy.

Schedule 9c line 23 regarding **Overhead circuit length by terrain**. Improvements in the accuracy of GIS data and analysis of it have led to changes. Improved categorisation.


Schedule 9c line 35 regarding **Overhead circuit requiring vegetation management**. The methodology used was to report on the length of line that Network Waitaki actually carried out work on.

Certification for Year-End Disclosures**Pursuant to Schedule 18****Clause 2.9.2 of section 2.9****Electricity Distribution Information Disclosure Determination 2012**

We, Clare Margaret Kearney & John Walker, being directors of Network Waitaki Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- a) the information prepared for the purposes of clauses 2.3.1 and 2.3.2; and clauses 2.4.21 and 2.4.22; clauses 2.5.1 and 2.5.2; and clauses 2.7.1 and 2.7.2 of the Electricity Distribution Information Disclosure Determination 2012 in all material respects complies with that determination; and
- b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 9e, 10, 14a, and 14b has been properly extracted from Network Waitaki Limited's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained.

In respect of related party costs and revenues recorded in accordance with clauses 2.3.6(1) (when valued in accordance with clause 2.2.11(5)(h)(ii) of the Electricity Distribution Services Input methodologies Determination 2010), we certify that, having made all reasonable enquiry, including enquiries of our related parties, we are satisfied that to the best of our knowledge and belief the costs and revenues recorded for related party transactions reasonably reflect the price or prices that would have been paid or received had these transactions been at arm's-length.


Clare Margaret KearneyDate: 29 August 2016.
John WalkerDate: 29/08/16



Network Waitaki Limited

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Oamaru

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Email service@networkwaitaki.co.nz

Web: www.networkwaitaki.co.nz

29 August 2016

PricewaterhouseCoopers
Chartered Accountants
PO Box 13244
Christchurch

Attention: Mark Bramley

SUBJECT: DIRECTORS' REPRESENTATION LETTER

This representation letter is provided in connection with your audit on behalf of the Office of the Auditor General of the Information Disclosure Schedules as at 31 March 2016 for Network Waitaki Limited ("the Company").

The Company and its Directors, by the signing of this letter, represent that for the periods covered by the Information Disclosure we have met our responsibilities which include establishing and maintaining records that:

- enable the complete and accurate compilation of the Information Disclosure Schedules, except for network reliability data disclosed in Report 10, which has been extracted from the company's outage database records. As described in box 14 of Schedule 14, the company is reliant on third parties to notify it of outages. Control over ICP data is also limited. Consequently, there is an inherent limitation in the company's ability to maintain outage records sufficient to ensure complete and accurate disclosure of network reliability statistics. In addition, while historical records have been maintained, requirements under the Electricity Distribution Information Disclosure Determination 2012 specific to clauses 2.5.1(1)(a) and 2.5.1(1)(b) could not have been previously foreseen to have been required and therefore information obtained from the Geospatial Information Systems will not be wholly sufficient for the purposes of Electricity Distribution Information Disclosure Determination 2012.
- enable the Information Disclosure to be readily and properly audited.

The Directors also represent that we are responsible for:

- preparing and certifying Information Disclosure that complies with the Electricity Distribution Information Disclosure Determination 2012
- making available to you all of the original records and related information, and personnel to whom you may direct inquiries.

We also confirm, that to the best of our knowledge and belief, the following:

- the Information Disclosure is free from material errors and omissions and has been prepared in accordance with the Determination
- there have been no events subsequent to 31 March 2016 that require adjustment of, or disclosure in, the Information Disclosure.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris Kearney', is written over a faint, larger blue signature.

For and on behalf of the Board of Directors



Independent Auditors' Report

To the Directors of Network Waitaki Limited and to the Commerce Commission

The Auditor-General is the auditor of Network Waitaki Limited (the company). The Auditor-General has appointed me, Mark Bramley, using the staff and resources of PricewaterhouseCoopers, to provide an opinion, on her behalf, on whether the information disclosed in schedules 1 to 4, 5a to 5g, 6a and 6b, 7, the system average interruption duration index ('SAIDI') and system average interruption frequency index ('SAIFI') information disclosed in Schedule 10 and the explanatory notes in boxes 1 to 12 in Schedule 14 ('the Disclosure Information') for the disclosure year ended 31 March 2016, have been prepared, in all material respects, in accordance with the Electricity Distribution Information Disclosure Determination 2012 (the 'Determination').

Directors' responsibility for the Disclosure Information

The directors of the company are responsible for preparation of the Disclosure Information in accordance with the Determination, and for such internal control as the directors determine is necessary to enable the preparation of the Disclosure Information that is free from material misstatement.

Our responsibility for the Disclosure Information

Our responsibility is to express an opinion on whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination.

Basis of opinion

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

These standards require that we comply with ethical requirements and plan and perform our assurance engagement to provide reasonable assurance about whether the Disclosure Information has been prepared in all material respects in accordance with the Determination.

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

We also evaluated:

- the appropriateness of assumptions used and whether they have been consistently applied; and
- the reasonableness of the significant judgements made by the directors of the company.



Independent Auditors' Report

To the Directors of Network Waitaki Limited and to the Commerce Commission

Use of this report

This independent assurance report has been prepared solely for the directors of the company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

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

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

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

Independence and quality control

When carrying out the engagement, 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 (Revised) 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.

We also complied with the independence requirements specified in the Determination.

The Auditor-General, and her 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. In addition to this engagement and the audit, we have also carried out assignments in the areas of tax compliance services, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the Company and its subsidiaries.



Independent Auditors' Report

To the Directors of Network Waitaki Limited and to the Commerce Commission

Qualified Opinion on Schedules 10(i) to 10 (iv)

As described in Box 14 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 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 is limited throughout the year.

There are no practical audit procedures that we could adopt to confirm independently that all the faults and ICP data was 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 form an opinion as the completeness and accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(iv).

In these respects alone we have not obtained all the recorded evidence and explanations that we have required.

In our opinion, except for the matters described above:

- As far as appears from an examination of them, 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 and has been sourced, where appropriate, from the company's financial and non-financial systems; and
- The Disclosure Information has been prepared, in all material respects, in accordance with the Determination.

A handwritten signature in blue ink that reads 'Mark Bramley'.

Mark Bramley
On behalf of the Auditor-General
Dunedin, New Zealand
30 August 2016

PricewaterhouseCoopers