



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

Company Name

Network Waitaki Limited

Disclosure Date

31 August 2020

Disclosure Year (year ended)

31 March 2020

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

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Disclosure Template Instructions

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

Company Name and Dates

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

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

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

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

Data Entry Cells and Calculated Cells

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

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

Validation Settings on Data Entry Cells

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

Conditional Formatting Settings on Data Entry Cells

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

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

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

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

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

Inserting Additional Rows and Columns

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

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

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

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

Disclosures by Sub-Network

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

Schedule References

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

Description of Calculation References

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

Worksheet Completion Sequence

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

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

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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

7	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)
8						
9	Operational expenditure	25,349	519	107,195	3,620	31,069
10	Network	9,065	186	38,332	1,294	11,110
11	Non-network	16,284	334	68,862	2,325	19,959
12						
13	Expenditure on assets	26,566	544	112,339	3,794	32,560
14	Network	24,312	498	102,811	3,472	29,798
15	Non-network	2,253	46	9,528	322	2,761
16						
17	1(ii): Revenue metrics					
18		Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)			
19	Total consumer line charge revenue	72,160	1,479			
20	Standard consumer line charge revenue	85,478	1,253			
21	Non-standard consumer line charge revenue	39,479	35,104			
22						
23	1(iii): Service intensity measures					
24						
25	Demand density	34	<i>Maximum coincident system demand per km of circuit length (for supply) (kW/km)</i>			
26	Volume density	143	<i>Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)</i>			

Company Name	Network Waitaki Limited
For Year Ended	31 March 2020

SCHEDULE 1: ANALYTICAL RATIOS

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27	Connection point density	7	Average number of ICPs per km of circuit length (for supply) (ICPs/km)	
28	Energy intensity	20,490	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)	
29				
30	1(iv): Composition of regulatory income			
31			(\$000)	% of revenue
32	Operational expenditure		6,773	35.13%
33	Pass-through and recoverable costs excluding financial incentives and wash-ups		4,918	25.51%
34	Total depreciation		4,123	21.38%
35	Total revaluations		2,413	12.51%
36	Regulatory tax allowance		971	5.04%
37	Regulatory profit/(loss) including financial incentives and wash-ups		4,908	25.46%
38	Total regulatory income		19,280	
39				
40	1(v): Reliability			
41				
42	Interruption rate		19.08	Interruptions per 100 circuit km

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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sch ref

	CY-2	CY-1	Current Year CY
	31 Mar 18	31 Mar 19	31 Mar 20
	%	%	%
2(i): Return on Investment			
ROI – comparable to a post tax WACC			
Reflecting all revenue earned	3.68%	2.41%	4.89%
Excluding revenue earned from financial incentives	3.68%	2.41%	4.89%
Excluding revenue earned from financial incentives and wash-ups	3.68%	2.41%	4.89%
Mid-point estimate of post tax WACC	5.04%	4.75%	4.27%
25th percentile estimate	4.36%	4.07%	3.59%
75th percentile estimate	5.72%	5.43%	4.95%
ROI – comparable to a vanilla WACC			
Reflecting all revenue earned	4.27%	2.92%	5.31%
Excluding revenue earned from financial incentives	4.27%	2.92%	5.31%
Excluding revenue earned from financial incentives and wash-ups	4.27%	2.92%	5.31%
WACC rate used to set regulatory price path	N/A	N/A	N/A
Mid-point estimate of vanilla WACC	5.60%	5.26%	4.69%
25th percentile estimate	4.92%	4.58%	4.01%
75th percentile estimate	6.29%	5.94%	5.37%
2(ii): Information Supporting the ROI			(\$000)
Total opening RAB value	95,283		

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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sch ref			
33	<i>plus</i>	Opening deferred tax	(3,701)
34		Opening RIV	91,582
35			
36		Line charge revenue	19,280
37			
38		Expenses cash outflow	11,691
39	<i>add</i>	Assets commissioned	5,335
40	<i>less</i>	Asset disposals	-
41	<i>add</i>	Tax payments	188
42	<i>less</i>	Other regulated income	-
43		Mid-year net cash outflows	17,214
44			
45		Term credit spread differential allowance	-
46			
47		Total closing RAB value	98,825
48	<i>less</i>	Adjustment resulting from asset allocation	(83)
49	<i>less</i>	Lost and found assets adjustment	-
50	<i>plus</i>	Closing deferred tax	(4,485)
51		Closing RIV	94,423
52			
53		ROI – comparable to a vanilla WACC	5.31%
54			
55		Leverage (%)	42%
56		Cost of debt assumption (%)	3.61%
57		Corporate tax rate (%)	28%
58			
59		ROI – comparable to a post tax WACC	4.89%
60			

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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sch ref

2(iii): Information Supporting the Monthly ROI

61								
62								
63	Opening RIV							N/A
64								
65								
66		Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows	
67	April							-
68	May							-
69	June							-
70	July							-
71	August							-
72	September							-
73	October							-
74	November							-
75	December							-
76	January							-
77	February							-
78	March							-
79	Total	-	-	-	-	-	-	-
80								
81	Tax payments							N/A
82								
83	Term credit spread differential allowance							N/A
84								
85	Closing RIV							N/A
86								
87								

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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sch ref			
88	Monthly ROI – comparable to a vanilla WACC		N/A
89			
90	Monthly ROI – comparable to a post tax WACC		N/A
91			
92	2(iv): Year-End ROI Rates for Comparison Purposes		
93			
94	Year-end ROI – comparable to a vanilla WACC		5.21%
95			
96	Year-end ROI – comparable to a post tax WACC		4.78%
97			
98	<i>* 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.</i>		
99			
100	2(v): Financial Incentives and Wash-Ups		
101			
102	Net recoverable costs allowed under incremental rolling incentive scheme		–
103	Purchased assets – avoided transmission charge	N/A	
104	Energy efficiency and demand incentive allowance		
105	Quality incentive adjustment	N/A	
106	Other financial incentives	N/A	
107	Financial incentives		–
108			
109	Impact of financial incentives on ROI		–
110			
111	Input methodology claw-back	N/A	
112	CPP application recoverable costs	N/A	
113	Catastrophic event allowance	N/A	
114	Capex wash-up adjustment	N/A	
115	Transmission asset wash-up adjustment	N/A	

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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<i>sch ref</i>			
116	2013–15 NPV wash-up allowance	N/A	
117	Reconsideration event allowance	N/A	
118	Other wash-ups	N/A	
119	Wash-up costs		-
120			
121	Impact of wash-up costs on ROI		-

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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

sch ref

		(\$000)
7	3(i): Regulatory Profit	
8	Income	
9	Line charge revenue	19,280
10	<i>plus</i> Gains / (losses) on asset disposals	
11	<i>plus</i> Other regulated income (other than gains / (losses) on asset disposals)	
12		
13	Total regulatory income	19,280
14	Expenses	
15	<i>less</i> Operational expenditure	6,773
16		
17	<i>less</i> Pass-through and recoverable costs excluding financial incentives and wash-ups	4,918
18		
19	Operating surplus / (deficit)	7,589
20		
21	<i>less</i> Total depreciation	4,123
22		
23	<i>plus</i> Total revaluations	2,413
24		
25	Regulatory profit / (loss) before tax	5,879
26		
27	<i>less</i> Term credit spread differential allowance	-
28		
29	<i>less</i> Regulatory tax allowance	971
30		
31	Regulatory profit/(loss) including financial incentives and wash-ups	4,908
32		
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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

34	Pass through costs		
35	Rates		117
36	Commerce Act levies		11
37	Industry levies		52
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		4,525
41	Transpower new investment contract charges		213
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		4,918

3(iii): Incremental Rolling Incentive Scheme

			(\$000)	
			CY-1	CY
			31 Mar 19	31 Mar 20
51	Allowed controllable opex		N/A	N/A
52	Actual controllable opex		N/A	N/A
54	Incremental change in year			N/A
			Previous years' incremental change	Previous years' incremental change adjusted for inflation
56				
57	CY-5	31 Mar 15	N/A	N/A
58	CY-4	31 Mar 16	N/A	N/A
59	CY-3	31 Mar 17	N/A	N/A

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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sch ref

60	CY-2	31 Mar 18	N/A	N/A
61	CY-1	31 Mar 19	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 2020**

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

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

sch ref

		for year ended				
		RAB 31 Mar 16 (\$000)	RAB 31 Mar 17 (\$000)	RAB 31 Mar 18 (\$000)	RAB 31 Mar 19 (\$000)	RAB 31 Mar 20 (\$000)
7	4(i): Regulatory Asset Base Value (Rolled Forward)					
10	Total opening RAB value	74,256	81,660	86,879	91,008	95,283
12	less Total depreciation	3,459	3,709	3,727	4,019	4,123
14	plus Total revaluations	434	1,762	952	1,349	2,413
16	plus Assets commissioned	10,575	7,347	7,130	6,945	5,335
18	less Asset disposals	146	181	226	-	-
20	plus Lost and found assets adjustment					-
22	plus Adjustment resulting from asset allocation					(83)
24	Total closing RAB value	81,660	86,879	91,008	95,283	98,825
26	4(ii): Unallocated Regulatory Asset Base					
29	Total opening RAB value		Unallocated RAB * (\$000) 96,144		RAB (\$000) 95,283	
31	less Total depreciation		4,333		4,123	
33	plus Total revaluations		2,435		2,413	
35	plus Assets commissioned (other than below)	4,951			4,821	
36	Assets acquired from a regulated supplier					
37	Assets acquired from a related party	514			514	
38	Assets commissioned		5,465		5,335	
39	less					
40	Asset disposals (other than below)					
41	Asset disposals to a regulated supplier					
42	Asset disposals to a related party					
43	Asset disposals		-		-	
45	plus Lost and found assets adjustment					
47	plus Adjustment resulting from asset allocation					(83)
49	Total closing RAB value		99,710		98,825	

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

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

* 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.

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83
84
85

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

CPI ₄	1,052
CPI ₄ ⁻⁴	1,026
Revaluation rate (%)	2.53%

Total opening RAB value
 less Opening value of fully depreciated, disposed and lost assets
 Total opening RAB value subject to revaluation
Total revaluations

Unallocated RAB *		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
96,144		95,283	
73		73	
96,071		95,210	
	2,435		2,413

4(iv): Roll Forward of Works Under Construction

Works under construction—preceding disclosure year
 plus Capital expenditure
 less Assets commissioned
 plus Adjustment resulting from asset allocation
Works under construction - current disclosure year

Highest rate of capitalised finance applied

Unallocated works under construction		Allocated works under construction	
	837		818
5,400		5,269	
5,465		5,335	
	772		752

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)
3,464		3,464	
869		659	
	4,333		4,123

(\$000 unless otherwise specified)

4(vi): Disclosure of Changes to Depreciation Profiles

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

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

	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
86					
87					
88					
89					
90					
91					
92					
93					
94					

* 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
98										
99	Total opening RAB value									
99	10,598	1,409	15,766	28,114	7,746	16,615	9,119	1,638	4,278	95,283
100	<i>less</i> Total depreciation									
100	286	26	501	1,204	377	602	391	77	659	4,123
101	<i>plus</i> Total revaluations									
101	269	36	400	712	196	421	231	42	106	2,413
102	<i>plus</i> Assets commissioned									
102	421	22	679	1,023	615	554	1,135	284	602	5,335
103	<i>less</i> Asset disposals									
103										-
104	<i>plus</i> Lost and found assets adjustment									
104										-
105	<i>plus</i> Adjustment resulting from asset allocation									
105									(83)	(83)
106	<i>plus</i> Asset category transfers									
106										-
107	Total closing RAB value									
107	11,002	1,441	16,344	28,645	8,180	16,988	10,094	1,887	4,244	98,825
108	Asset Life									
109	Weighted average remaining asset life									
109	43.5	52.9	36.7	35.5	36.1	33.5	27.7	20.8	1.4	(years)
110	Weighted average expected total asset life									
110	51.8	62.6	49.0	54.0	51.5	49.2	38.2	28.1	2.9	(years)

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		(\$000)	
7	5a(i): Regulatory Tax Allowance		
8	Regulatory profit / (loss) before tax		5,879
9			
10	<i>plus</i> Income not included in regulatory profit / (loss) before tax but taxable		*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	87	*
12	Amortisation of initial differences in asset values	1,132	
13	Amortisation of revaluations	315	
14			1,534
15			
16	<i>less</i> Total revaluations	2,413	
17	Income included in regulatory profit / (loss) before tax but not taxable		*
18	Discretionary discounts and customer rebates	167	
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax		*
20	Notional deductible interest	1,364	
21			3,944
22			
23	Regulatory taxable income		3,469
24			
25	<i>less</i> Utilised tax losses		
26	Regulatory net taxable income		3,469
27			
28	Corporate tax rate (%)	28%	
29	Regulatory tax allowance		971
30			
31	* Workings to be provided in Schedule 14		
32	5a(ii): Disclosure of Permanent Differences		

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

33	In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).		
34	5a(iii): Amortisation of Initial Difference in Asset Values		(\$000)
35			
36	Opening unamortised initial differences in asset values	26,025	
37	less Amortisation of initial differences in asset values	1,132	
38	plus Adjustment for unamortised initial differences in assets acquired		
39	less Adjustment for unamortised initial differences in assets disposed		
40	Closing unamortised initial differences in asset values		24,893
41			
42	Opening weighted average remaining useful life of relevant assets (years)		23
43			
44	5a(iv): Amortisation of Revaluations		(\$000)
45			
46	Opening sum of RAB values without revaluations	90,094	
47			
48	Adjusted depreciation	3,808	
49	Total depreciation	4,123	
50	Amortisation of revaluations		315
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		-

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

sch ref	Description	(\$000)
58	5a(vi): Calculation of Deferred Tax Balance	
59		
60	Opening deferred tax	(3,701)
61		
62	<i>plus</i> Tax effect of adjusted depreciation	1,066
63		
64	<i>less</i> Tax effect of tax depreciation	1,955
65		
66	<i>plus</i> Tax effect of other temporary differences*	422
67		
68	<i>less</i> Tax effect of amortisation of initial differences in asset values	317
69		
70	<i>plus</i> Deferred tax balance relating to assets acquired in the disclosure year	
71		
72	<i>less</i> Deferred tax balance relating to assets disposed in the disclosure year	-
73		
74	<i>plus</i> Deferred tax cost allocation adjustment	(0)
75		
76	Closing deferred tax	(4,485)

5a(vii): Disclosure of Temporary Differences

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).

5a(viii): Regulatory Tax Asset Base Roll-Forward

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

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

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

sch ref

		(\$000)
82		
83	Opening sum of regulatory tax asset values	56,105
84	<i>less</i> Tax depreciation	6,982
85	<i>plus</i> Regulatory tax asset value of assets commissioned	7,164
86	<i>less</i> Regulatory tax asset value of asset disposals	
87	<i>plus</i> Lost and found assets adjustment	
88	<i>plus</i> Adjustment resulting from asset allocation	(83)
89	<i>plus</i> Other adjustments to the RAB tax value	
90	Closing sum of regulatory tax asset values	56,204

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

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

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

sch ref

		(\$000)	(\$000)
7	5b(i): Summary—Related Party Transactions		
8	Total regulatory income		
9			
10	Market value of asset disposals		
11			
12	Service interruptions and emergencies	7	
13	Vegetation management	6	
14	Routine and corrective maintenance and inspection	3	
15	Asset replacement and renewal (opex)	6	
16	Network opex		22
17	Business support	1	
18	System operations and network support	–	
19	Operational expenditure		23
20	Consumer connection	125	
21	System growth	9	
22	Asset replacement and renewal (capex)	322	
23	Asset relocations	–	
24	Quality of supply	0	
25	Legislative and regulatory	53	
26	Other reliability, safety and environment	–	
27	Expenditure on non-network assets		5
28	Expenditure on assets		514
29	Cost of financing		
30	Value of capital contributions		
31	Value of vested assets		
32	Capital Expenditure		514

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

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

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

sch ref

33 **Total expenditure** 537

34

35 **Other related party transactions**

36 **5b(iii): Total Opex and Capex Related Party Transactions**

	Name of related party	Nature of opex or capex service provided	Total value of transactions (\$000)
37	Whitestone Contracting Ltd	Vegetation management	6
38	Whitestone Contracting Ltd	Routine and corrective maintenance and inspection	3
39	Whitestone Contracting Ltd	Asset replacement and renewal (opex)	6
40	Whitestone Contracting Ltd	Service interruptions and emergencies	7
41	Whitestone Contracting Ltd	Consumer connection	125
42	Whitestone Contracting Ltd	System growth	9
43	Whitestone Contracting Ltd	Asset replacement and renewal (capex)	322
44	Whitestone Contracting Ltd	Legislative and regulatory	53
45	Whitestone Contracting Ltd	Expenditure on non-network assets	5
46	Whitestone Contracting Ltd	Quality of supply	0
47	Whitestone Contracting Ltd	Business support	1
48		[Select one]	
49		[Select one]	
50		[Select one]	
51		[Select one]	
52		[Select one]	
53	Total value of related party transactions		537

54 * include additional rows if needed

55

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

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									
7									
8	5c(i): Qualifying Debt (may be Commission only)								
9									
10									
11	Issuing party	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Debt issue cost readjustment
12									
13									
14									
15									
16	* include additional rows if needed						-	-	-
17									
18	5c(ii): Attribution of Term Credit Spread Differential								
19									
20	Gross term credit spread differential			-					
21									
22	Total book value of interest bearing debt		-						
23	Leverage		42%						
24	Average opening and closing RAB values								
25	Attribution Rate (%)			-					
26									
27	Term credit spread differential allowance			-					

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

		Value allocated (\$000s)			
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	OVABAA allocation increase (\$000s)
7	5d(i): Operating Cost Allocations				
8					
9					
10	Service interruptions and emergencies				
11	Directly attributable		500		
12	Not directly attributable				
13	Total attributable to regulated service		500		
14	Vegetation management				
15	Directly attributable		690		
16	Not directly attributable				
17	Total attributable to regulated service		690		
18	Routine and corrective maintenance and inspection				
19	Directly attributable		809		
20	Not directly attributable				
21	Total attributable to regulated service		809		
22	Asset replacement and renewal				
23	Directly attributable		423		
24	Not directly attributable				
25	Total attributable to regulated service		423		
26	System operations and network support				
27	Directly attributable		1,864		
28	Not directly attributable				
29	Total attributable to regulated service		1,864		
30	Business support				
31	Directly attributable		349		
32	Not directly attributable		2,138	1,156	3,294
33	Total attributable to regulated service		2,487		
34					
35	Operating costs directly attributable		4,635		
36	Operating costs not directly attributable	–	2,138	1,156	3,294
37	Operational expenditure		6,773		
38					
39	5d(ii): Other Cost Allocations				
40	Pass through and recoverable costs				
41	Pass through costs				

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

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

42	Directly attributable	180
43	Not directly attributable	
44	Total attributable to regulated service	180
45	Recoverable costs	
46	Directly attributable	4,738
47	Not directly attributable	
48	Total attributable to regulated service	4,738

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

		(\$000)	
		CY-1	Current Year (CY)
52	Change in cost allocation 1		
53	Cost category	Business Support	Original allocation
54	Original allocator or line items	Total Head Count	New allocation
55	New allocator or line items	Function head count and count of IT users	Difference
56		132	412
57	Rationale for change	Previously all business support expenses were allocated following one allocation key (total head count). A more complex allocation, consistent with management accounts, has been applied in FY20 on the basis that multiple allocation keys based on cost drivers are a fairer allocation of cost.	

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

		(\$000)	
		CY-1	Current Year (CY)
70	Change in cost allocation 3		
71	Cost category	N/A	Original allocation
72	Original allocator or line items		New allocation
73	New allocator or line items		Difference
74		-	-
75	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
For Year Ended

Network Waitaki Limited
31 March 2020

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

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31
32
33
34
35

5e(i): Regulated Service Asset Values

Value allocated
(\$000s)
Electricity distribution
services

Subtransmission lines

Directly attributable

11,002

Not directly attributable

Total attributable to regulated service

11,002

Subtransmission cables

Directly attributable

1,441

Not directly attributable

Total attributable to regulated service

1,441

Zone substations

Directly attributable

16,344

Not directly attributable

Total attributable to regulated service

16,344

Distribution and LV lines

Directly attributable

28,645

Not directly attributable

Total attributable to regulated service

28,645

Distribution and LV cables

Directly attributable

8,180

Not directly attributable

Total attributable to regulated service

8,180

Distribution substations and transformers

Directly attributable

16,988

Not directly attributable

Total attributable to regulated service

16,988

Distribution switchgear

Directly attributable

10,094

Company Name	Network Waitaki Limited
For Year Ended	31 March 2020

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

36	Not directly attributable	
37	Total attributable to regulated service	10,094
38	Other network assets	
39	Directly attributable	1,887
40	Not directly attributable	
41	Total attributable to regulated service	1,887
42	Non-network assets	
43	Directly attributable	1,096
44	Not directly attributable	3,148
45	Total attributable to regulated service	4,244
46		
47	Regulated service asset value directly attributable	95,677
48	Regulated service asset value not directly attributable	3,148
49	Total closing RAB value	98,825

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

		(\$000)	
		CY-1	Current Year (CY)
52	Change in asset value allocation 1		
53	Asset category		
54	Original allocator or line items		
55	New allocator or line items		
56	Rationale for change		
57			
58			
59			
60			
61			
62	Change in asset value allocation 2		
63	Asset category		
64	Original allocator or line items		
65	New allocator or line items		
66	Rationale for change		
67			

53	Non-network assets (Computers and Software)	Original allocation	400	381
54	Estimated FTE's	New allocation	317	302
55	Estimated IT users	Difference	83	79
56	Estimated FTE's was used as a single proxy allocator for all non network assets, whereas IT users is a better allocator for IT assets and costs given its causal relationship to cost.			
62	Change in asset value allocation 2			
63	N/A	Original allocation		
64		New allocation		
65		Difference	-	-

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

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			(\$000)	
			CY-1	Current Year (CY)
68				
69				
70				
71	Change in asset value allocation 3			
72	Asset category	N/A	Original allocation	
73	Original allocator or line items		New allocation	
74	New allocator or line items		Difference	-
75				
76	Rationale for change			
77				
78				
79	* 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 component.			
80	† include additional rows if needed			

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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

		(\$000)	(\$000)
7	6a(i): Expenditure on Assets		
8	Consumer connection		1,023
9	System growth		785
10	Asset replacement and renewal		3,495
11	Asset relocations		–
12	Reliability, safety and environment:		
13	Quality of supply	579	
14	Legislative and regulatory	614	
15	Other reliability, safety and environment	–	
16	Total reliability, safety and environment		1,193
17	Expenditure on network assets		6,496
18	Expenditure on non-network assets		602
19			
20	Expenditure on assets		7,098
21	<i>plus</i> Cost of financing		–
22	<i>less</i> Value of capital contributions		1,829
23	<i>plus</i> Value of vested assets		–
24			
25	Capital expenditure		5,269
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		–

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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

		(\$000)	(\$000)
30	6a(iii): Consumer Connection		
31	<i>Consumer types defined by EDB*</i>		
32	Independent Contract Customers - Large Commercial and Industrial	-	
33	Small Consumers - residential and commercial to 15kVA	25	
34	Medium Consumers - residential and commercial 16kVA to 50kVA	713	
35	Large Consumers - commercial and industrial 51kVA and above	285	
36			
37	<i>* include additional rows if needed</i>		
38	Consumer connection expenditure		1,023
39			
40	<i>less</i> Capital contributions funding consumer connection expenditure	1,035	
41	Consumer connection less capital contributions		(12)
42	6a(iv): System Growth and Asset Replacement and Renewal		
43			
44			
45	Subtransmission	-	372
46	Zone substations	535	549
47	Distribution and LV lines	170	1,270
48	Distribution and LV cables	-	763
49	Distribution substations and transformers	80	208
50	Distribution switchgear	-	333
51	Other network assets	-	-
52	System growth and asset replacement and renewal expenditure	785	3,495
53	<i>less</i> Capital contributions funding system growth and asset replacement and renewal	794	-
54	System growth and asset replacement and renewal less capital contributions	(9)	3,495

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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

55				
56	6a(v): Asset Relocations			
57	<i>Project or programme*</i>		(\$000)	(\$000)
58	[Description of material project or programme]			
59	[Description of material project or programme]			
60	[Description of material project or programme]			
61	[Description of material project or programme]			
62	[Description of material project or programme]			
63	<i>* include additional rows if needed</i>			
64	All other projects or programmes - asset relocations			
65	Asset relocations expenditure			-
66	<i>less</i> Capital contributions funding asset relocations			
67	Asset relocations less capital contributions			-
68				
69	6a(vi): Quality of Supply			
70	<i>Project or programme*</i>		(\$000)	(\$000)
71	Replace older protection relays		59	
72	Rural switchgear/protection		40	
73	New Reclosers/Sectionalisers/TSW		45	
74	UG ducting HV LV Fibre (General)		4	
	Ferry Rd Tighten and Damper Install		74	
	Arc Flash Protection Zone Subs		21	
	Replace 1x Rural 2 pole Tx Structure		21	
	Install new ABS's & Spur Fuses		71	

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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				
		Communications improvements		5
		EDE ABS Replacement		123
75		Twizel to Omarama-Post Cons Tighten		116
76		<i>* include additional rows if needed</i>		
77		All other projects programmes - quality of supply		
78		Quality of supply expenditure		579
79	less	Capital contributions funding quality of supply		
80		Quality of supply less capital contributions		579
81		6a(vii): Legislative and Regulatory		
82		<i>Project or programme*</i>		
83		Distribution Box Replacements	(\$000)	303
84		Remove LV U/G Crossing-SH8		35
85		Over Veranda distribution boxes Repl		33
86		Safety and Reliabilty Improvements		243
87				
88		<i>* include additional rows if needed</i>		
89		All other projects or programmes - legislative and regulatory		
90		Legislative and regulatory expenditure		614
91	less	Capital contributions funding legislative and regulatory		
92		Legislative and regulatory less capital contributions		614
93		6a(viii): Other Reliability, Safety and Environment		
94		<i>Project or programme*</i>		
95		[Description of material project or programme]	(\$000)	
96		[Description of material project or programme]		

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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				
97		[Description of material project or programme]		
98		[Description of material project or programme]		
99		[Description of material project or programme]		
100		<i>* include additional rows if needed</i>		
101		All other projects or programmes - other reliability, safety and environment		
102		Other reliability, safety and environment expenditure		-
103	less	Capital contributions funding other reliability, safety and environment		
104		Other reliability, safety and environment less capital contributions		-
105				
106		6a(ix): Non-Network Assets		
107		Routine expenditure		
108		<i>Project or programme*</i>	(\$000)	(\$000)
109		Buildings and Fitout	202	
110		Computer Hardware	116	
111		Computer Software	6	
112		Standby Generation	5	
		Office Equipment	43	
		Plant and Equipment	142	
113		Vehicles	88	
114		<i>* include additional rows if needed</i>		
115		All other projects or programmes - routine expenditure		
116		Routine expenditure		602
117		Atypical expenditure		
118		<i>Project or programme*</i>	(\$000)	(\$000)
119		[Description of material project or programme]		

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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	[Description of material project or programme]		
121	[Description of material project or programme]		
122	[Description of material project or programme]		
123	[Description of material project or programme]		
124	<i>* include additional rows if needed</i>		
125	All other projects or programmes - atypical expenditure		
126	Atypical expenditure		-
127			
128	Expenditure on non-network assets		602

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

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	500	
9	Vegetation management	690	
10	Routine and corrective maintenance and inspection	809	
11	Asset replacement and renewal	423	
12	Network opex		2,422
13	System operations and network support	1,864	
14	Business support	2,487	
15	Non-network opex		4,351
16			
17	Operational expenditure		6,773
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		124
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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	7(i): Revenue	Target (\$000) ¹	Actual (\$000)	% variance
8	Line charge revenue	19,755	19,280	(2%)
9	7(ii): Expenditure on Assets	Forecast (\$000) ²	Actual (\$000)	% variance
10	Consumer connection	1,249	1,023	(18%)
11	System growth	3,320	785	(76%)
12	Asset replacement and renewal	3,460	3,495	1%
13	Asset relocations		–	–
14	Reliability, safety and environment:			
15	Quality of supply	1,132	579	(49%)
16	Legislative and regulatory	480	614	28%
17	Other reliability, safety and environment	–	–	–
18	Total reliability, safety and environment	1,612	1,193	(26%)
19	Expenditure on network assets	9,641	6,496	(33%)
20	Expenditure on non-network assets	2,614	602	(77%)
21	Expenditure on assets	12,255	7,098	(42%)
22	7(iii): Operational Expenditure			

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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

23	Service interruptions and emergencies	494	500	1%
24	Vegetation management	599	690	15%
25	Routine and corrective maintenance and inspection	1,131	809	(28%)
26	Asset replacement and renewal	590	423	(28%)
27	Network opex	2,814	2,422	(14%)
28	System operations and network support	945	1,864	97%
29	Business support	1,331	2,487	87%
30	Non-network opex	2,276	4,351	91%
31	Operational expenditure	5,090	6,773	33%

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

33	Energy efficiency and demand side management, reduction of energy losses	N/A	–	–
34	Overhead to underground conversion	N/A	–	–
35	Research and development	N/A	–	–

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

38	Energy efficiency and demand side management, reduction of energy losses	N/A	–	–
39	Direct billing	N/A	–	–
40	Research and development	N/A	–	–
41	Insurance	115	124	8%

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

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

42	
43	<i>1 From the nominal dollar target revenue for the disclosure year disclosed under clause 2.4.3(3) of this determination</i>
44	<i>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)</i>

Company Name
For Year Ended
Network / Sub-Network Name

Network Waitaki Limited
31 March 2020

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

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)	Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)
RLC	Residential and Commercial	Standard	4,320	24,851	
RLU	Residential and Commercial	Standard	737	3,316	
15C	Residential and Commercial	Standard	4,233	38,093	
15U	Residential and Commercial	Standard	1,658	8,250	
30C	Residential and Commercial	Standard	205	2,657	
30U	Residential and Commercial	Standard	462	4,862	
50C	Residential and Commercial	Standard	150	4,782	
50U	Residential and Commercial	Standard	628	18,484	
100	Commercial and Industrial	Standard	351	32,884	
200	Commercial and Industrial	Standard	125	20,658	
300	Commercial and Industrial	Standard	52	11,545	
500	Commercial and Industrial	Standard	22	13,147	
750	Commercial and Industrial	Standard	10	6,301	
IND	Large Commercial and Industrial	Non-standard	87	77,359	
Add extra rows for additional consumer groups or price category codes as necessary					
Standard consumer totals			12,953	189,829	
Non-standard consumer totals			87	77,359	
Total for all consumers			13,040	267,188	

Billed quantities 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	IND Distribution	IND Transmission
ICP	MWh	MWh	ICP	MWh	MWh	MWh	MVA	MVA	Anytime MW	Anytime MW	
4,319	17,866	6,985	4,319	17,866	6,985						
736	2,592	724	736	2,592	724						
4,232	26,828	11,265	4,232	26,828	11,265						
1,659	6,309	1,941	1,659	6,309	1,941						
205	1,926	731	205	1,926	731						
462	3,608	1,254	462	3,608	1,254						
150	3,316	1,466	150	3,316	1,466						
629	13,527	4,956	629	13,527	4,956						
351	23,542	9,342	351	23,542	9,342						
125	14,616	6,042	125	14,616	6,042						
52	8,332	3,212	52	8,332	3,212						
22	8,696	4,451	22	8,696	4,451						
10	3,970	2,331	10	3,970	2,331						
87			87				29	29	14	14	
12,952	135,129	54,700	12,952	135,129	54,700						
87			87				29	29	14	14	
13,039	135,129	54,700	13,039	135,129	54,700		29	29	14	14	

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

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

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$ per day, \$ per kWh, etc.)
RLC	Residential and Commercial	Standard	\$2,143		\$1,566	\$578	
RLU	Residential and Commercial	Standard	\$364		\$234	\$129	
15C	Residential and Commercial	Standard	\$3,298		\$2,462	\$836	
15U	Residential and Commercial	Standard	\$1,148		\$806	\$342	
30C	Residential and Commercial	Standard	\$240		\$165	\$75	
30U	Residential and Commercial	Standard	\$542		\$354	\$187	
50C	Residential and Commercial	Standard	\$381		\$274	\$107	
50U	Residential and Commercial	Standard	\$1,654		\$1,167	\$487	
100	Commercial and Industrial	Standard	\$2,533		\$1,838	\$695	
200	Commercial and Industrial	Standard	\$1,595		\$1,164	\$430	
300	Commercial and Industrial	Standard	\$910		\$669	\$242	
500	Commercial and Industrial	Standard	\$958		\$718	\$240	
750	Commercial and Industrial	Standard	\$461		\$346	\$115	
IND	Large Commercial and Industrial	Non-standard	\$3,054		\$1,713	\$1,341	
Add extra rows for additional consumer groups or price category codes as necessary							
Standard consumer totals			\$16,276		\$11,764	\$4,463	
Non-standard consumer totals			\$3,054		\$1,713	\$1,341	
Total for all consumers			\$19,280		\$13,477	\$5,804	

Line charge revenues (\$000) by price component

Price component		Distribution Fixed after discount	Distribution Variable Day	Distribution Variable Night	Transmission Fixed	Transmission Variable Day	Transmission Variable Night	IND Distribution	IND Transmission	IND Distribution	IND Transmission	IND Distribution Fixed	IND Transmission Fixed
\$/ICP	\$/MWh	\$/MWh	\$/ICP	\$/MWh	\$/MWh	\$/kVA	\$/kVA	\$/kW	\$/kW	\$/ICP	\$/ICP		
(\$135)	\$1,636	\$65	\$86	\$472	\$19								
(\$10)	\$237	\$7	\$15	\$104	\$10								
\$763	\$1,621	\$78	\$173	\$633	\$30								
\$412	\$381	\$13	\$188	\$149	\$5								
\$43	\$117	\$5	\$28	\$46	\$2								
\$126	\$220	\$9	\$98	\$86	\$3								
\$63	\$202	\$10	\$24	\$79	\$4								
\$309	\$824	\$34	\$152	\$321	\$13								
\$336	\$1,438	\$64	\$109	\$561	\$24								
\$228	\$895	\$42	\$65	\$349	\$16								
\$137	\$509	\$22	\$35	\$199	\$8								
\$159	\$529	\$31	\$22	\$206	\$12								
\$87	\$243	\$16	\$14	\$95	\$6								
						\$960	\$656	\$649	\$302	\$104	\$383		
\$2,520	\$8,850	\$394	\$1,010	\$3,300	\$152								
						\$960	\$656	\$649	\$302	\$104	\$383		
\$2,520	\$8,850	\$394	\$1,010	\$3,300	\$152	\$960	\$656	\$649	\$302	\$104	\$383		

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

8(iii): Number of ICPs directly billed

Number of directly billed ICPs at year end

Check OK

Company Name	Network Waitaki Limited
For Year Ended	31 March 2020
Network / Sub-network Name	

SCHEDULE 9a: ASSET REGISTER

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

sch ref

8	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
9	All	Overhead Line	Concrete poles / steel structure	No.	8,936	9,018	82	4
10	All	Overhead Line	Wood poles	No.	12,651	12,581	(70)	4
11	All	Overhead Line	Other pole types	No.	111	100	(11)	4
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	218	217	(0)	4
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	4	4	(0)	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	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.	104	101	(3)	4
29	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	11	11	-	4
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	42	44	2	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	80	80	-	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	4	4	-	4
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	23	23	-	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,255	1,252	(3)	3
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	63	67	4	3
39	HV	Distribution Cable	Distribution UG PILC	km	8	9	1	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	N/A

Company Name **Network Waitaki Limited**

For Year Ended **31 March 2020**

Network / Sub-network Name

SCHEDULE 9a: ASSET REGISTER

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

41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	59	57	(2)	4
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.	3,892	3,935	43	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.	192	180	(12)	4
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	2,367	2,377	10	4
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	535	541	6	4
48	HV	Distribution Transformer	Voltage regulators	No.	14	38	24	4
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	-	-	-	N/A
50	LV	LV Line	LV OH Conductor	km	231	221	(10)	3
51	LV	LV Cable	LV UG Cable	km	112	101	(12)	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	87	79	(8)	4
53	LV	Connections	OH/UG consumer service connections	No.	12,781	13,056	275	3
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	158	162	4	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
56	All	Capacitor Banks	Capacitors including controls	No.	2	2	-	4
57	All	Load Control	Centralised plant	Lot	3	3	-	4
58	All	Load Control	Relays	No.	9,689	9,689	-	3
59	All	Civils	Cable Tunnels	km	-	-	-	N/A

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

Network / Sub-network Name

SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES

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

sch ref

9

10 **Circuit length by operating voltage (at year end)**

11 > 66kV

12 50kV & 66kV

13 33kV

14 SWER (all SWER voltages)

15 22kV (other than SWER)

16 6.6kV to 11kV (inclusive—other than SWER)

17 Low voltage (< 1kV)

18 **Total circuit length (for supply)**

19

20 Dedicated street lighting circuit length (km)

21 Circuit in sensitive areas (conservation areas, iwi territory etc) (km)

22

23 **Overhead circuit length by terrain (at year end)**

24 Urban

25 Rural

26 Remote only

27 Rugged only

28 Remote and rugged

29 Unallocated overhead lines

30 **Total overhead length**

31

32

	Overhead (km)	Underground (km)	Total circuit length (km)
> 66kV	–	–	–
50kV & 66kV	–	–	–
33kV	217	4	221
SWER (all SWER voltages)	–	–	–
22kV (other than SWER)	–	–	–
6.6kV to 11kV (inclusive—other than SWER)	1,252	76	1,328
Low voltage (< 1kV)	221	101	322
Total circuit length (for supply)	1,690	181	1,871

Dedicated street lighting circuit length (km)	50	29	79
Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			

	Circuit length (km)	(% of total overhead length)
Urban	350	21%
Rural	1,340	79%
Remote only	0	0%
Rugged only	–	–
Remote and rugged	–	–
Unallocated overhead lines	0	0%
Total overhead length	1,690	100%

	Circuit length (km)	(% of total circuit length)
--	---------------------	-----------------------------

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

Network / Sub-network Name

SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES

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

33	Length of circuit within 10km of coastline or geothermal areas (where known)	705	38%
34		(% of total Circuit length (km) overhead length)	
35	Overhead circuit requiring vegetation management	10	1%

Company Name **Network Waitaki Limited**
 For Year Ended **31 March 2020**

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

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

sch ref

	Location *	Number of ICPs served	Line charge revenue (\$000)
8	No embedded networks operate within the Network Waitaki network area or are operated elsewhere by Network Waitaki.		
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	* Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB’s network or in another embedded network		

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

Network / Sub-network Name

SCHEDULE 9e: REPORT ON NETWORK DEMAND

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

sch ref

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

9 *Number of ICPs connected in year by consumer type*

10 *Consumer types defined by EDB**

11 Individual Contract customers - large commercial and industrial
12 Small customers - residential and commercial to 15kVA
13 Medium customers - residential and commercial 16kVA to 50kVA
14 Large customers - commercial and industrial 51kVA and above
15

16 ** include additional rows if needed*

17 **Connections total**

18 **Distributed generation**

19 Number of connections made in year

20 Capacity of distributed generation installed in year

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

22

23

24 **Maximum coincident system demand**

25 GXP demand

26

Number of connections (ICPs)

11	–
12	125
13	11
14	12
15	

148

15 connections

0.17 MVA

Demand at time of maximum coincident demand (MW)

63.2

Company Name

Network Waitaki Limited

For Year Ended

31 March 2020

Network / Sub-network Name

SCHEDULE 9e: REPORT ON NETWORK DEMAND

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

27	<i>plus</i>	Distributed generation output at HV and above		-	
28		Maximum coincident system demand		63	
29	<i>less</i>	Net transfers to (from) other EDBs at HV and above			
30		Demand on system for supply to consumers' connection points		63	
31		Electricity volumes carried			Energy (GWh)
32		Electricity supplied from GXPs		281.16	
33	<i>less</i>	Electricity exports to GXPs			
34	<i>plus</i>	Electricity supplied from distributed generation		0.33	
35	<i>less</i>	Net electricity supplied to (from) other EDBs			
36		Electricity entering system for supply to consumers' connection points		281.49	
37	<i>less</i>	Total energy delivered to ICPs		267.19	
38		Electricity losses (loss ratio)		14.3	5.08%
39					
40		Load factor		0.51	
41		9e(iii): Transformer Capacity			
42					(MVA)
43		Distribution transformer capacity (EDB owned)		218	
44		Distribution transformer capacity (Non-EDB owned, estimated)		29.6	
45		Total distribution transformer capacity		248	
46					
47		Zone substation transformer capacity		228.0	

Company Name **Network Waitaki Limited**

For Year Ended **31 March 2020**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

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10(i): Interruptions

Interruptions by class

- 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)

Total

Number of interruptions

–
186
136
1
34
357

Interruption restoration

- Class C interruptions restored within

≤3Hrs >3hrs

97	39
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SAIFI and SAIDI by class

- 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)

SAIFI SAIDI

–	–
0.35	80.0
0.86	44.1
0.86	87.3
0.01	1.0

Company Name **Network Waitaki Limited**

For Year Ended **31 March 2020**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

34	Total	2.08	212.4
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35

36	Normalised SAIFI and SAIDI	Normalised SAIFI	Normalised SAIDI
37	Classes B & C (interruptions on the network)	1.21	124.1

38

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

40

41	Cause	SAIFI	SAIDI
42	Lightning	0.00	0.1
43	Vegetation	0.17	13.7
44	Adverse weather	0.04	3.5
45	Adverse environment	–	–
46	Third party interference	0.12	9.5
47	Wildlife	0.00	0.5
48	Human error	0.00	0.1
49	Defective equipment	0.37	14.2
50	Cause unknown	0.16	2.5

51

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

52

54	Main equipment involved	SAIFI	SAIDI
55	Subtransmission lines	0.02	4.0
56	Subtransmission cables	–	–
57	Subtransmission other	–	–

Company Name **Network Waitaki Limited**

For Year Ended **31 March 2020**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

58	Distribution lines (excluding LV)	0.33	75.9
69	Distribution cables (excluding LV)	0.00	0.1
60	Distribution other (excluding LV)	-	-

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

Main equipment involved		SAIFI	SAIDI
64	Subtransmission lines	0.31	9.6
65	Subtransmission cables	-	-
66	Subtransmission other	-	-
67	Distribution lines (excluding LV)	0.52	31.6
68	Distribution cables (excluding LV)	0.03	2.9
69	Distribution other (excluding LV)	-	-

10(v): Fault Rate

Main equipment involved		Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
72	Subtransmission lines	7	217	3.23
73	Subtransmission cables	-	4	-
74	Subtransmission other	-	-	-
75	Distribution lines (excluding LV)	127	1,252	10.14
76	Distribution cables (excluding LV)	2	66	3.03
77	Distribution other (excluding LV)	-	-	-
78	Total	136		

Company Name	<u>Network Waitaki Limited</u>
For Year Ended	<u>31 March 2020</u>

Schedule 14 Mandatory Explanatory Notes

(Guidance Note: This Microsoft Word version of Schedules 14, 14a and 15 is from the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018. Clause references in this template are to that determination)

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

Return on Investment (Schedule 2)

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

Box 1: Explanatory comment on return on investment

Network Waitaki Limited's Return on Investment of 4.89% p.a. is above the mid-point WACC estimate of 4.27% p.a. and an increase from last year's ROI mainly because of a mix of higher revenue due to higher volumes (volatile irrigation demand that cannot be predicted), an overall price increase of 4.2% and a change in cost allocations.

For the above reasons, this reflects a reasonable return on investment for the Waitaki Power Trust who represent the electricity consumers in the Waitaki District.

No items have been reclassified.

Regulatory Profit (Schedule 3)

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

Box 2: Explanatory comment on regulatory profit

Other regulated income was nil.

No items have been reclassified.

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

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

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

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

Box 3: Explanatory comment on merger and acquisition expenditure

No merger and acquisition expenditure this year.

Value of the Regulatory Asset Base (Schedule 4)

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

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

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

Assets commissioned were 23% lower this year (\$5,335k) compared to last year (\$6,945k).

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

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-

8.1 Income not included in regulatory profit / (loss) before tax but taxable;

8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible;

8.3 Income included in regulatory profit / (loss) before tax but not taxable;

8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax.

Box 5: Regulatory tax allowance: permanent differences

Expenditure or loss in regulatory profit / (loss) before tax but not deductible of which \$11k is from entertainment expenses and \$76k is from legal and consulting 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 \$422k depicted in Schedule 5a(vi) 'Tax effect of other temporary differences', which is made up of the Tax effect of \$459k as shown in the table 1 below, less the \$37k for provisions shown in table 2.

Table 1: derivation of \$459K Tax effect.

Capital contributions	2012	2013	2014	2015	2016	2017	2018	2019	2020 remaining	Total
624,770	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	- 62,477	62,477
1,127,130		- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	- 112,713	225,426
1,459,780			- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	- 145,978	437,934
3,362,030				- 336,203	- 336,203	- 336,203	- 336,203	- 336,203	- 336,203	1,344,812
2,480,806					- 248,081	- 248,081	- 248,081	- 248,081	- 248,081	1,240,402
2,034,517						- 203,452	- 203,452	- 203,452	- 203,452	1,220,710
1,667,619							- 166,762	- 166,762	- 166,762	1,167,333
1,790,630								- 179,063	- 179,063	1,432,504
1,829,497									- 182,950	1,646,547
16,376,779	- 62,477	- 175,190	- 321,168	- 657,371	- 905,452	- 1,108,904	- 1,275,666	- 1,454,729	- 1,637,678	8,778,145
	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
	17	49	90	184	254	310	357	407	459	

Table 2: derivation of (\$-37k) in provisions for leave etc.

Movement in provisions	Opening	Closing	Movement		
Annual Leave	(499,880)	(400,695)	(99,185)		
ACC	(13,920)	-	(13,920)		
Doubtful debts	(116,262)	(97,249)	(19,013)		
Long service leave	(118,963)	(77,384)	(41,579)		
Gratuity	(54,277)	(94,897)	40,620		
Total	(803,302)	(670,225)	(133,077)	28%	(37)

Cost allocation (Schedule 5d)

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

Box 7: Cost allocation

The Business Support operational expenditure category has costs that are not directly attributable. 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. Proxy cost allocators have been used due to no direct relationship between not directly attributable operating costs and the manner in which costs are incurred. Previously all allocated business support expenses followed one allocation key (total head count). A more complex allocation, consistent with management accounts, has been applied in FY20 on the basis that multiple allocation keys based on cost drivers are a fairer allocation of cost.

Asset allocation (Schedule 5e)

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

Box 8: Commentary on asset allocation

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

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

The allocation methodology used in all cases is ABAA.

Proxy allocators of 80/20 are used as it is a fair reflection of the time spend on the network business except for computer and software assets which are allocated based on the number of IT users.

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

Capital Expenditure for the Disclosure Year (Schedule 6a)

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

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

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

Box 9: Explanation of capital expenditure for the disclosure year

No items have been reclassified this year.

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

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)

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

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

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

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

Box 10: Explanation of operational expenditure for the disclosure year

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

- relocating service lines when Chorus change shared poles;
- correcting minor defects found during line patrols (e.g. damaged insulators, crossarms, straightening leaning poles);
- defect remediation on service fuse boxes.
- transformer maintenance such as replacing minor components, rust repairs, and painting.

No items have been reclassified this year except as noted in schedule 5d.

No atypical expenditure was included in operational expenditure.

Variance between forecast and actual expenditure (Schedule 7)

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

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

Capital Expenditure

Expenditure on Consumer Connection was 18% lower than forecast due to household connections developing at a lower than expected rate.

System growth expenditure was significantly under forecast levels, due to capacity related projects that were deferred due to

1. significant redevelopment of our network development plans during the year (\$1.4M budget), reflected in our 2020-30 AMP; and
2. several large reinforcement projects related to customer activity that did not proceed (\$700k) – these customer expansions are now not going ahead.

Our network is subject to a significant constraint due to the incoming 110kV transmission lines from Transpower. Over the previous five years demand had been increasing to levels where we believed we would need to expend significant investment in subtransmission upgrade and development to overcome this constraint. During FY2019/20 improvements were made to the way we modelled growth, as well as to the quality and detail of the load information that we could use. This resulted in a revised load growth forecast, which in turn meant that the likely risk was more completely understood. This showed that the tipping point for action was further into the future, and led to several large system growth projects planned for the short term (forecast at \$1.4M) being either deferred until later in the planning period or replaced with other projects later in the planning period. At the same time, there were several large customer related growth jobs forecast that did not eventuate, further reducing the actuals against forecast by \$700k, as well as reducing the load growth compared to our initial forecast.

Expenditure in the category of Reliability, safety and environment, quality of supply was approximately 50% below forecast, due to overestimates of how many condition based replacements of a particular brand of air break switch would be required (not as many actually failed within the financial year as we predicted), and deferral of a radio system upgrade, pending the outcome of more strategic development.

Expenditure in the category of Reliability, safety and environment, legislative and regulatory was 28% above forecast levels due to opportunities taken to bring forward and carry out an extra \$100k of distribution box replacement projects to minimise operating risk.

Expenditure on non-network assets was 77% lower than forecast due to rescheduling of the improvements to the buildings and yard at Chelmer St.

Operational Expenditure

Vegetation management was 15% above forecast figures due to tree felling activity being higher than predicted.

Routine and corrective maintenance and inspection expenditure was 28% lower than forecast, in part due to efficiencies in carrying out required inspections (\$214k) and in part

due to deferral of some property maintenance (\$75k).

Asset replacement and renewal expenditure was 28% lower than forecast expenditure mostly due to lower than forecast overhead activity for line repairs (\$70k less), and \$70k of costs that did not eventuate with two strategic planning exercises.

System Operation and Network support was 97% above forecast due to errors in calculating the disclosed regulated forecast expenditure. This error has been identified and corrected and the figures used in the latest AMP reflect this change.

Business Support costs soared to 87% higher than forecast due to errors in calculating the disclosed regulated forecast expenditure. This error has been identified and corrected and the figures used in the latest AMP reflect this change.

Information relating to revenues and quantities for the disclosure year

15. In the box below provide-

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

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

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

Actual revenue was 2% less than the target revenue (pre-fixed discount) stated in the pricing methodology. The actual revenue reflects revenue post the fixed discount of \$1 million distributed to consumers during 2019-2020. Furthermore, although total billable volumes were 1.6% higher than budgeted, the day volume component (at a higher price) was lower than the forecast and the night volume component (at a lower price) was higher, resulting in only a small variation in revenue as a result of volume differences. Network Waitaki normally uses an average of three years' volume data as budgeted volume for the following year.

Network Waitaki bills on GXP volumes as reported by the Reconciliation Manager. Schedule 8 requires the reporting of energy delivered to ICPs and the billed quantities by price component. Under the GXP pricing methodology, the actual energy delivered to ICPs differs from the chargeable kWh quantities detailed in the billed quantities section of Schedule 8, which are based on GXP quantities delivered. 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.

Network Reliability for the Disclosure Year (Schedule 10)

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

Box 13: Commentary on network reliability for the disclosure year

Network Waitaki Limited continues to achieve high network reliability. The overall results for all categories showed a moderate increase in reliability compared to last year (excluding the large Transpower outage in May). We continue to have a high number of outages to complete planned work but there was a decrease from last year with more live line work justified to be completed on the network in accordance with the Health and Safety Work Act 2015 as well as strategic asset replacement with no outages to customers.

Network Waitaki still has limited ability to independently verify its network reliability information. SCADA switching times are only available for larger outages. In recent times, there has been more automated devices installed on the network, increasing the recorded outage times. For smaller outages the information is derived from consumer reports and fault documentation. These limitations are included in the network reliability information required to be disclosed in Reports 10(i) to 10(iv).

Network Waitaki have treated successive interruptions the same way for the 2020 disclosure year as completed for the 2019 disclosure year. The process followed does not recognise successive interruptions following an initial outage as the disclosed SAIFI statistics only take into consideration the total unique ICPs affected by an outage.

Insurance cover

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

Box 14: Explanation of insurance cover

Network Waitaki insures its vehicles and buildings (including substations) and has public liability insurance. It does not insure its network, e.g. poles and lines, as it is not cost effective to do so.

Amendments to previously disclosed information

18. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:
- 18.1 a description of each error; and

18.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 15: Disclosure of amendment to previously disclosed information

No material errors identified.

Company Name	<u>Network Waitaki Limited</u>
For Year Ended	<u>31 March 2020</u>

Schedule 14a Mandatory Explanatory Notes on Forecast Information

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

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 predictions for CPI as extracted from the Reserve Bank of New Zealand Monetary Policy Statement.

For CY+1 no CPI adjustment has been made. From CY+2 to CY+10 a CPI forecast of 2% per annum was used as projected for 2020.

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 predictions for CPI as extracted from the Reserve Bank of New Zealand Monetary Policy Statement.

For CY+1 no CPI adjustment has been made. From CY+2 to CY+10 a CPI forecast of 2% per annum was used as projected for 2020.

Company Name	<u>Network Waitaki Limited</u>
For Year Ended	<u>31 March 2020</u>

Schedule 15 Voluntary Explanatory Notes

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

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

Changes in line lengths in Schedules 9c:

We have historically excluded the dedicated streetlighting circuits from the total circuit length in cells G11-H17. Over the last year we have been updating GIS data on streetlight circuits from paper records and drawings, resulting in an increase in total streetlighting circuit of 41km; previous lengths were estimated based on a proportion of our known LV system length. This has resulted in some of the line length that was previously included in the low voltage category (Cells G17 and H17) moving into the streetlight category, and thereby reducing the total in cell I17, which has affected the total network length.

Changes in Data Accuracy figures Schedules 9a and 9b:

A persistent error in the way that we were reporting on data accuracy was discovered this year. The scale being applied had been misunderstood as having a value of 1 for best accuracy down to a 4 for data for poor accuracy, and this is what had been applied in previous years. The scale as laid out in the Disclosure Determinations actually runs from 4 (best accuracy) down to 1 (lowest accuracy). The changes in data accuracy figures reflect a realignment of our ratings to the correct scale.

Appendix A – Related Party Disclosure Requirements

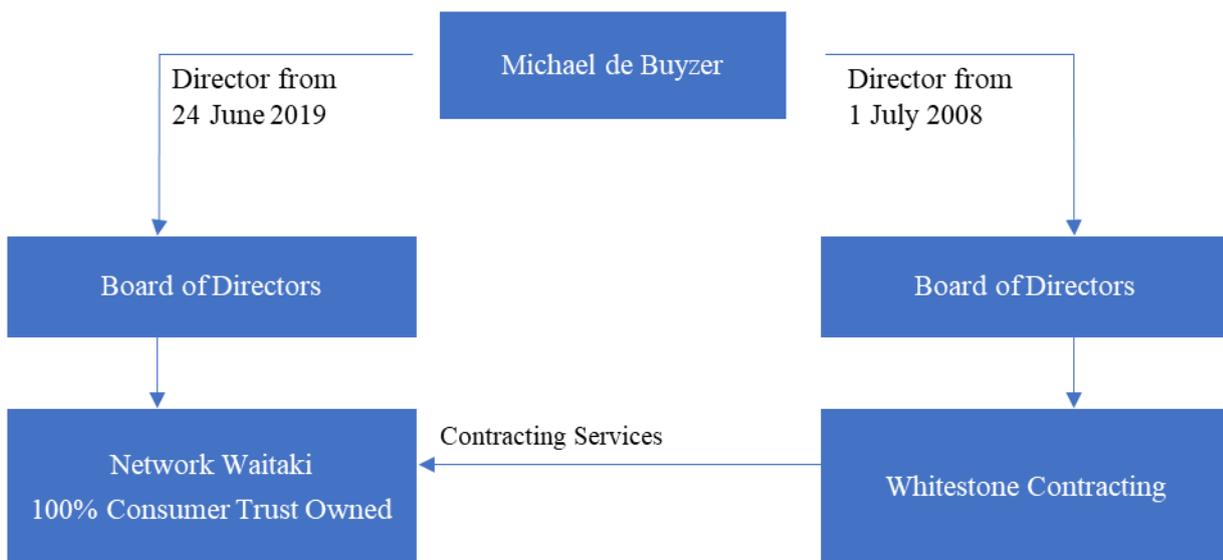
For the year ended 31 March 2020.

Dated 30 August 2020

Requirement 2.3.8: Relationships between the EDB and the related party

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

As shown in the following diagram the relationship is one of common Directorship. One of Network Waitaki's Directors, Michael de Buyzer, appointed on 24 June 2019, is also a director of Whitestone Contracting.



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

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

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

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

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

Total annual expenditure for FY2020 is \$944,842. Due to the Information Disclosure related party definitions, related party expenditure in schedule 5b is \$537,000.

Certification for Yearend Disclosures

Pursuant to Schedule 18

Clause 2.9.2 of section 2.9

Electricity Distribution Information Disclosure Determination 2012

We, Messers. C.J. Dennison and A.J. Wood, being directors of Network Waitaki certify that, having made all reasonable enquiry, to the best of our knowledge:

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



C.J. Dennison
Chairman of the Board of Directors



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

Date: 3 August 2020

Date: 3 August 2020



**INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF NETWORK WAITAKI LIMITED
AND THE COMMERCE COMMISSION**

The Auditor-General is the auditor of Network Waitaki Limited (the company). The Auditor-General has appointed me, Nathan Wylie, using the staff and resources of PricewaterhouseCoopers, to provide an opinion, on his behalf, on:

- whether the information required to be disclosed in accordance with the Electricity Distribution Information Disclosure Determination 2012 as amended by the Information Disclosure exemption: Disclosure and auditing of reliability information within schedule 10, issued by the Commerce Commission on 9 April 2020 (the 'Determination, as amended') for the disclosure year ended 31 March 2020, have been prepared, in all material respects, in accordance with the Determination, as amended.

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

- whether the Company's basis for valuation of related party transactions ('the Related Party Transaction Information') for the disclosure year ended 31 March 2020, has been prepared, in all material respects, in accordance with clause 2.3.6 of the Determination, as amended, and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012 ('the Input Methodologies Determination').

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for qualified opinion section of our report:

- 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;
- the Disclosure Information complies, in all material respects, with the Determination, as amended; and
- the Related Party Transaction Information complies, in all material respects, with the Determination, as amended and the Input Methodologies Determination.

In forming our qualified opinion, except as explained in the Basis for qualified opinion section of our report, we have obtained sufficient recorded evidence and all the information and explanations we have required.

Basis of qualified opinion

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



There are no practical audit procedures that we could adopt to independently confirm that all the faults and ICP data 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 obtain sufficient appropriate audit evidence to confirm the completeness and accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(iv).

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

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

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

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 or the Related Party Transaction Information, nor do we guarantee complete accuracy of the Disclosure Information or the Related Party Transaction Information. Also we did not evaluate the security and controls over the electronic publication of the Disclosure Information or the Related Party Transaction Information.

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

Key Assurance Matters

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

Key assurance matter

Regulatory Asset Base

The Regulatory Asset Base (RAB), as set out in Schedule 4, reflects the value of the Company's electricity distribution assets. These are valued using an indexed historic cost methodology prescribed by the Determination, as amended. It is a measure which is used widely and is key to measuring the Company's return on investment and therefore important when monitoring financial performance or setting electricity distribution prices.

The RAB inputs, as set out in the Input Methodologies, are similar to those used in the measurement of fixed assets in the financial statements, however, there are a number of different requirements and complexities which require careful consideration.

Due to the importance of the RAB within the regulatory regime, the incentives to overstate the RAB value, and complexities within the regulations, we have considered it to be a key area of focus.

How our procedures addressed the key assurance matter

We have obtained an understanding of the compliance requirements relevant to the RAB as set out in the Determination, as amended and the Input Methodologies (IMs).

We have performed the following procedures:

Assets commissioned

- We reconciled the assets commissioned, as per the regulatory fixed asset register, to the asset additions disclosed in the audited annual financial statements and investigated any reconciling items;
- We inspected the assets commissioned during the period, as per the regulatory fixed asset register, to identify any specific cost or asset type exclusions, as set out in the Determination, as amended which are required to be removed from the RAB;
- We tested a sample of assets commissioned during the disclosure period for appropriate asset category classification;

Depreciation

- We compared the standard asset lives by asset category to those set out in the IMs;
- For assets with no standard asset lives we assessed the reasonableness of the lives used by reference to the accounting depreciation rates;
- We verified the spreadsheet formula utilised to calculate regulatory depreciation expense is in line with IM clause 2.2.5;

Revaluation

- We recalculated the revaluation rate set out in the Input Methodologies using the relevant Consumer Price Index indices taken from the Statistics New Zealand website;
- We tested the mathematical accuracy of the revaluation calculation performed by management;

Disposals

- We inspected the asset disposals within the accounting fixed asset register to ensure disposals in the RAB meet the definition of a disposal per the IMs.

We have no matters to report from undertaking those procedures.

Key assurance matter	How our procedures addressed the key assurance matter
<p><i>Cost and Asset Allocation</i></p> <p>The Determination, as amended relates to information concerning the supply of electricity distribution services. In addition to the regulated supply of electricity, the Company also supplies customers with other unregulated services such as external contracting, metering and fibre services.</p> <p>As set out in schedules 5d, 5e, 5f and 5g, costs and asset values that relate to electricity distribution services regulated under the Determination, as amended should comprise:</p> <ul style="list-style-type: none"> • all of the costs directly attributable to the regulated goods or services; and • an allocated portion of the costs that are not directly attributable. <p>The IMs set out rules and processes for allocating costs and assets which are not directly attributable to either regulated or unregulated services. A number of screening tests apply which must be considered when deciding on the appropriate allocation method.</p> <p>The Company has applied the Accounting-Based Allocation Approach Methodology (ABAA) utilising proxy cost and asset allocators to allocate the asset values and operating costs that are not directly attributable where causal relationships could not be identified.</p> <p>Given the judgement involved in the application of the cost and asset allocation methodologies we consider it a key assurance matter.</p>	<p>We obtained an understanding of the Company's cost and asset allocation processes and the methodologies applied.</p> <p>Our procedures over cost and asset allocation included:</p> <ul style="list-style-type: none"> • Reconciling the regulated and unregulated financial information to the audited financial statements; <p><i>Classification as directly/not directly attributable</i></p> <ul style="list-style-type: none"> • Considering the appropriateness of the costs allocated as directly attributable, based on the nature and our understanding of the business to determine the reasonableness of the directly attributable classification; • Testing a sample of transactions to ensure their classification as either directly attributable or not directly attributable costs are appropriate and in line with the determination, as amended; • Inspecting the fixed asset register to identify any asset classes which based on their nature and our understanding of the business could be considered assets directly attributable to a specific business unit; • Testing a sample of assets commissioned to work orders to ensure their classification as either directly attributable or not directly attributable are appropriate and in line with the determination, as amended; <p><i>Appropriateness of the allocators used for not directly attributable costs and assets</i></p> <ul style="list-style-type: none"> • Considering the appropriateness of the cost and asset causal and proxy allocators used in applying the ABAA to not directly attributable costs including surveying a sample of staff to understand their role and allocation of time and inspecting supporting documentation; • Understanding why causal relationships could not be identified in allocating costs or assets and ensuring appropriate disclosure has been included outlining these in Schedule 14; and • Recalculating the split between not directly attributable costs and asset values allocated to electricity distribution services and non-electricity distribution services. <p>We have no matters to report from undertaking those procedures.</p>



Directors' responsibility for the preparation of the Disclosure Information and the Related Party Information

The directors of the Company are responsible for:

- the preparation of the Disclosure Information in accordance with the Determination, as amended, and
- the Related Party Transaction Information in accordance with the Determination, as amended and the Input Methodologies Determination

and for such internal control as the directors determine is necessary to enable the preparation of the Disclosure Information and the Related Party Transaction Information that is free from material misstatement.

Our responsibility for the Disclosure Information and the Related Party 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, as amended; and
- the Related Party Transaction Information has been prepared, in all material respects, in accordance with the Determination, as amended and the Input Methodologies Determination.

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;
- the independence requirements specified in the Determination, as amended; and
- the Auditor-General's quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

The Auditor-General, and his employees, and PricewaterhouseCoopers and its partners and employees may deal with the Company on normal terms within the ordinary course of trading activities of the Company. Other than any dealings on normal terms within the ordinary course of business, this engagement, financial modelling consultancy services which are compatible with those independent requirements and the annual audit of the Company's financial statements, we have no relationship with or interests in the Company.

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, as amended and whether the Related Party Transaction Information has been prepared, in all material respects, in accordance with the Determination, as amended and the Input Methodologies Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the Company or the Commerce Commission, or for any other purpose than that for which it was prepared.

A handwritten signature in black ink, appearing to read 'Nathan Wylie', is written over a large, faint circular watermark or stamp.

Nathan Wylie
PricewaterhouseCoopers
On behalf of the Auditor-General
Christchurch, New Zealand
3 August 2020