



THEPOWERCOMPANYLTD

**INFORMATION DISCLOSURE PREPARED
IN ACCORDANCE WITH
ELECTRICITY INFORMATION DISCLOSURE
DETERMINATION
UNDER PART 4 OF THE COMMERCE ACT 1986**

FOR THE YEAR ENDED 31 MARCH 2013

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1. INTRODUCTION

These Information Disclosure documents are submitted by The Power Company Limited pursuant to Part 4 of the Commerce Act 1986 in accordance with:

- The Electricity Information Disclosure Determination 2012, issued 1 October 2012,
- The Electricity Distribution Services Input Methodologies Determination 2012, issued 15 November 2012,

2. INFORMATION DISCLOSURE DISCLAIMER

The information disclosed in this Information Disclosure package issued by The Power Company Limited has been prepared in accordance with the Determination listed above.

The Determination requires the information to be disclosed in the manner it is presented.

The information should not be used for any other purposes than that intended under the Determination.

The financial information presented is for the electricity distribution business as described within the Determination.

Due to rounding and automatic calculations in the spreadsheets there may be minor summing variances.

3. SCHEDULES

		Company Name		The Power Company Limited	
		For Year Ended		31 March 2013	
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.					
7	1(i): Expenditure metrics				
8		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)
9	Operational expenditure	19,232	389	97,577	1,549
10	Network	10,129	205	51,394	816
11	Non-network	9,102	184	46,184	733
12					Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)
13	Expenditure on assets	31,039	628	157,484	2,501
14	Network	30,656	621	155,541	2,470
15	Non-network	383	8	1,942	31
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	73,568	1,490		
20	Standard consumer line charge revenue	67,379	1,364		
21	Non-standard consumer line charge revenue	6,189	125		
22					
23	1(iii): Service intensity measures				
24					
25	Demand density	16		Maximum coincident system demand per km circuit length (for supply) (kW/km)	
26	Volume density	81		Total energy delivered to ICPs per km circuit length (for supply) (MWh/km)	
27	Connection point density	4		Average number of ICPs per km circuit length (for supply) (ICPs/km)	
28	Energy intensity	20,248		Total energy delivered to ICPs per Average number of ICPs (kWh/ICP)	
29					
30					
31	1(iv): Composition of regulatory income				
32		(\$000)	% of revenue		
33	Operational expenditure	13,465	26.00%		
34	Pass-through and recoverable costs	13,200	25.49%		
35	Total depreciation	12,583	24.30%		
36	Total revaluation	2,564	4.95%		
37	Regulatory tax allowance	2,212	4.27%		
38	Regulatory profit/loss	12,883	24.88%		
39	Total regulatory income	51,779			
40					
41	1(v): Reliability				
42				Interruptions per 100 circuit km	
43	Interruption rate			14.14	

Company Name **The Power Company Limited**
 For Year Ended **31 March 2013**

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

sch ref		CY-2 31 Mar 11 %	CY-1 31 Mar 12 %	Current Year CY 31 Mar 13 %			
7	2(i): Return on Investment						
8							
9	Post tax WACC						
10	ROI—comparable to a post tax WACC		3.72%	3.01%			
11							
12	Mid-point estimate of post tax WACC						
13	25th percentile estimate		6.40%	5.85%			
14	75th percentile estimate		7.11%	6.56%			
15							
16							
17	Vanilla WACC						
18	ROI—comparable to a vanilla WACC		4.54%	3.78%			
19							
20	Mid-point estimate of vanilla WACC						
21	25th percentile estimate		7.22%	6.62%			
22	75th percentile estimate		7.94%	7.34%			
23							
24	2(ii): Information Supporting the ROI						
25				(\$000)			
26	Total opening RAB value	299,707					
27	plus Opening deferred tax	(4,631)					
28	Opening RIV		295,076				
29							
30	Operating surplus / (deficit)	25,114					
31	less Regulatory tax allowance	2,212					
32	less Assets commissioned	17,357					
33	plus Asset disposals	477					
34	Notional net cash flows		6,022				
35							
36	Total closing RAB value	306,568					
37	less Adjustment resulting from asset allocation	0					
38	less Lost and found assets adjustment	-					
39	plus Closing deferred tax	(6,462)					
40	Closing RIV		300,105				
41							
42	ROI—comparable to a vanilla WACC		0.04				
43							
44	Leverage (%)		44%				
45	Cost of debt assumption (%)		6.31%				
46	Corporate tax rate (%)		28%				
47							
48	ROI—comparable to a post tax WACC		0.03				
56	2(iii): Information Supporting the Monthly ROI						
57							
58	Cash flows			(\$000)			
59		Total regulatory income	Expenses	Tax payments	Assets commissioned	Asset disposals	Notional net cash flows
60	April						-
61	May						-
62	June						-
63	July						-
64	August						-
65	September						-
66	October						-
67	November						-
68	December						-
69	January						-
70	February						-
71	March						-
72	Total	-	-	-	-	-	-
73							
74		Opening / closing RAB	Adjustment resulting from asset allocation	Lost and found assets adjustment	Opening / closing deferred tax	Revenue related working capital	Total
75	Monthly ROI - opening RIV	299,707			(4,631)		295,076
76							
77	Monthly ROI -closing RIV	306,568	0		(6,462)		300,106
78	Monthly ROI -closing RIV less term credit spread differential allowance						300,106
79	Monthly ROI—comparable to a vanilla WACC						0.02
80							
81	Monthly ROI—comparable to a post-tax WACC						0.01
82							
83	2(iv): Year-End ROI Rates for Comparison Purposes						
84							
85	Year-end ROI—comparable to a vanilla WACC						0.04
86							
87	Year-end ROI—comparable to a post-tax WACC						0.03
88							
89							

* 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.

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 For Year Ended **31 March 2013**

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 3(i), 3(iv) and 3(v) and must provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes). Non-exempt EDBs must also complete sections 3(ii) and 3(iii). 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	(\$000)
8	Income	
9	Line charge revenue	51,507
10	plus Gains / (losses) on asset disposals	(423)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	695
12		
13	Total regulatory income	51,779
14	Expenses	
15	less Operational expenditure	13,465
17	less Pass-through and recoverable costs	13,200
18		
19	Operating surplus / (deficit)	25,114
20		
21	less Total depreciation	12,583
22		
23	plus Total revaluation	2,564
24		
25	Regulatory profit / (loss) before tax & term credit spread differential allowance	15,095
26		
27	less Term credit spread differential allowance	-
28		
29	Regulatory profit / (loss) before tax	15,095
30		
31	less Regulatory tax allowance	2,212
32		
33	Regulatory profit / (loss)	12,883
34		
35	3(ii): Pass-Through and Recoverable Costs	(\$000)
36	Pass-through costs	
37	Rates	126
38	Commerce Act levies	83
39	Electricity Authority levies	116
40	Other specified pass-through costs	-
41	Recoverable costs	
42	Net recoverable costs allowed under incremental rolling incentive scheme	248
43	Non-exempt EDB electricity lines service charge payable to Transpower	9,863
44	Transpower new investment contract charges	-
45	System operator services	-
46	Avoided transmission charge	2,764
47	Input Methodology claw-back	-
48	Recoverable customised price-quality path costs	-
49	Pass-through and recoverable costs	13,200
57	3(iii): Incremental Rolling Incentive Scheme	(\$000)
58		
59		CY-1 CY
60		31 March 2012 31 March 2013
61	Allowed controllable opex	-
62	Actual controllable opex	-
63	Incremental change in year	-
64		
65		Previous years' incremental change adjusted for inflation
66	CY-5 31 Mar 08	-
67	CY-4 31 Mar 09	-
68	CY-3 31 Mar 10	-
69	CY-2 31 Mar 11	-
70	CY-1 31 Mar 12	-
71	Net incremental rolling incentive scheme	-
72		
73	Net recoverable costs allowed under incremental rolling incentive scheme	-
74	3(iv): Merger and Acquisition Expenditure	
75	Merger and acquisition expenses	-
76		
77	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)	
78	3(v): Other Disclosures	
79	Self-insurance allowance	-

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 For Year Ended **31 March 2013**

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

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

sch ref

4(i): Regulatory Asset Base Value (Rolled Forward)		RAB CY-4 (\$000)	RAB CY-3 (\$000)	RAB CY-2 (\$000)	RAB CY-1 (\$000)	RAB CY (\$000)
	Total opening RAB value	276,178	276,178	293,425	297,839	299,707
less	Total depreciation		11,584	12,350	12,296	12,583
plus	Total revaluations		5,626	7,065	4,656	2,564
plus	Assets commissioned		23,914	10,323	10,306	17,357
less	Asset disposals		709	624	798	477
plus	Lost and found assets adjustment					
plus	Adjustment resulting from asset allocation					0
	Total closing RAB value	276,178	293,425	297,839	299,707	306,568

4(ii): Unallocated Regulatory Asset Base		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
	Total opening RAB value		299,762		299,707
less	Total depreciation		12,602		12,583
plus	Total revaluations		2,564		2,564
plus	Assets commissioned (other than below)	282		268	
	Assets acquired from a regulated supplier				
	Assets acquired from a related party	17,089		17,089	
	Assets commissioned		17,371		17,357
less	Asset disposals (other than below)	477		477	
	Asset disposals to a regulated supplier				
	Asset disposals to a related party				
	Asset disposals		477		477
plus	Lost and found assets adjustment				
plus	Adjustment resulting from asset allocation				0
	Total closing RAB value		306,618		306,568

* 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 non-regulated services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.

4(iii): Calculation of Revaluation Rate and Revaluation of Assets		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
	CPI _t				1.174
	CPI _{t-1}				1.164
	Revaluation rate (%)				0.86%
	Total opening RAB value	299,762		299,707	
less	Opening RAB value of fully depreciated, disposed and lost assets	1,307		1,307	
	Total opening RAB value subject to revaluation	298,455		298,400	
	Total revaluations		2,564		2,564

72	4(iv): Roll Forward of Works Under Construction									
73										
74										
75										
76										
77										
78										
79										
80										
88	4(v): Regulatory Depreciation									
89										
90										
91										
92										
93										
94										
95										
96										
97	4(vi): Disclosure of Changes to Depreciation Profiles									
98										
99										
100										
101										
102										
103										
104										
105										
106										
107	4(vii): Disclosure by Asset Category									
108										
109										
110										
111										
112										
113										
114										
115										
116										
117										
118										
119										
120										
121										
122										

Company Name **The Power Company Limited**
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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	15,095
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	-
12	Amortisation of initial differences in asset values	7,313
13	Amortisation of revaluations	655
14		7,968
15		
16	<i>less</i> Income included in regulatory profit / (loss) before tax but not taxable	-
17	Discretionary discounts and consumer rebates	6,952
18	Expenditure or loss deductible but not in regulatory profit / (loss) before tax**	19
19	Notional deductible interest	8,192
20		15,164
21		
22	Regulatory taxable income	7,899
23		
24	<i>less</i> Utilised tax losses	-
25	Regulatory net taxable income	7,899
26		
27	Corporate tax rate (%)	28%
28	Regulatory tax allowance	2,212
29		
30	* Workings to be provided in Schedule 14	
31	** Excluding discretionary discounts and consumer rebates	
32	5a(ii): Disclosure of Permanent Differences	
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	181,436
37	Amortisation of initial differences in asset values	7,313
38	Adjustment for unamortised initial differences in assets acquired	-
39	Adjustment for unamortised initial differences in assets disposed	138
40	Closing unamortised initial differences in asset values	174,261
41		
42	Opening weighted average remaining asset life (years)	25
43	5a(iv): Amortisation of Revaluations	(\$000)
44		
45	Opening Sum of RAB values without revaluations	283,098
46		
47	Adjusted depreciation	11,928
48	Total depreciation	12,583
49	Amortisation of revaluations	655

57	5a(v): Reconciliation of Tax Losses		(\$000)
58			
59	Opening tax losses	-	
60	plus Current period tax losses	-	
61	less Utilised tax losses	-	
62	Closing tax losses	-	
63	5a(vi): Calculation of Deferred Tax Balance		(\$000)
64			
65	Opening deferred tax	(4,631)	
66			
67	plus Tax effect of adjusted depreciation	3,345	
68			
69	less Tax effect of total tax depreciation	2,919	
70			
71	plus Tax effect of other temporary differences*	(172)	
72			
73	less Tax effect of amortisation of initial differences in asset values	2,048	
74			
75	plus Deferred tax balance relating to assets acquired in the disclosure year	-	
76			
77	less Deferred tax balance relating to assets disposed in the disclosure year	39	
78			
79	plus Deferred tax cost allocation adjustment	-	
80			
81	Closing deferred tax	(6,462)	
82			
83	5a(vii): Disclosure of Temporary Differences		
84	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).		
85			
86	5a(viii): Regulatory Tax Asset Base Roll-Forward		(\$000)
87			
88	Opening sum of regulatory tax asset values	94,616	
89	less Tax depreciation	10,425	
90	plus Regulatory tax asset value of assets commissioned	19,278	
91	less Regulatory tax asset value of asset disposals	339	
92	plus Lost and found assets adjustment	-	
93	plus Other adjustments to the RAB tax value	-	
94	Closing sum of regulatory tax asset values	103,131	

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SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7 5b(i): Summary—Related Party Transactions

	(\$000)
8 Total regulatory income	-
9 Operational expenditure	3,979
10 Capital expenditure	21,463
11 Market value of asset disposals	-
12 Other related party transactions	-

13 5b(ii): Entities Involved in Related Party Transactions

Name of related party	Related party relationship
15 PowerNet	50% shareholding
16 Power Services Limited	51% common shareholding
17 Otago Power Services Limited	24.5% common shareholding
18	
19	

20 *include additional rows if needed

21 5b(iii): Related Party Transactions

Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
23 PowerNet	Capex	Builds network capex on behalf of line business	21,463	Cost and mark-up, price paid
24 PowerNet	Opex	Management Fee	286	Price paid
25 Power Services Limited	Opex	Performs some network opex labour	2,417	Directly attributable cost
26 Otago Power Services Limited	Opex	Performs some network opex labour	1,276	Directly attributable cost
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				

*include additional rows if needed

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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	Issuing party	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Cost of executing an interest rate swap	Debt issue cost readjustment	
11											
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			44%					
24	Average opening and closing RAB values								
25	Attribution Rate (%)								
26									
27	Term credit spread differential allowance								

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SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

		Value allocated (\$000s)				
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000s)
7	5d(i): Operating Cost Allocations					
9	Service interruptions and emergencies					
10	Directly attributable		2,360			
11	Not directly attributable		-			
12	Total attributable to regulated service		2,360			
14	Vegetation management					
15	Directly attributable					
16	Not directly attributable					
17	Total attributable to regulated service					
18	Routine and corrective maintenance and inspection					
19	Directly attributable		3,834			
20	Not directly attributable					
21	Total attributable to regulated service		3,834			
22	Asset replacement and renewal					
23	Directly attributable		899			
24	Not directly attributable					
25	Total attributable to regulated service		899			
26	System operations and network support					
27	Directly attributable		38			
28	Not directly attributable		2,540	2,335	4,875	
29	Total attributable to regulated service		2,578			
30	Business support					
31	Directly attributable		1,956			
32	Not directly attributable		1,839	1,457	3,296	
33	Total attributable to regulated service		3,795			
34	Operating costs directly attributable		9,086			
35	Operating costs not directly attributable		4,379	3,792	8,171	
36	Operating expenditure		13,465			

45	5d(ii): Other Cost Allocations				
46	Pass through and recoverable costs				
47	Pass through costs				
48	Directly attributable		324		
49	Not directly attributable				
50	Total attributable to regulated service		324		
51	Recoverable costs				
52	Directly attributable		12,876		
53	Not directly attributable				
54	Total attributable to regulated service		12,876		

		(5000)		
		CY-1	Current Year (CY)	
		31 Mar 12	31 Mar 13	
56	5d(iii): Changes in Cost Allocations* †			
57	Change in cost allocation 1			
58	Cost category			
59	Original allocator or line items		Original allocation	
60			New allocation	
61	New allocator or line items		Difference	
62				
63	Rationale for change			
64				
65				
66	Change in cost allocation 2			
67	Cost category			
68	Original allocator or line items		Original allocation	
69			New allocation	
70	New allocator or line items		Difference	
71				
72	Rationale for change			
73				
74	Change in cost allocation 3			
75	Cost category			
76	Original allocator or line items		Original allocation	
77			New allocation	
78	New allocator or line items		Difference	
79				
80	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

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 For Year Ended **31 March 2013**

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

7 5e(i): Regulated Service Asset Values

	Value allocated (\$000s)
Electricity distribution services	
Subtransmission lines	
Directly attributable	42,345
Not directly attributable	-
Total attributable to regulated service	42,345
Subtransmission cables	
Directly attributable	1,252
Not directly attributable	-
Total attributable to regulated service	1,252
Zone substations	
Directly attributable	53,657
Not directly attributable	-
Total attributable to regulated service	53,657
Distribution and LV lines	
Directly attributable	125,213
Not directly attributable	-
Total attributable to regulated service	125,213
Distribution and LV cables	
Directly attributable	18,721
Not directly attributable	-
Total attributable to regulated service	18,721
Distribution substations and transformers	
Directly attributable	51,826
Not directly attributable	-
Total attributable to regulated service	51,826
Distribution switchgear	
Directly attributable	6,311
Not directly attributable	-
Total attributable to regulated service	6,311
Other network assets	
Directly attributable	5,953
Not directly attributable	-
Total attributable to regulated service	5,953
Non-network assets	
Directly attributable	9
Not directly attributable	1,281
Total attributable to regulated service	1,290
Regulated service asset value directly attributable	305,287
Regulated service asset value not directly attributable	1,281
Total closing RAB value	306,568

57 5e(ii): Changes in Asset Allocations* †

		(\$000)	
		CY-1	Current Year (CY)
		31 Mar 12	31 Mar 13
Change in asset value allocation 1			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in asset value allocation 2			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in asset value allocation 3			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			

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

Company Name **The Power Company Limited**
 For Year Ended **31 March 2013**

SCHEDULE 5h: REPORT ON TRANSITIONAL FINANCIAL INFORMATION

This schedule requires information on:

- the calculation of the initial RAB value for the EDB, as of 31 March 2009;
- how the initial RAB value has been rolled forward to 31 March 2011;
- a summary of revaluations,
- the value of works under construction, and
- regulatory tax.

EDBs must complete this schedule in relation to the year ending 31 March 2012, and at that time must provide explanatory comment in Schedule 14b (Explanatory Notes on Transitional Financial Information) on the tax effect of temporary differences disclosed in part 5h(vii) of this schedule.

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 Regulatory Asset Base Value				
8 5h(i): Establishment of Initial Regulatory Asset Base Value		Unallocated Initial RAB	Unallocated Initial RAB	
		(\$000)	(\$000)	
11	2009 disclosed assets - 'Total Regulatory Asset Base Value (Excluding FDC)' as of 31 March 2009		262,568	
13	2009 modified asset values (adjusted for results of asset adjustment process)		269,616	
14	Adjustment to reinstate 2009 modified asset values to unallocated amounts	36		
15	Unallocated 2009 modified asset values		269,652	
17	<i>less (to the extent included in row 13)</i>			
18	Assets not used to supply electricity distribution services			
19	Easement land			
20	Non-qualifying intangible assets			
21	Works under construction			
22	Unallocated asset values excluded from unallocated 2009 modified asset values		-	
24	<i>plus</i> FDC allowance of 2.45% (Network assets)		6,562	
26	Unallocated initial RAB values		276,214	
28	5h(ii): Roll forward of Unallocated Regulatory Asset Base Value - 2010, 2011 and 2012			
29		2010	2011	2012
30		(\$000)	(\$000)	(\$000)
31	Total opening RAB value	276,214	293,452	297,875
32	<i>less</i>			
33	Total depreciation	11,596	12,366	12,315
34	<i>plus</i>			
35	Total revaluations	5,627	7,066	4,657
36	<i>plus</i>			
37	Assets commissioned (other than below)	386	316	237
38	Assets acquired from a regulated supplier			
39	Assets acquired from a related party	23,530	10,031	10,106
40	Assets commissioned	23,916	10,347	10,343
41	<i>less</i>			
42	Asset disposals (other than below)	709	624	798
43	Assets disposed of to a regulated supplier			
44	Assets disposed of to a related party			
45	Asset disposals	709	624	798
46	<i>plus</i>			
47	Lost and found assets adjustment			
48				
49	Total closing RAB value	293,452	297,875	299,762
50				
58	5h(iii): Calculation of Revaluation Rate and Indexed Revaluation			
59		(\$000 unless otherwise specified)		
60		2010	2011	2012
61	CPI at CPI reference date—preceding disclosure year	1,097	1,119	1,146
62	CPI at CPI reference date—current disclosure year	1,119	1,146	1,164
63	Revaluation rate (%)	2.05%	2.42%	1.57%
64				
65				
66	Total opening RAB value	276,214	293,452	297,875
67	<i>less</i> Opening RAB value of fully depreciated, disposed and lost assets	1,273	1,270	1,380
68				
69	Total opening RAB value subject to revaluation	274,941	292,181	296,495
70	Total revaluations	5,627	7,066	4,657
71				
72	5h(iv): Works Under Construction			
73		Unallocated works under construction	Allocated works under construction	
74	Works under construction—year ended 2009	14,083	14,083	
75	<i>plus</i> Capital expenditure—year ended 2010	15,995	15,993	
76	<i>less</i> Assets commissioned—year ended 2010	23,916	23,914	
77	<i>plus</i> Adjustment resulting from asset allocation—year ended 2010			
78	Works under construction—year ended 2010	6,162	6,162	
79	<i>plus</i> Capital expenditure—year ended 2011	10,223	10,199	
80	<i>less</i> Assets commissioned—year ended 2011	10,347	10,323	
81	<i>plus</i> Adjustment resulting from asset allocation—year ended 2011			
82	Works under construction—year ended 2011	6,038	6,038	
83	<i>plus</i> Capital expenditure—year ended 2012	14,536	14,499	
84	<i>less</i> Assets commissioned—year ended 2012	10,342	10,305	
85	<i>plus</i> Adjustment resulting from asset allocation—year ended 2012			
86	Works under construction—year ended 2012	10,232	10,232	
87				

		(\$000)		
88				
89	5h(v): Initial Difference in Asset Values and Amortisation	2010		
90	Sum of initial RAB values	276,214		
91	Sum of regulatory tax asset values	74,174		
92	Sum of initial differences in asset values	202,040		
93				
94		2010	2011	2012
95	Opening unamortised initial differences in asset values	202,040	195,201	188,431
96	less Amortisation of initial difference in asset values	7,265	7,281	7,301
97	Adjustment for unamortised initial differences in assets acquired	-	-	-
98	Adjustment for unamortised initial differences in assets disposed	426	511	306
99	Closing unamortised initial differences in asset values	195,201	188,431	181,436
100				
101	Opening weighted average remaining asset life (years)	28	27	26
109	5h(vi): Reconciliation of Tax Losses (EDB Business)	2010	2011	2012
110	Opening tax losses	-	-	-
111	plus Current period tax losses	-	-	-
112	less Utilised tax losses	-	-	-
113	Closing tax losses	-	-	-
114				
115	5h(vii): Calculation of Deferred Tax Balance	2010	2011	2012
116	Opening deferred tax	-	(1,408)	(2,994)
117				
118	plus Tax effect of adjusted depreciation	3,475	3,641	3,311
119				
120	plus Tax effect of total tax depreciation	(2,831)	(3,142)	(2,871)
121				
122	plus Tax effect of other temporary differences *	128	98	(32)
123				
124	less Tax effect of amortisation of initial differences in asset values	2,180	2,184	2,044
125				
126	plus Deferred tax balance relating to assets acquired in the disclosure year	-	-	-
127				
128	plus Deferred tax cost allocation adjustment	-	-	-
129				
130	Closing deferred tax	(1,408)	(2,994)	(4,631)
131	5h(viii): Disclosure of Temporary Differences			
132	In Schedule 14, provide descriptions and workings of items recorded in the asterisked category in Schedule 5h(vii) (Tax effect of other temporary differences).			
133			(\$000)	
134	5h(ix): Regulatory Tax Asset Base Roll-Forward	2010	2011	2012
135	Sum of unallocated initial RAB values	276,214		
136	Sum of adjusted tax values	74,178		
137	Sum of tax asset values	74,178		
138	Result of asset allocation ratio	1		
139	Opening Sum of regulatory tax asset values	74,174	90,753	92,628
140	less Regulatory tax depreciation	9,437	10,472	10,254
141	plus Regulatory tax asset value of assets commissioned	26,294	12,460	12,734
142	less Regulatory tax asset value of asset disposals	278	113	492
143	plus Lost and found assets adjustment	-	-	-
144	plus Other adjustments to the RAB tax value	-	-	-
	Closing sum of regulatory tax asset values	90,753	92,628	94,616

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 For Year Ended **31 March 2013**

SCHEDULE 5i: REPORT ON INITIAL RAB ADJUSTMENT

Under clause 2.2.1 of the IM determination an EDB may undertake an asset adjustment process in setting their initial RAB. If the EDB has adjusted its RAB in accordance with clause 2.2.1 of the IM determination, it must complete this schedule when disclosing information relating to the year ending 31 March 2012.

sch ref	Summary of Engineer's Valuation Adjustments (at time asset enters regulatory asset register)					
	2004 *	2005	2006	2007	2008	2009
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
7	Asset adjustment process - adjustments					
8						
9						
10						
11	Include load control relays					-
12	Correct asset register errors for 2004 ODV assets					
13	Cable Reclassification	(1,914)				
14	Surge Arrestors	632				
15						
16		(1,282)				
17	Correct asset register errors for 2005 – 2009 assets					
18						
19						
20						
21						
22	Re-apply an existing multiplier to 2004 ODV assets					
23	Apply Rugged Terrain Multiplier	5,227				
24						
25						
26		5,227				
27	Re-apply a modified multiplier to 2004 ODV assets					
28	Apply Modified Multiplier for Rocky Terrain	2,443				
29	Apply Modified Multiplier for CBD	401				
30						
31		2,844				
32	Re-apply optimisation or EV tests to 2004 ODV assets					
33	Reapply Optimisation	357				
34						
35						
36		357				
37						
38	Total value of adjustments by disclosure year	7,146	-	-	-	-
39	* Includes assets which first entered the regulatory asset register in a disclosure year prior to 2004.					

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 For Year Ended **31 March 2013**

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		2,709
9	System growth		8,936
10	Asset replacement and renewal		9,277
11	Asset relocations		17
12	Reliability, safety and environment:		
13	Quality of supply	524	
14	Legislative and regulatory	-	
15	Other reliability, safety and environment	-	
16	Total reliability, safety and environment		524
17	Expenditure on network assets		21,463
18	Non-network assets		268
19			
20	Expenditure on assets		21,731
21	plus Cost of financing		-
22	less Value of capital contributions		1,874
23	plus Value of vested assets		
24			
25	Capital expenditure		19,858
26	6a(ii): Subcomponents of Expenditure on Assets (where known)		(\$000)
27	Energy efficiency and demand side management, reduction of energy losses		-
28	Overhead to underground conversion		-
29	Research and development		-
30	6a(iii): Consumer Connection		
31	<i>Consumer types defined by EDB*</i>	(\$000)	(\$000)
32	All Customer Connection Capex	2,709	
33	[EDB consumer type]		
34	[EDB consumer type]		
35	[EDB consumer type]		
36	[EDB consumer type]		
37	<i>* include additional rows if needed</i>		
38	Consumer connection expenditure		2,709
39			
40	less Capital contributions funding consumer connection expenditure	1,863	
41	Consumer connection less capital contributions		846
42	6a(iv): System Growth and Asset Replacement and Renewal		
43		System Growth	Asset Replacement
44		(\$000)	(\$000)
45	Subtransmission		
46	Zone substations		
47	Distribution and LV lines		
48	Distribution and LV cables		
49	Distribution substations and transformers		
50	Distribution switchgear		
51	Other network assets	8,936	9,277
52	System growth and asset replacement and renewal expenditure	8,936	9,277
53	less Capital contributions funding system growth and asset replacement and renewal	-	35
54	System growth and asset replacement and renewal less capital contributions	8,936	9,242
55			
56	6a(v): Asset Relocations		
57	<i>Project or programme*</i>	(\$000)	(\$000)
58	All Asset Relocation Capex	17	
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 asset relocations projects or programmes		
65	Asset relocations expenditure		17
66	less Capital contributions funding asset relocations	11	
67	Asset relocations less capital contributions		6

75	6a(vi): Quality of Supply		
76	<i>Project or programme*</i>	(\$000)	(\$000)
77	All Reliabilit, Safety and Environment Capex (see transitional rules)	524	
78	[Description of material project or programme]		
79	[Description of material project or programme]		
80	[Description of material project or programme]		
81	[Description of material project or programme]		
82	<i>* include additional rows if needed</i>		
83	All other quality of supply projects or programmes		
84	Quality of supply expenditure		524
85	<i>less</i> Capital contributions funding quality of supply		
86	Quality of supply less capital contributions		524
87	6a(vii): Legislative and Regulatory		
88	<i>Project or programme*</i>	(\$000)	(\$000)
89	[Description of material project or programme]		
90	[Description of material project or programme]		
91	[Description of material project or programme]		
92	[Description of material project or programme]		
93	[Description of material project or programme]		
94	<i>* include additional rows if needed</i>		
95	All other legislative and regulatory projects or programmes		
96	Legislative and regulatory expenditure		
97	<i>less</i> Capital contributions funding legislative and regulatory		
98	Legislative and regulatory less capital contributions		
99	6a(viii): Other Reliability, Safety and Environment		
100	<i>Project or programme*</i>	(\$000)	(\$000)
101	[Description of material project or programme]		
102	[Description of material project or programme]		
103	[Description of material project or programme]		
104	[Description of material project or programme]		
105	[Description of material project or programme]		
106	<i>* include additional rows if needed</i>		
107	All other reliability, safety and environment projects or programmes		
108	Other reliability, safety and environment expenditure		
109	<i>less</i> Capital contributions funding other reliability, safety and environment		
110	Other reliability, safety and environment less capital contributions		
111			
112	6a(ix): Non-Network Assets		
113	Routine expenditure		
114	<i>Project or programme*</i>	(\$000)	(\$000)
115	[Description of material project or programme]		
116	[Description of material project or programme]		
117	[Description of material project or programme]		
118	[Description of material project or programme]		
119	[Description of material project or programme]		
120	<i>* include additional rows if needed</i>		
121	All other routine expenditure projects or programmes	268	
122	Routine expenditure		268
123	Atypical expenditure		
124	<i>Project or programme*</i>	(\$000)	(\$000)
125	[Description of material project or programme]		
126	[Description of material project or programme]		
127	[Description of material project or programme]		
128	[Description of material project or programme]		
129	[Description of material project or programme]		
130	<i>* include additional rows if needed</i>		
131	All other atypical expenditure projects or programmes		
132	Atypical expenditure		
133			
134	Non-network assets expenditure		268

Company Name **The Power Company Limited**
 For Year Ended **31 March 2013**

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

This schedule requires a breakdown of operating 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 operating 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	2,360	
9	Vegetation management		
10	Routine and corrective maintenance and inspection	3,834	
11	Asset replacement and renewal	899	
12	Network opex		7,092
13	System operations and network support	2,578	
14	Business support	3,795	
15	Non-network opex		6,373
16			
17	Operational expenditure		13,465
18	6b(ii): Subcomponents of Operational Expenditure (where known)		
19	Energy efficiency and demand side management, reduction of energy losses		250
20	Direct billing*		-
21	Research and development		-
22	Insurance		331
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name	The Power Company Limited
For Year Ended	31 March 2013

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

sch ref

7(i): Revenue		Target (\$000) ¹	Actual (\$000)	% variance
7				
8	Line charge revenue	51,892	51,507	(1%)
7(ii): Expenditure on Assets		Forecast (\$000) ²	Actual (\$000)	% variance
9				
10	Consumer connection	3,122	2,709	(13%)
11	System growth	9,180	8,936	(3%)
12	Asset replacement and renewal	7,913	9,277	17%
13	Asset relocations	86	17	(80%)
14	Reliability, safety and environment:			
15	Quality of supply	863	524	(39%)
16	Legislative and regulatory	-	-	-
17	Other reliability, safety and environment	-	-	-
18	Total reliability, safety and environment	863	524	(39%)
19	Expenditure on network assets	21,165	21,463	1%
20	Non-network capex		268	-
21	Expenditure on assets	21,165	21,731	3%
7(iii): Operational Expenditure				
22				
23	Service interruptions and emergencies	2,373	2,360	(1%)
24	Vegetation management	-	-	-
25	Routine and corrective maintenance and inspection	4,058	3,834	(6%)
26	Asset replacement and renewal	785	899	14%
27	Network opex	7,216	7,092	(2%)
28	System operations and network support		2,578	-
29	Business support		3,795	-
30	Non-network opex	-	6,373	-
31	Operational expenditure	7,216	13,465	87%
7(iv): Subcomponents of Expenditure on Assets (where known)				
32				
33	Energy efficiency and demand side management, reduction of energy losses		-	-
34	Overhead to underground conversion		-	-
35	Research and development		-	-
36				
7(v): Subcomponents of Operational Expenditure (where known)				
37				
38	Energy efficiency and demand side management, reduction of energy losses	250	250	-
39	Direct billing		-	-
40	Research and development		-	-
41	Insurance		331	-
42				

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

2 From the nominal dollar expenditure forecast and disclosed in the second to last AMP as the year CY+1 forecast

Company Name	The Power Company Limited
For Year Ended	31 March 2013
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	Items at end of	Net change	Data accuracy 1-4
					year (quantity)	year (quantity)		
9	All	Overhead Line	Concrete poles / steel structure	No.	85,214	86,129	915	3
10	All	Overhead Line	Wood poles	No.	21,953	22,180	227	3
11	All	Overhead Line	Other pole types	No.	-	-	-	N/A
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	833	833	0	3
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	6	6	-	3
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	1	1	-	3
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.	40	40	-	3
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	43	46	3	4
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	-	-	-	N/A
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	223	229	6	3
29	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	12	12	-	4
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	34	33	(1)	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	103	108	5	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	62	60	(2)	4
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	53	56	3	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	6,650	6,667	17	3
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	N/A
37	HV	Distribution Line	SWER conductor	km	5	5	-	4
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	82	83	1	3
39	HV	Distribution Cable	Distribution UG PILC	km	42	42	0	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	N/A
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	31	33	2	4
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	2	2	-	4
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	12,333	12,955	622	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.	70	75	5	4
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	10,048	10,368	320	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	488	529	41	3
48	HV	Distribution Transformer	Voltage regulators	No.	65	66	1	4
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	-	-	-	N/A
50	LV	LV Line	LV OH Conductor	km	841	842	1	3
51	LV	LV Cable	LV UG Cable	km	206	211	5	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	346	346	0	3
53	LV	Connections	OH/UG consumer service connections	No.	36,114	36,464	350	3
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	480	493	13	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	Lot	6	6	-	4
57	All	Load Control	Centralised plant	Lot	5	5	-	4
58	All	Load Control	Relays	No.	-	-	-	N/A
59	All	Civils	Cable Tunnels	km	-	-	-	N/A

Company Name	The Power Company Limited
For Year Ended	31 March 2013
Network / Sub-network Name	

SCHEDULE 9b: ASSET AGE PROFILE

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

sch ref	Voltage	Asset category	Asset class	Units	Number of assets at disclosure year end by installation date																		No. with Age unknown	Total assets at year end	No. with default dates	Data accuracy (1-4)					
					pre-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010					2011	2012	2013		
9	All	Overhead Line	Concrete poles / steel structure	No.			2,293	38,174	12,612	22,840	3,120	215	763	1,037	629	188	88	123	324	321	844	783	725	614	58	378	86,129		3		
10	All	Overhead Line	Wood poles	No.			794	1,900	7,295	964	4,092	744	754	753	802	763	470	753	796	1,042	114	3	1	14		126	22,180		3		
11	All	Overhead Line	Other pole types	No.																									N/A		
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km			132	153	115	150	138	59	15	8	26			0	27	22	1		0			1	846		3		
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km																									N/A		
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km					0		1		0	1	0	0	1	0	2	0							6		3		
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						1										0							1		3		
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.			2	8	11	9	7			1	1									1			40		3		
24	HV	Zone substation Buildings	Zone substations 110kV+	No.																									N/A		
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			11	6	1				2	2	2	13	1	5		1	1		46		4	
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.																									N/A		
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.			13	12	20	29	54	2	25	4	3	12	5	8	18	3	8	1	1	9	2		229		3		
29	HV	Zone substation switchgear	33kV RMU	No.																									N/A		
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.																									4		
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.			2	2	5	9	2							2	2	5	2		1	1			12		4		
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.					10		23	50									6				16	3		108		4	
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.					1	1	10	22	6			1	1	4	1	1	2	3	1		1	5		60		4	
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	3		2	11	11	10	2	5	2	5	2	2				1	1			3	1			56		4	
45	HV	Distribution Line	Distribution OH Open Wire Conductor	km		0	210	741	3,480	1,135	317	50	100	102	70	60	54	52	68	101	75	30	49	42	0	27	6,748		3		
46	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km																									N/A		
47	HV	Distribution Line	SWER conductor	km				4	1	0																	5		3		
48	HV	Distribution Cable	Distribution UG XLPE or PVC	km				0	17	7	5	3	4	3	5	9	4	5	8	3	2	2	0	2	0		6	83		3	
49	HV	Distribution Cable	Distribution UG PILC	km				0	15	5	8	1	0	1	0	1	0	1	1	1	1	1	1	2	1	3		3	42		3
50	HV	Distribution Cable	Distribution Submarine Cable	km																									N/A		
51	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.					2	10	10			2			1	2	1		1	2			2		33		4		
52	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.																									4		
53	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	1	2	64	499	1,645	2,910	1,572	130	399	450	351	349	429	463	510	598	659	618	531	452	126	185	12,955		3		
54	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.																									N/A		
55	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.																									4		
56	HV	Distribution Transformer	Pole Mounted Transformer	No.	1	2	32	71	1,583	2,691	1,471	104	361	405	282	267	257	340	388	428	442	408	357	324	89	65	10,368		3		
57	HV	Distribution Transformer	Ground Mounted Transformer	No.			1	2	96	85	37	5	17	21	19	32	18	36	35	32	20	18	11	19	16	9	529		3		
58	HV	Distribution Transformer	Voltage regulators	No.			2	4	1						1	2	7	5	6	16	14	3		1	2	2		66		4	
59	HV	Distribution Substations	Ground Mounted Substation Housing	No.																									N/A		
60	LV	LV Line	LV OH Conductor	km			19	77	524	111	44	3	8	12	7	5	4	7	5	6	6	5	5	3	0	3	855		3		
61	LV	LV Cable	LV UG Cable	km			0	2	81	20	12	1	1	4	4	7	8	17	21	8	8	6	4	1	1	2	211		3		
62	LV	LV Street lighting	LV OH/UG Streetlight circuit	km			0	14	293	41	16	1	3	2	1	3	3	4	3	2	1	3	1	1	0	7	346		3		
63	LV	Connections	OH/UG consumer service connections	No.			217	2,186	5,413	7,199	8,136	7,204	292	352	446	446	425	483	522	572	702	533	437	463	368	76		36,464		3	
64	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.				10	56	85	149	19	16	10	3	4	22	10	31	20	10	7	6	29	6		493		3		
65	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot																							1		3		
66	All	Capacitor Banks	Capacitors including controls	No.																	6						6		4		
67	All	Load Control	Centralised plant	Lot							2	3															5		4		
68	All	Load Control	Relays	No.																									N/A		
69	All	Civils	Cable Tunnels	km																									N/A		

Company Name	The Power Company Limited
For Year Ended	31 March 2013
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		Total circuit length	
		Overhead (km)	Underground (km)
9			
10	Circuit length by operating voltage (at year end)		
11	> 66kV	-	-
12	50kV & 66kV	384	-
13	33kV	449	6
14	SWER (all SWER voltages)	5	3
15	22kV (other than SWER)	-	-
16	6.6kV to 11kV (inclusive—other than SWER)	6,667	123
17	Low voltage (< 1kV)	842	211
18	Total circuit length (for supply)	8,347	343
19			
20	Dedicated street lighting circuit length (km)	270	76
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		
22			
23	Overhead circuit length by terrain (at year end)		
24	Urban	469	6%
25	Rural	4,680	56%
26	Remote only	826	10%
27	Rugged only	1,831	22%
28	Remote and rugged	541	6%
29	Unallocated overhead lines		-
30	Total overhead length	8,347	100%
31			
32			
33	Length of circuit within 10km of coastline or geothermal areas (where known)	1,687	19%
34			
35	Overhead circuit requiring vegetation management	1,376	16%

Company Name **The Power Company Limited**
 For Year Ended **31 March 2013**

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

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

sch ref	Location *	Number of ICPs served	Line charge revenue (\$000)
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			

* Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB's network or in another embedded network

Company Name	The Power Company Limited
For Year Ended	31 March 2013
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			Number of connections (ICPs)
11	Consumer types defined by EDB*		
12	Low User		5,928
13	Domestic		20,505
14	Non domestic		7,926
15	Non - half hour Individual		77
16	Half hour Individual		167
17	* include additional rows if needed		
18	Connections total		34,603
19	Distributed generation		
20	Number of connections made in year		- connections
21	Capacity of distributed generation installed in year		- MVA
22	9e(ii): System Demand		
23			
24			Demand at time of maximum coincident demand (MW)
25	Maximum coincident system demand		
26	GXP demand		93
27	plus Distributed generation output at HV and above		42
28	Maximum coincident system demand		136
29	less Net transfers to (from) other EDBs at HV and above		(2)
30	Demand on system for supply to consumers' connection points		138
31	Electricity volumes carried		Energy (GWh) Energy (GWh)
32	Electricity supplied from GXPs		603
33	less Electricity exports to GXPs		45
34	plus Electricity supplied from distributed generation		215
35	less Net electricity supplied to (from) other EDBs		18
36	Electricity entering system for supply to consumers' connection points		755
37	less Total energy delivered to ICPs		700
38	Electricity losses (loss ratio)		55 7.2%
39			
40	Load factor		1
41	9e(iii): Transformer Capacity		
42			(MVA)
43	Distribution transformer capacity (EDB owned)		403
44	Distribution transformer capacity (Non-EDB owned)		57
45	Total distribution transformer capacity		460
46			
47	Zone substation transformer capacity		479

Company Name	The Power Company Limited
For Year Ended	31 March 2013
Network / Sub-network Name	

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

8	10(i): Interruptions			
9	Interruptions by class	Number of interruptions		
10	Class A (planned interruptions by Transpower)	-		
11	Class B (planned interruptions on the network)	730		
12	Class C (unplanned interruptions on the network)	498		
13	Class D (unplanned interruptions by Transpower)	1		
14	Class E (unplanned interruptions of EDB owned generation)	-		
15	Class F (unplanned interruptions of generation owned by others)	-		
16	Class G (unplanned interruptions caused by another disclosing entity)	-		
17	Class H (planned interruptions caused by another disclosing entity)	-		
18	Class I (interruptions caused by parties not included above)	-		
19	Total	1,229		
20				
21	Interruption restoration	≤3Hrs	>3hrs	
22	Class C interruptions restored within	385	113	
23				
24	SAIFI and SAIDI by class	SAIFI	SAIDI	
25	Class A (planned interruptions by Transpower)	-	-	
26	Class B (planned interruptions on the network)	0.37	81.0	
27	Class C (unplanned interruptions on the network)	2.22	110.4	
28	Class D (unplanned interruptions by Transpower)	0.41	2.9	
29	Class E (unplanned interruptions of EDB owned generation)	-	-	
30	Class F (unplanned interruptions of generation owned by others)	-	-	
31	Class G (unplanned interruptions caused by another disclosing entity)	-	-	
32	Class H (planned interruptions caused by another disclosing entity)	-	-	
33	Class I (interruptions caused by parties not included above)	-	-	
34	Total	3.00	194.3	
35				
36	Normalised SAIFI and SAIDI	Normalised SAIFI	Normalised SAIDI	
37	Classes B & C (interruptions on the network)	2.59	191.4	
38				
39	Quality path normalised reliability limit	SAIFI reliability limit	SAIDI reliability limit	
40	SAIFI and SAIDI limits applicable to disclosure year*			
41	* not applicable to exempt EDBs			
42	10(ii): Class C Interruptions and Duration by Cause			
43				
44	Cause	SAIFI	SAIDI	
45	Lightning	0.02	0.8	
46	Vegetation	0.17	10.5	
47	Adverse weather	0.04	1.7	
48	Adverse environment	0.03	1.5	
49	Third party interference	0.48	30.0	
50	Wildlife	-	-	
51	Human error	0.04	0.3	
52	Defective equipment	1.04	55.3	
53	Cause unknown	0.40	10.3	
62	10(iii): Class B Interruptions and Duration by Main Equipment Involved			
63				
64	Main equipment involved	SAIFI	SAIDI	
65	Subtransmission lines	-	-	
66	Subtransmission cables	-	-	
67	Subtransmission other	-	-	
68	Distribution lines (excluding LV)	0.29	70.6	
69	Distribution cables (excluding LV)	-	-	
70	Distribution other (excluding LV)	0.07	10.4	
71	10(iv): Class C Interruptions and Duration by Main Equipment Involved			
72				
73	Main equipment involved	SAIFI	SAIDI	
74	Subtransmission lines	0.11	4.3	
75	Subtransmission cables	-	-	
76	Subtransmission other	0.02	0.0	
77	Distribution lines (excluding LV)	1.98	99.6	
78	Distribution cables (excluding LV)	0.04	2.1	
79	Distribution other (excluding LV)	0.06	4.3	
80	10(v): Fault Rate			
81	Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
82	Subtransmission lines	7	840	0.83
83	Subtransmission cables	-	-	-
84	Subtransmission other	1	-	-
85	Distribution lines (excluding LV)	428	6,658	6.43
86	Distribution cables (excluding LV)	7	102	6.86
87	Distribution other (excluding LV)	55	-	-
88	Total	498		

SCHEDULE 14 MANDATORY EXPLANATORY NOTES

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

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 2.5.2.
2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 12 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for EDBs to give additional explanation of disclosed information should they elect to do so.

Return on Investment (Schedule 2)

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

Box 1: Explanatory comment on return on investment

The Power Company Limited achieved a post-tax WACC of 3.01% below the 75th percentile estimate of post-tax WACC of 6.56% and 3.78% vanilla WACC below the 75th percentile estimate of vanilla WACC of 7.34%.

No items were 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 regulatory line income' other than gains and losses on asset sales, as disclosed in 3(i) of Schedule 3
 - 5.2 information on reclassified items in accordance with clause 2.7.1(2).

Box 2: Explanatory comment on regulatory profit

Included in other regulated income is an amount of \$488k for lines charges sold to another lines company and sundry income of \$206k which includes customer charges for damaged equipment and new connection fees.

No items were reclassified in the disclosure year.

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

6. If the EDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below-
 - 6.1 information on reclassified items in accordance with clause 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

There were no merger or acquisition expenses incurred in the disclosure year.

Value of the Regulatory Asset Base (Schedule 4)

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

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

The calculation of the Regulatory Asset Base was restated from 2009 as a starting point based on inflationary indexing over the 4 years to 31 March 2013 plus additions less disposals. No items were reclassified during the disclosure year.

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

8. In the box below, provide descriptions and workings of the following items, as recorded in the asterisked categories in 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

The expenditure deductible but not in regulatory profit is the \$19k cost of easements which is a tax deductible expense. There are no other permanent differences.

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

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

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

Temporary differences are the tax effect of the difference between the tax and disclosure treatment of capital contribution income.

Taxable Capital Contributions:	\$ 613
	<u>\$ 613</u>
Tax Rate:	28%
Temporary Differences	<u>\$ 172</u>

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

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

Box 7: Related party transactions

PowerNet Limited is an incorporated break even joint venture owned 50% by The Power Company Limited and 50% by Electricity Invercargill Limited.

PowerNet Limited provides finance, treasury, regulatory, commercial, corporate services, IT management and software services to The Power Company Limited's electricity distribution business and is compensated for this via a management fee.

PowerNet Limited carries out project management and asset construction to develop The Power Company Limited's electricity network.

Power Services Limited is 51% owned by The Power Company Limited and provides contracting services to maintain The Power Company Limited's electricity network.

Otago Power Services Limited is 24.5% owned by The Power Company Limited and provides contracting services to maintain The Power Company Limited's electricity network.

Cost allocation (Schedule 5d)

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

Box 8: Cost allocation

All network maintenance costs are directly attributable, as are the costs of purchasing electricity from another EDB, and costs associated directly with the EDP parent. Non-directly attributable costs are those costs incurred by joint venture company PowerNet Limited which is proportionately consolidated as part of the EDB Group.

Asset allocation (Schedule 5e)

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

Box 9: Commentary on asset allocation

All network assets are directly attributable, as are non-network assets belonging to the parent company. Non-directly attributable assets are those assets belonging to the joint venture company PowerNet Limited which is proportionately consolidated as part of the EDB Group. There have been no reclassified items.

Capital Expenditure for the Disclosure Year (Schedule 6a)

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

Box 10: Explanation of capital expenditure for the disclosure year

No material programmes or projects were identified during the disclosure year. (Transitional rules). Under 6a(iv) all System growth and Asset Replacement and Renewal capex were listed under other networks as not required to split these this year. (Transitional rules)

No items were reclassified during the disclosure year.

Operational Expenditure for the Disclosure Year (Schedule 6b)

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

- 14.1 commentary on assets replaced or renewed with asset replacement and renewal operating expenditure, as reported in 6b(i) of Schedule 6b;
- 14.2 information on reclassified items in accordance with clause 2.7.1(2);
- 14.3 commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

Box 11: Explanation of operational expenditure for the disclosure year

Reactive and minor maintenance is performed on The Power Company Limited's transformers and lines and this is classified as refurbishment and renewal maintenance when the work performed is not material in relation to the overall value of the asset.

No items were reclassified during the disclosure year.

There was no material atypical expenditure disclosed in Schedule 6b.

Variance between forecast and actual expenditure (Schedule 7)

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

Box 12: Explanatory comment on variance in actual to forecast expenditure

No items were reclassified during the disclosure year. Refer to each classification under point 13 and 14 above.

Capital Expenditure on Assets:

The actual expenditure on network assets was 1% over budget.

Consumer connection:

- 13% underspend was because the number of connections across the network was lower than budgeted. Actuals depend on regional growth and development.

System Growth:

- Overall capex managed in line with budget.

Asset replacement and renewal:

- 17% overspend as costs for three substation projects exceeded initial budget estimates.

Asset Relocations:

- 80% underspend because the work type is customer driven with reactive element lower than estimate.

Reliability, Safety and Environment:

- 39% underspent due to advancing the seismic remedial work was dependent on the delivery of a report from specialist consultant, which was delivered during the final quarter of the year. The costs for earth upgrades was less than budgeted with testing and condition assessment justifying reduced upgrading.

Operational Expenditure:

Network opex was underspent and within 2% of budget.

Service interruptions and emergencies:

- Overall opex managed in line with budget.

Vegetation management:

- Didn't need to be separately disclosed this year (Transitional rules).

Routine and corrective maintenance and inspection:

- Overall opex managed in line with budget.

Asset replacement and renewal:

- Reactive substation and pole replacement work was greater than budgeted.

Information relating to revenue and quantities for the disclosure year

16. In the box below provide-

- 16.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clauses 2.4.1 and 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and
- 16.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

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

Year ended 31 March 2013:

- Target revenue for the 2012-13 year was \$51,892k. The total billed revenue for the 2012-13 year was \$51,516k, a 0.7% variation.

Network Reliability for the Disclosure Year (Schedule 10)

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

Box 14: Commentary on network reliability for the disclosure year

The SAIDI of 191 minutes did not meet the Statement of Intent target of 162 minutes; however was a significant improvement on the 2011/12 measure of 238 minutes.

The SAIFI of 2.59 times was better than the Statement of Intent target of 3.22 times and the 2011/12 measure of 3.04 times.

Storm conditions during November and planned outages from the extensive maintenance and capital works programme contributed to the level of SAIDI and SAIFI results for 2012/13.

Due to its consumer ownership The Power Company Limited is not subject to Default Price-Quality Path regulation and had therefore not commented on performance relative to Commerce Commission quality limits.

Network reliability is compliant with quality requirements under the default price-quality path, however there are inherent limitations in the ability of The Power Company Limited to collect and record the network reliability information required to be disclosed in Reports 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 installation control point ('ICP') data, included in the SAIDI and SAIFI calculations, is limited throughout the year.

Insurance cover

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

Box 15: Explanation of insurance cover

The Power Company Limited insures its substations, network equipment and buildings.

- Substations and network equipment are insured for \$106.6 million.

Lines and cables are un-insured; the cost of covering this risk through insurance is regarded as too expensive relative to the risk. This is particularly so in the context of the Commerce Commissions view in the Input Methodologies that an EDB can recover prudent costs including rectifying for catastrophic events through the customised price path and claw back mechanisms.

The Power Company Limited does not self-insure and doesn't recognise the cost of self-insurance.

SCHEDULE 14A MANDATORY EXPLANATORY NOTES ON FORECAST INFORMATION

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

19. This Schedule provides for EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.5.
20. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

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

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

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

Inflationary assumptions were used to calculate the nominal prices in the forecast.

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

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

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

Nominal Prices are based on economic assumptions obtained from NZIER Consensus Forecast (September 2012) as follows:

	2013	2014	2015	2016	2017
Inflation (CPI)	1.8%	2.4%	2.6%	2.6%	2.6%

Forecasts are in line with the business plan projections and explanations outlined in the Asset Management Plan.

SCHEDULE 14B MANDATORY EXPLANATORY NOTES ON TRANSITIONAL FINANCIAL INFORMATION

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

23. This Schedule provides for EDBs to provide explanatory notes to the transitional financial information disclosed in accordance with clause 2.12.1.
24. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.12.1. This information is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
25. In the box below provide explanatory comment on the tax effect of other temporary differences for the years ending 31 March 2010, 31 March 2011 and 31 March 2012 (as reported in Schedule 5h(vii)).

Box 1: Commentary on tax effect of other temporary differences (years ended 31 March 2010, 31 March 2011, and 31 March 2012)

Temporary differences is the tax effect between the regulatory value of assets disposed, and the tax value of assets disposed, as well as the tax effect of the difference in the regulatory and tax treatment of capital contribution income.

	'000		
	2010	2011	2012
Regulatory Value disposals	709	624	798
less Tax value of disposals	<u>283</u>	<u>113</u>	<u>492</u>
	426	511	306
Taxable Customer Contributions	-	(183)	(422)
Tax Rate	28%	28%	28%
Tax effect of temporary differences	119	92	(32)

26. To the extent that any change in regulatory profit and ROI reported for 2013 (compared to that reported for 2012) is attributable to the change in treatment of related party transactions, provide an explanation of the change in the box below.

Box 2: Change in regulatory profit and ROI due to change in treatment of related party transactions

There are no changes in the treatment of related parties for the transitional information.

27. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with clause 2.7.1(2) for disclosure years 2011 and 2012.

Box 3: Commentary on asset allocation

For 2011 and 2012 all network assets are directly attributable, as are non-network assets belonging to the parent company. . Non-directly attributable assets are those assets belonging to the joint venture company PowerNet Limited which is proportionately consolidated as part of the EDB Group.

There have been no reclassified items.

SCHEDULE 15**VOLUNTARY EXPLANATORY
NOTES**

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

28. This Schedule enable EDBs to provide, should they wish to-
- 28.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, 2.5.2, and 2.6.5;
 - 28.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.
29. 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.
30. Provide additional explanatory comment in the box below.

Box 1: Voluntary explanatory comment on disclosed information

None.

Company Name **The Power Company Limited**
 For Year Ended **31 March 2012**

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 3(i), 3(iv) and 3(v) and must provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).
 Non-exempt EDBs must also complete sections 3(ii) and 3(iii).
 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	47,699
10	plus Gains / (losses) on asset disposals	(688)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	708
12		
13	Total regulatory income	47,719
14	Expenses	
15	less Operational expenditure	11,647
17	less Pass-through and recoverable costs	10,701
18		
19	Operating surplus / (deficit)	25,371
20		
21	less Total depreciation	12,296
22		
23	plus Total revaluation	4,656
24		
25	Regulatory profit / (loss) before tax & term credit spread differential allowance	17,731
26		
27	less Term credit spread differential allowance	-
28		
29	Regulatory profit / (loss) before tax	17,731
30		
31	less Regulatory tax allowance	2,988
32		
33	Regulatory profit / (loss)	14,743
34		
35	3(ii): Pass-Through and Recoverable Costs	(\$000)
36	Pass-through costs	
37	Rates	119
38	Commerce Act levies	49
39	Electricity Authority levies	126
40	Other specified pass-through costs	-
41	Recoverable costs	
42	Net recoverable costs allowed under incremental rolling incentive scheme	-
43	Non-exempt EDB electricity lines service charge payable to Transpower	8,231
44	Transpower new investment contract charges	329
45	System operator services	-
46	Avoided transmission charge	1,847
47	Input Methodology claw-back	-
48	Recoverable customised price-quality path costs	-
49	Pass-through and recoverable costs	10,701
57	3(iii): Incremental Rolling Incentive Scheme	(\$000)
58		
59		
60	Allowed controllable opex	CY-1 31 March 2011
61	Actual controllable opex	CY 31 March 2012
62		
63	Incremental change in year	-
64		
65		
66	CY-5 31 Mar 07	Previous years' incremental change
67	CY-4 31 Mar 08	adjusted for inflation
68	CY-3 31 Mar 09	-
69	CY-2 31 Mar 10	-
70	CY-1 31 Mar 11	-
71	Net incremental rolling incentive scheme	-
72		
73	Net recoverable costs allowed under incremental rolling incentive scheme	-
74	3(iv): Merger and Acquisition Expenditure	
75	Merger and acquisition expenses	-
76		
77	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)	
78	3(v): Other Disclosures	
79	Self-insurance allowance	-

Company Name **The Power Company Limited**
 For Year Ended **31 March 2012**

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

5b(i): Summary—Related Party Transactions

	(\$000)
Total regulatory income	
Operational expenditure	3,747
Capital expenditure	16,690
Market value of asset disposals	-
Other related party transactions	-

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

Name of related party	Related party relationship
PowerNet TPCL Share -Other	51% shareholding
Power Services Limited	25.5% common shareholding
Otago Power Services Limited	12.25% common shareholding

* include additional rows if needed

5b(iii): Related Party Transactions

Name of related party	Related party transaction type	Description of transaction	Value of transaction	
			(\$000)	Basis for determining value
PowerNet	Capex	Builds network capex on behalf of line business	16,690	Cost and mark-up, price paid
PowerNet	Opex	Management Fee	281	Price paid
Power Services Limited	Opex	Performs some network opex labour	2,324	Directly attributable cost
Otago Power Services Limited	Opex	Performs some network opex labour	1,143	Directly attributable cost

* include additional rows if needed

Company Name	The Power Company Limited
For Year Ended	31 March 2010

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

7 **5e(i): Regulated Service Asset Values**

	Value allocated (\$000s)
Electricity distribution services	
Subtransmission lines	
Directly attributable	38,685
Not directly attributable	-
Total attributable to regulated service	38,685
Subtransmission cables	
Directly attributable	1,287
Not directly attributable	-
Total attributable to regulated service	1,287
Zone substations	
Directly attributable	49,296
Not directly attributable	-
Total attributable to regulated service	49,296
Distribution and LV lines	
Directly attributable	122,778
Not directly attributable	-
Total attributable to regulated service	122,778
Distribution and LV cables	
Directly attributable	17,918
Not directly attributable	-
Total attributable to regulated service	17,918
Distribution substations and transformers	
Directly attributable	49,505
Not directly attributable	-
Total attributable to regulated service	49,505
Distribution switchgear	
Directly attributable	7,211
Not directly attributable	-
Total attributable to regulated service	7,211
Other network assets	
Directly attributable	4,951
Not directly attributable	-
Total attributable to regulated service	4,951
Non-network assets	
Directly attributable	21
Not directly attributable	1,774
Total attributable to regulated service	1,795
Regulated service asset value directly attributable	291,652
Regulated service asset value not directly attributable	1,774
Total closing RAB value	293,426

57 **5e(ii): Changes in Asset Allocations* †**

		(\$000)	
		CY-1	Current Year (CY)
		31 Mar 09	31 Mar 10
Change in asset value allocation 1			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in asset value allocation 2			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in asset value allocation 3			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			

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

Company Name	The Power Company Limited
For Year Ended	31 March 2011

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

7 5e(i): Regulated Service Asset Values

	Value allocated (\$000s)
Electricity distribution services	
Subtransmission lines	
Directly attributable	38,349
Not directly attributable	-
Total attributable to regulated service	38,349
Subtransmission cables	
Directly attributable	1,286
Not directly attributable	-
Total attributable to regulated service	1,286
Zone substations	
Directly attributable	49,550
Not directly attributable	-
Total attributable to regulated service	49,550
Distribution and LV lines	
Directly attributable	125,253
Not directly attributable	-
Total attributable to regulated service	125,253
Distribution and LV cables	
Directly attributable	18,321
Not directly attributable	-
Total attributable to regulated service	18,321
Distribution substations and transformers	
Directly attributable	50,853
Not directly attributable	-
Total attributable to regulated service	50,853
Distribution switchgear	
Directly attributable	7,122
Not directly attributable	-
Total attributable to regulated service	7,122
Other network assets	
Directly attributable	5,454
Not directly attributable	-
Total attributable to regulated service	5,454
Non-network assets	
Directly attributable	13
Not directly attributable	1,637
Total attributable to regulated service	1,650
Regulated service asset value directly attributable	296,201
Regulated service asset value not directly attributable	1,637
Total closing RAB value	297,838

57 5e(ii): Changes in Asset Allocations* †

		(\$000)	
		CY-1	Current Year (CY)
		31 Mar 10	31 Mar 11
Change in asset value allocation 1			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in asset value allocation 2			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in asset value allocation 3			
Asset category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			

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

Company Name	The Power Company Limited
For Year Ended	31 March 2012

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

7 5e(i): Regulated Service Asset Values

		Value allocated (\$000s)
		Electricity distribution services
8		
9		
10	Subtransmission lines	
11	Directly attributable	40,792
12	Not directly attributable	-
13	Total attributable to regulated service	40,792
14	Subtransmission cables	
15	Directly attributable	1,274
16	Not directly attributable	-
17	Total attributable to regulated service	1,274
18	Zone substations	
19	Directly attributable	48,423
20	Not directly attributable	-
21	Total attributable to regulated service	48,423
22	Distribution and LV lines	
23	Directly attributable	125,599
24	Not directly attributable	-
25	Total attributable to regulated service	125,599
26	Distribution and LV cables	
27	Directly attributable	18,340
28	Not directly attributable	-
29	Total attributable to regulated service	18,340
30	Distribution substations and transformers	
31	Directly attributable	51,298
32	Not directly attributable	-
33	Total attributable to regulated service	51,298
34	Distribution switchgear	
35	Directly attributable	6,644
36	Not directly attributable	-
37	Total attributable to regulated service	6,644
38	Other network assets	
39	Directly attributable	5,945
40	Not directly attributable	-
41	Total attributable to regulated service	5,945
42	Non-network assets	
43	Directly attributable	10
44	Not directly attributable	1,382
45	Total attributable to regulated service	1,392
46		
47	Regulated service asset value directly attributable	298,325
48	Regulated service asset value not directly attributable	1,382
49	Total closing RAB value	299,707

57 5e(ii): Changes in Asset Allocations* †

		(\$000)	
		CY-1	Current Year (CY)
		31 Mar 11	31 Mar 12
60	Change in asset value allocation 1		
61	Asset category		
62	Original allocator or line items		
63	New allocator or line items		
64			
65	Original allocation		
66	New allocation		
67	Difference		
68	Rationale for change		
69			
70	Change in asset value allocation 2		
71	Asset category		
72	Original allocator or line items		
73	New allocator or line items		
74			
75	Original allocation		
76	New allocation		
77	Difference		
78	Rationale for change		
79			
80	Change in asset value allocation 3		
81	Asset category		
82	Original allocator or line items		
83	New allocator or line items		
84			
85	Original allocation		
86	New allocation		
87	Difference		
88	Rationale for change		

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

Company Name	The Power Company Limited
For Year Ended	31 March 2012
Network / Sub-Network Name	

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)
Low user	Residential	Standard	4,990	28,953
Domestic	Residential	Standard	21,270	187,860
Non-Domestic	Commercial	Standard	8,045	190,025
Individual non half hour	Commercial	Standard	72	11,935
Individual half hour	Commercial	Standard	164	162,095
Non-Standard	Commercial	Non-standard	4	118,424
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
<i>Add extra rows for additional consumer groups or price category codes as necessary</i>				
		Standard consumer totals	34,541	580,868
		Non-standard consumer totals	4	118,424
		Total for all consumers	34,545	699,292

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

Billed quantities by price component

Price component	Variable day energy sales	Variable day energy purchases				
	kWh	kWh				
		24,344,188				
		151,946,190				
		152,633,221				
		11,488,692				
	115,604,997	-				
	78,831,145	-				
	115,604,997	340,412,291				
	78,831,145					
	194,436,142	340,412,291				

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 (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$/day, \$/kWh, etc.)	Line charge revenues by price component						
								Fixed \$/Day	Variable \$/kWh					
Low user	Residential	Standard	\$2,756	-	\$2,279	\$477		\$63	\$2,693					
Domestic	Residential	Standard	\$17,736	-	\$15,014	\$2,722		\$7,469	\$10,267					
Non-Domestic	Commercial	Standard	\$17,632	-	\$14,928	\$2,704		\$7,319	\$10,313					
Individual non half hour	Commercial	Standard	\$882	-	\$669	\$212		\$105	\$776					
Individual half hour	Commercial	Standard	\$4,742	-	\$2,515	\$2,226		\$2,438	\$2,303					
Non-Standard	Commercial	Non-standard	\$3,882	-	\$3,132	\$750		\$3,882	-					
Generator	Commercial	Non-standard	\$71	-	\$71	-		\$71	-					
		[Select one]	-	-	-	-		-	-					
		[Select one]	-	-	-	-		-	-					
		[Select one]	-	-	-	-		-	-					
<i>Add extra rows for additional consumer groups or price category codes as necessary</i>														
Standard consumer totals			\$43,746	-	\$35,406	\$8,341		\$17,394	\$26,353					
Non-standard consumer totals			\$3,953	-	\$3,203	\$750		\$3,953	-					
Total for all consumers			\$47,699	-	\$38,609	\$9,090		\$21,346	\$26,353					

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

5. ENGINEERS REPORT ON INITIAL RAB ADJUSTMENT

Refer : <http://www.powernet.co.nz/files/20130830160939-1377835779-0.pdf>

6. AUDITORS' REPORT



Independent Auditors' Report

To the Directors of The Power Company Limited and the Commerce Commission as a recipient of the Report

Assurance Report Pursuant to Electricity Distribution Information Disclosure Determination 2012

We have completed our assurance engagement in respect of the compliance of The Power Company Limited (the 'Company') in the preparation of Schedules 1 to 4, 5a to 5i, 6a and 6b, 7, 10(i) to 10(iv), the explanatory notes disclosed in boxes 1 to 12 of Schedule 14 and the explanatory comments in Schedule 14b (the 'Schedules') in accordance with the Electricity Distribution Information Disclosure Determination 2012 (the 'Determination') for the year ended 31 March 2013.

Directors' Responsibilities

The Directors are responsible for preparation of the Schedules in accordance with the Determination and ensuring the Company keeps records to enable the preparation of the Schedules that are free from material misstatement.

Auditors' Responsibilities

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2013 and to report our opinion to you.

Basis of Opinion

Our engagement has been conducted in accordance with ISAE (NZ) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and SAE 3100 Compliance Engagements to obtain reasonable assurance that the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2013.

The procedures we performed were based on our professional judgment, including assessment of the risks of material misstatement in the Audited Schedules, whether due to fraud or error. In making those risk assessments, we considered internal controls relevant to the Company's preparation of the Schedules to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures included analytical procedures, evaluating the appropriateness of assumptions used and whether they have been consistently applied, and agreement of the Schedules to, or reconciling with, source systems and underlying records. We included an assessment of the significant judgements made by the Company in the preparation of the disclosure information and also evaluated the overall adequacy of the presentation of supporting information and explanations.

These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2013.

PricewaterhouseCoopers, 5 Sir Gil Simpson Drive, Canterbury Technology Park, PO Box 13 244, Christchurch 8053, New Zealand; T: +64 (3) 374 3000, F: +64 (3) 374 3001, www.pwc.com/nz



We believe that the recorded evidence and explanations we have obtained is sufficient and appropriate to provide a basis for our opinion expressed below.

Use of Report

This report has been prepared for the Directors of the Company in accordance with section 2.8.1(1) of the Determination and is provided solely to assist you in establishing that compliance requirements have been met. We acknowledge that the Directors will provide the report to the Commerce Commission in accordance with clause 2.8.1(1)(a) of the Determination.

The report has been prepared in accordance with the scope and terms of our letter of engagement with the Company dated 5 August 2013. The terms and conditions are attached and form part of this report and are applicable to the Commerce Commission. Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors, or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the year and the procedures performed in respect of the Company's compliance with the Determination are undertaken on a test basis, our engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. Our opinion has been formed on the above basis.

Independence

Other than this engagement, the annual audit of the Company's financial statements and an assignment providing assurance over compliance with the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010, we have no relationship with or interests in the Company or any of its subsidiaries. We are not aware of any relationship between our firm and The Power Company Limited that, in our professional judgment, may reasonably be thought to impair our independence.

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

As described in Box 14 of Schedule 14, there are inherent limitations in 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 outage statistics is limited throughout the year.

There are no practical audit procedures that we could adopt to confirm independently that all the outage and ICP data was properly recorded for the purposes of inclusion in the amounts relating to SAIDI and SAIFI outage statistics set out in Schedules 10(i) to 10(iv). Because of the potential effect of the limitations described above, we are unable to form an opinion as to the completeness and accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(iv). In these respects alone we have not obtained all the information and explanations that we have required.

Qualified Opinion

In our opinion, except for the matters described in the Basis of Qualified Opinion paragraph above:

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


Chartered Accountants
30 August 2013

Christchurch, New Zealand

7. DIRECTORS' CERTIFICATES

Schedule 18: Certification for Year-End Disclosures

Clause 2.9.2 of Section 2.9

We, Alan Bertram Harper and Maryann Macpherson, being directors of The Power Company Limited certify that, having made all reasonable enquiry, to the best of our knowledge-

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

In respect of related party costs and revenues recorded in accordance with clauses 2.3.6(1) (when valued in accordance with clause 2.2.11(5)(h)(ii) of the Electricity Distribution Services Input Methodologies Determination 2010), 2.3.6(2)(f) and 2.3.7(2)(b), we certify that, having made all reasonable enquiry, including enquiries of our related parties, we are satisfied that to the best of our knowledge and belief the costs and revenues recorded for related party transactions reasonably reflect the price or prices that would have been paid or received had these transactions been at arm's-length.



Alan Bertram Harper



Maryann Macpherson

29 August 2013

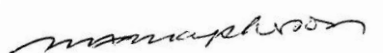
Schedule 19: Certification for Transitional Disclosures

Clause 2.9.3 of Section 2.9

We Alan Bertram Harper and Maryann Macpherson, being directors of The Power Company Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the information prepared for the purpose of clauses 2.12.1, 2.12.2, 2.12.3, and 2.12.5 of the Electricity Distribution Information Disclosure Determination 2012 in all material respects complies with that determination.



Alan Bertram Harper



Maryann Macpherson

29 August 2013