



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

FOR THE YEAR ENDED 31 MARCH 2017

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1. INTRODUCTION

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

- The Electricity Information Disclosure Determination 2012 (consolidated in 2015), issued 24 March 2015,
- The Electricity Distribution Services Input Methodologies Determination 2012 (consolidated 2014), issued 30 March 2015,

2. INFORMATION DISCLOSURE DISCLAIMER

The information disclosed in this Information Disclosure package issued by Electricity Invercargill 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	Electricity Invercargill Limited		
		For Year Ended	31 March 2017		
SCHEDULE 1: ANALYTICAL RATIOS					
This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination.					
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.					
sch ref					
7	1(i): Expenditure metrics				
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					Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)
10	Operational expenditure	19,020	278	76,487	7,257
11	Network	5,991	87	24,092	2,286
12	Non-network	13,029	190	52,394	4,971
13	Expenditure on assets	14,842	217	59,682	5,662
14	Network	14,842	217	59,682	5,662
15	Non-network	–	–	–	–
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	79,199	1,156		
20	Standard consumer line charge revenue	79,199	1,156		
21	Non-standard consumer line charge revenue	–	–		
22					
23	1(iii): Service intensity measures				
24					
25	Demand density	92			Maximum coincident system demand per km of circuit length (for supply) (kW/km)
26	Volume density	382			Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
27	Connection point density	26			Average number of ICPs per km of circuit length (for supply) (ICPs/km)
28	Energy intensity	14,602			Total energy delivered to ICPs per average number of ICPs (kWh/ICP)
29					
30	1(iv): Composition of regulatory income				
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	1(v): Reliability				
41					
42	Interruption rate		4.82		Interruptions per 100 circuit km

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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

7 2(i): Return on Investment		CY-2	CY-1	Current Year CY
		31 Mar 15	31 Mar 16	31 Mar 17
		%	%	%
9	ROI – comparable to a post tax WACC			
10	Reflecting all revenue earned	6.85%	6.75%	6.76%
11	Excluding revenue earned from financial incentives	6.85%	6.75%	6.76%
12	Excluding revenue earned from financial incentives and wash-ups	6.85%	6.75%	6.69%
14	Mid-point estimate of post tax WACC	6.10%	5.37%	4.77%
15	25th percentile estimate	5.39%	4.66%	4.05%
16	75th percentile estimate	6.82%	6.09%	5.48%
19	ROI – comparable to a vanilla WACC			
20	Reflecting all revenue earned	7.63%	7.40%	7.31%
21	Excluding revenue earned from financial incentives	7.63%	7.40%	7.31%
22	Excluding revenue earned from financial incentives and wash-ups	7.63%	7.40%	7.23%
24	WACC rate used to set regulatory price path	8.77%	7.19%	7.19%
26	Mid-point estimate of vanilla WACC	6.89%	6.02%	5.31%
27	25th percentile estimate	6.17%	5.30%	4.59%
28	75th percentile estimate	7.60%	6.74%	6.03%
30	2(ii): Information Supporting the ROI	(\$000)		
32	Total opening RAB value	77,667		
33	plus Opening deferred tax	(2,612)		
34	Opening RIV		75,055	
36	Line charge revenue		20,081	
38	Expenses cash outflow	11,635		
39	add Assets commissioned	4,103		
40	less Asset disposals	269		
41	add Tax payments	1,114		
42	less Other regulated income	(214)		
43	Mid-year net cash outflows		16,798	
45	Term credit spread differential allowance		–	
47	Total closing RAB value	80,292		
48	less Adjustment resulting from asset allocation	(0)		
49	less Lost and found assets adjustment	–		
50	plus Closing deferred tax	(3,018)		
51	Closing RIV		77,274	
53	ROI – comparable to a vanilla WACC			7.31%
55	Leverage (%)			44%
56	Cost of debt assumption (%)			4.41%
57	Corporate tax rate (%)			28%
59	ROI – comparable to a post tax WACC			6.76%

61	2(iii): Information Supporting the Monthly ROI						
62							
63	Opening RIV					N/A	
64							
65							
66		Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
67	April						-
68	May						-
69	June						-
70	July						-
71	August						-
72	September						-
73	October						-
74	November						-
75	December						-
76	January						-
77	February						-
78	March						-
79	Total	-	-	-	-	-	-
80							
81	Tax payments						N/A
82							
83	Term credit spread differential allowance						N/A
84							
85	Closing RIV						N/A
86							
87							
88	Monthly ROI – comparable to a vanilla WACC						N/A
89							
90	Monthly ROI – comparable to a post tax WACC						N/A
91							
92	2(iv): Year-End ROI Rates for Comparison Purposes						
93							
94	Year-end ROI – comparable to a vanilla WACC						7.04%
95							
96	Year-end ROI – comparable to a post tax WACC						6.49%
97							
98	<i>* these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by EDBs and do not represent the Commission's current view on ROI.</i>						
99							
100	2(v): Financial Incentives and Wash-Ups						
101							
102	Net recoverable costs allowed under incremental rolling incentive scheme					-	
103	Purchased assets – avoided transmission charge					-	
104	Energy efficiency and demand incentive allowance					-	
105	Quality incentive adjustment					-	
106	Other financial incentives					-	
107	Financial incentives						-
108							
109	Impact of financial incentives on ROI						-
110							
111	Input methodology claw-back					-	
112	Recoverable customised price-quality path costs					-	
113	Catastrophic event allowance					-	
114	Capex wash-up adjustment					77	
115	Transmission asset wash-up adjustment					-	
116	2013–2015 NPV wash-up allowance					-	
117	Reconsideration event allowance					-	
118	Other wash-ups					-	
119	Wash-up costs						77
120							
121	Impact of wash-up costs on ROI						0.08%

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref		(\$000)
7	3(i): Regulatory Profit	(5000)
8	Income	
9	Line charge revenue	20,081
10	plus Gains / (losses) on asset disposals	(260)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	46
12		
13	Total regulatory income	19,867
14	Expenses	
15	less Operational expenditure	4,823
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	6,813
18		
19	Operating surplus / (deficit)	8,231
20		
21	less Total depreciation	2,885
22		
23	plus Total revaluations	1,676
24		
25	Regulatory profit / (loss) before tax	7,022
26		
27	less Term credit spread differential allowance	-
28		
29	less Regulatory tax allowance	1,520
30		
31	Regulatory profit/(loss) including financial incentives and wash-ups	5,502
32		
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(5000)
34	Pass through costs	
35	Rates	128
36	Commerce Act levies	32
37	Industry levies	60
38	CPP specified pass through costs	-
39	Recoverable costs excluding financial incentives and wash-ups	
40	Electricity lines service charge payable to Transpower	6,184
41	Transpower new investment contract charges	408
42	System operator services	-
43	Distributed generation allowance	-
44	Extended reserves allowance	-
45	Other recoverable costs excluding financial incentives and wash-ups	-
46	Pass-through and recoverable costs excluding financial incentives and wash-ups	6,813
47		
48	3(iii): Incremental Rolling Incentive Scheme	(5000)
49		
50		CY-1 CY
51	Allowed controllable opex	31 Mar 16 31 Mar 17
52	Actual controllable opex	-
53		
54	Incremental change in year	-
55		
56		Previous years' incremental change
57	CY-5 31 Mar 12	Previous years' incremental change adjusted for inflation
58	CY-4 31 Mar 13	-
59	CY-3 31 Mar 14	-
60	CY-2 31 Mar 15	-
61	CY-1 31 Mar 16	-
62	Net incremental rolling incentive scheme	-
63		
64	Net recoverable costs allowed under incremental rolling incentive scheme	-
65	3(iv): Merger and Acquisition Expenditure	(5000)
66	Merger and acquisition expenditure	-
67		
68	<i>Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)</i>	
69	3(v): Other Disclosures	(5000)
70		
71	Self-insurance allowance	-

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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

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

sch ref	4(i): Regulatory Asset Base Value (Rolled Forward)	for year ended				
		RAB 31 Mar 13 (\$000)	RAB 31 Mar 14 (\$000)	RAB 31 Mar 15 (\$000)	RAB 31 Mar 16 (\$000)	RAB 31 Mar 17 (\$000)
7						
8						
9						
10	Total opening RAB value	63,829	65,348	64,392	74,188	77,667
11						
12	less Total depreciation	2,602	2,526	2,539	2,789	2,885
13						
14	plus Total revaluations	545	993	54	435	1,676
15						
16	plus Assets commissioned	3,716	1,426	12,354	5,869	4,103
17						
18	less Asset disposals	139	214	73	36	269
19						
20	plus Lost and found assets adjustment	-	-	-	-	-
21						
22	plus Adjustment resulting from asset allocation	-	(635)	0	0	(0)
23						
24	Total closing RAB value	65,348	64,392	74,188	77,667	80,292
25						
26	4(ii): Unallocated Regulatory Asset Base					
27						
28						
29	Total opening RAB value		Unallocated RAB* (\$000)	(\$000)	RAB (\$000)	(\$000)
30						
31	less Total depreciation		77,667		77,667	
32						
33	plus Total revaluations		2,885		2,885	
34						
35	plus Assets commissioned (other than below)		1,676		1,676	
36	Assets acquired from a regulated supplier					
37	Assets acquired from a related party					
38	Assets commissioned		4,103	4,103	4,103	4,103
39						
40	less Asset disposals (other than below)					
41	Asset disposals to a regulated supplier		269		269	
42	Asset disposals to a related party					
43	Asset disposals			269		269
44						
45	plus Lost and found assets adjustment					
46						
47	plus Adjustment resulting from asset allocation					(0)
48						
49	Total closing RAB value		80,292		80,292	
50						
51						
52	4(iii): Calculation of Revaluation Rate and Revaluation of Assets					
53						
54	CPI _t					1,226
55	CPI _{t-1}					1,200
56	Revaluation rate (%)					2.17%
57						
58						
59						
60	Total opening RAB value		Unallocated RAB* (\$000)	(\$000)	RAB (\$000)	(\$000)
61	less Opening value of fully depreciated, disposed and lost assets		77,667		77,667	
62			292		292	
63	Total opening RAB value subject to revaluation		77,375		77,375	
64	Total revaluations		1,676		1,676	
65						
66	4(iv): Roll Forward of Works Under Construction					
67						
68	Works under construction—preceding disclosure year		Unallocated works under construction	Allocated works under construction		
69	plus Capital expenditure		1,460		1,460	
70	less Assets commissioned		3,715		3,715	
71	plus Adjustment resulting from asset allocation		4,103		4,103	
72	Works under construction - current disclosure year					
73			1,072		1,072	
74	Highest rate of capitalised finance applied					-
75						

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

4(v): Regulatory Depreciation

Depreciation - standard
Depreciation - no standard life assets
Depreciation - modified life assets
Depreciation - alternative depreciation in accordance with CPP
Total depreciation

Unallocated RAB *		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
2,885		2,885	
-		-	
-		-	
-		-	
	2,885		2,885

4(vi): Disclosure of Changes to Depreciation Profiles

(\$000 unless otherwise specified)

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

* Include additional rows if needed

4(vii): Disclosure by Asset Category

(\$000 unless otherwise specified)

	Subtransmission lines	Subtransmission cables	Zone substations	Distribution			Other network assets	Non-network assets	Total
				Distribution and LV lines	Distribution and LV cables	substations and transformers			
Total opening RAB value	58	7,075	14,206	1,619	98,232	9,168	4,036	3,273	77,667
less Total depreciation	2	197	505	96	1,313	383	224	165	2,885
plus Total revaluations	1	153	308	35	828	195	85	71	1,676
plus Assets commissioned	-	74	942	421	1,687	359	459	161	4,193
less Asset disposals	-	-	-	-	-	141	127	-	269
plus Lost and found assets adjustment	-	-	-	-	-	-	-	-	-
plus Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	-
plus Asset category transfers	-	-	-	-	-	-	-	-	-
Total closing RAB value	57	7,104	14,950	1,978	39,435	9,198	4,229	3,340	80,292
Asset Life									
Weighted average remaining asset life	29.1	40.6	35.4	24.4	34.7	25.5	17.6	20.9	(years)
Weighted average expected total asset life	47.2	57.5	53.2	59.0	58.8	45.0	39.8	39.4	(years)

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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		7,022
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	1,325	
13	Amortisation of revaluations	186	
14			1,512
15			
16	<i>less</i> Total revaluations	1,676	
17	Income included in regulatory profit / (loss) before tax but not taxable	-	*
18	Discretionary discounts and customer rebates	-	
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	4	*
20	Notional deductible interest	1,425	
21			3,105
22			
23	Regulatory taxable income		5,429
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		5,429
27			
28	Corporate tax rate (%)	28%	
29	Regulatory tax allowance		1,520
30			
31	* Workings to be provided in Schedule 14		
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	27,834	
37	<i>less</i> Amortisation of initial differences in asset values	1,325	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	1,142	
40	Closing unamortised initial differences in asset values		25,367
41			
42	Opening weighted average remaining useful life of relevant assets (years)		21
43			

44	5a(iv): Amortisation of Revaluations		(\$000)
45			
46	Opening sum of RAB values without revaluations	72,995	
47			
48	Adjusted depreciation	2,699	
49	Total depreciation	2,885	
50	Amortisation of revaluations		186
51			
52	5a(v): Reconciliation of Tax Losses		(\$000)
53			
54	Opening tax losses	–	
55	plus Current period tax losses	–	
56	less Utilised tax losses	–	
57	Closing tax losses		–
58	5a(vi): Calculation of Deferred Tax Balance		(\$000)
59			
60	Opening deferred tax	(2,612)	
61			
62	plus Tax effect of adjusted depreciation	756	
63			
64	less Tax effect of tax depreciation	855	
65			
66	plus Tax effect of other temporary differences*	15	
67			
68	less Tax effect of amortisation of initial differences in asset values	371	
69			
70	plus Deferred tax balance relating to assets acquired in the disclosure year	–	
71			
72	less Deferred tax balance relating to assets disposed in the disclosure year	(49)	
73			
74	plus Deferred tax cost allocation adjustment	0	
75			
76	Closing deferred tax		(3,018)
77			
78	5a(vii): Disclosure of Temporary Differences		
79			
80	<i>In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).</i>		
81	5a(viii): Regulatory Tax Asset Base Roll-Forward		(\$000)
82			
83	Opening sum of regulatory tax asset values	37,299	
84	less Tax depreciation	3,052	
85	plus Regulatory tax asset value of assets commissioned	4,213	
86	less Regulatory tax asset value of asset disposals	40	
87	plus Lost and found assets adjustment	–	
88	plus Adjustment resulting from asset allocation	–	
89	plus Other adjustments to the RAB tax value	–	
90	Closing sum of regulatory tax asset values		38,420

Company Name **Electricity Invercargill Limited**
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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	3,529
10 Capital expenditure	3,763
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 Invercargill City Holdings Limited	Parent company 100% shareholding
17	
18	
19	

** 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	3,763	IM clause 2.2.11(5)(h)
24 Invercargill City Holdings Limited	Opex	Management Fee	160	ID clause 2.3.6(1)(a)
25 PowerNet	Opex	Completes maintenance on behalf of line business	1,586	ID clause 2.3.6(1)(f)
26 PowerNet	Opex	Business support and system control (agency costs)	1,782	ID clause 2.3.6(1)(f)
27	[Select one]			[Select one]
28	[Select one]			[Select one]
29	[Select one]			[Select one]
30	[Select one]			[Select one]
31	[Select one]			[Select one]
32	[Select one]			[Select one]
33	[Select one]			[Select one]
34	[Select one]			[Select one]
35	[Select one]			[Select one]
36	[Select one]			[Select one]
37	[Select one]			[Select one]

** include additional rows if needed*

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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									

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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)				OVABAA allocation increase (\$000s)
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	
5d(i): Operating Cost Allocations						
Service interruptions and emergencies						
	Directly attributable		568			
	Not directly attributable					
	Total attributable to regulated service		568			
Vegetation management						
	Directly attributable		4			
	Not directly attributable					
	Total attributable to regulated service		4			
Routine and corrective maintenance and inspection						
	Directly attributable		818			
	Not directly attributable					
	Total attributable to regulated service		818			
Asset replacement and renewal						
	Directly attributable		130			
	Not directly attributable					
	Total attributable to regulated service		130			
System operations and network support						
	Directly attributable		925			
	Not directly attributable					
	Total attributable to regulated service		925			
Business support						
	Directly attributable		2,378			
	Not directly attributable					
	Total attributable to regulated service		2,378			
	Operating costs directly attributable		4,823			
	Operating costs not directly attributable					
	Operational expenditure		4,823			

		(5000)
5d(ii): Other Cost Allocations		
Pass through and recoverable costs		
Pass through costs		
	Directly attributable	220
	Not directly attributable	
	Total attributable to regulated service	220
Recoverable costs		
	Directly attributable	6,592
	Not directly attributable	
	Total attributable to regulated service	6,592

		(5000)	
		CY-1	Current Year (CY)
5d(iii): Changes in Cost Allocations* †			
Change in cost allocation 1			
Cost category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in cost allocation 2			
Cost category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			
Change in cost allocation 3			
Cost category		Original allocation	
Original allocator or line items		New allocation	
New allocator or line items		Difference	
Rationale for change			

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

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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	57
Not directly attributable	-
Total attributable to regulated service	57
Subtransmission cables	
Directly attributable	7,104
Not directly attributable	-
Total attributable to regulated service	7,104
Zone substations	
Directly attributable	14,950
Not directly attributable	-
Total attributable to regulated service	14,950
Distribution and LV lines	
Directly attributable	1,978
Not directly attributable	-
Total attributable to regulated service	1,978
Distribution and LV cables	
Directly attributable	39,435
Not directly attributable	-
Total attributable to regulated service	39,435
Distribution substations and transformers	
Directly attributable	9,198
Not directly attributable	-
Total attributable to regulated service	9,198
Distribution switchgear	
Directly attributable	4,229
Not directly attributable	-
Total attributable to regulated service	4,229
Other network assets	
Directly attributable	3,340
Not directly attributable	-
Total attributable to regulated service	3,340
Non-network assets	
Directly attributable	-
Not directly attributable	-
Total attributable to regulated service	-
Regulated service asset value directly attributable	80,292
Regulated service asset value not directly attributable	-
Total closing RAB value	80,292

51 5e(ii): Changes in Asset Allocations* †

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

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

Company Name **Electricity Invercargill Limited**
For Year Ended **31 March 2017**

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		162
9	System growth		159
10	Asset replacement and renewal		3,252
11	Asset relocations		7
12	Reliability, safety and environment:		
13	Quality of supply	23	
14	Legislative and regulatory	-	
15	Other reliability, safety and environment	160	
16	Total reliability, safety and environment		183
17	Expenditure on network assets		3,763
18	Expenditure on non-network assets		-
19			
20	Expenditure on assets		3,763
21	plus Cost of financing		-
22	less Value of capital contributions		48
23	plus Value of vested assets		-
24			
25	Capital expenditure		3,715
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	Customer Connections (<= 20kVA)	52	
33	Customer Connections (21 to 90kVA)	76	
34	Customer Connections (>=100kVA)	35	
35			
36			
37	<i>* include additional rows if needed</i>		
38	Consumer connection expenditure		162
39			
40	less Capital contributions funding consumer connection expenditure	48	
41	Consumer connection less capital contributions		114
42	6a(iv): System Growth and Asset Replacement and Renewal		
43		System Growth	Asset Replacement
44		(\$000)	and Renewal
45	Subtransmission	-	-
46	Zone substations	159	1,453
47	Distribution and LV lines	-	298
48	Distribution and LV cables	-	831
49	Distribution substations and transformers	-	352
50	Distribution switchgear	-	318
51	Other network assets	-	-
52	System growth and asset replacement and renewal expenditure	159	3,252
53	less Capital contributions funding system growth and asset replacement and renewal		-
54	System growth and asset replacement and renewal less capital contributions	159	3,252
55			
56	6a(v): Asset Relocations		
57	<i>Project or programme*</i>	(\$000)	(\$000)
58		-	
59		-	
60		-	
61		-	
62		-	
63	<i>* include additional rows if needed</i>		
64	All other projects or programmes - asset relocations	7	
65	Asset relocations expenditure		7
66	less Capital contributions funding asset relocations	-	
67	Asset relocations less capital contributions		7
68			

69	6a(vi): Quality of Supply		
70	<i>Project or programme*</i>		
71		(\$000)	(\$000)
72		-	
73		-	
74		-	
75		-	
76	<i>* include additional rows if needed</i>		
77	All other projects programmes - quality of supply	23	
78	Quality of supply expenditure		23
79	<i>less</i> Capital contributions funding quality of supply	-	
80	Quality of supply less capital contributions		23
81	6a(vii): Legislative and Regulatory		
82	<i>Project or programme*</i>		
83		(\$000)	(\$000)
84		-	
85		-	
86		-	
87		-	
88	<i>* include additional rows if needed</i>		
89	All other projects or programmes - legislative and regulatory	-	
90	Legislative and regulatory expenditure		-
91	<i>less</i> Capital contributions funding legislative and regulatory	-	
92	Legislative and regulatory less capital contributions		-
93	6a(viii): Other Reliability, Safety and Environment		
94	<i>Project or programme*</i>		
95	NER Installations	89	
96		-	
97		-	
98		-	
99		-	
100	<i>* include additional rows if needed</i>		
101	All other projects or programmes - other reliability, safety and environment	71	
102	Other reliability, safety and environment expenditure		160
103	<i>less</i> Capital contributions funding other reliability, safety and environment	-	
104	Other reliability, safety and environment less capital contributions		160
105			
106	6a(ix): Non-Network Assets		
107	Routine expenditure		
108	<i>Project or programme*</i>		
109		(\$000)	(\$000)
110		-	
111		-	
112		-	
113		-	
114	<i>* include additional rows if needed</i>		
115	All other projects or programmes - routine expenditure	-	
116	Routine expenditure		-
117	Atypical expenditure		
118	<i>Project or programme*</i>		
119		(\$000)	(\$000)
120		-	
121		-	
122		-	
123		-	
124	<i>* include additional rows if needed</i>		
125	All other projects or programmes - atypical expenditure	-	
126	Atypical expenditure		-
127			
128	Expenditure on non-network assets		-

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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

This schedule requires a breakdown of operational expenditure incurred in the disclosure year. EDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operational expenditure and assets replaced or renewed as part of asset replacement and renewal operational expenditure, and additional information on insurance. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref		(\$000)	(\$000)	
7	6b(i): Operational Expenditure			
8	Service interruptions and emergencies	568		
9	Vegetation management	4		
10	Routine and corrective maintenance and inspection	818		
11	Asset replacement and renewal	130		
12	Network opex		1,519	
13	System operations and network support	925		
14	Business support	2,378		
15	Non-network opex		3,304	
16				
17	Operational expenditure		4,823	
18	6b(ii): Subcomponents of Operational Expenditure (where known)			
19	Energy efficiency and demand side management, reduction of energy losses		125	
20	Direct billing*		-	
21	Research and development		-	
22	Insurance		94	
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers			

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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	Line charge revenue	20,254	20,081	(1%)
7(ii): Expenditure on Assets		Forecast (\$000) ²	Actual (\$000)	% variance
9	Consumer connection	270	162	(40%)
10	System growth	47	159	239%
11	Asset replacement and renewal	2,706	3,252	20%
12	Asset relocations	6	7	15%
13	Reliability, safety and environment:			
14	Quality of supply	95	23	(75%)
15	Legislative and regulatory	–	–	–
16	Other reliability, safety and environment	155	160	3%
17	Total reliability, safety and environment	250	183	(27%)
18	Expenditure on network assets	3,279	3,763	15%
19	Expenditure on non-network assets	–	–	–
20	Expenditure on assets	3,279	3,763	15%
21				
7(iii): Operational Expenditure				
22	Service interruptions and emergencies	700	568	(19%)
23	Vegetation management	1	4	161%
24	Routine and corrective maintenance and inspection	795	818	3%
25	Asset replacement and renewal	104	130	25%
26	Network opex	1,600	1,519	(5%)
27	System operations and network support	681	925	36%
28	Business support	2,419	2,378	(2%)
29	Non-network opex	3,100	3,304	7%
30	Operational expenditure	4,700	4,823	3%
31				
7(iv): Subcomponents of Expenditure on Assets (where known)				
32	Energy efficiency and demand side management, reduction of energy losses	–	–	–
33	Overhead to underground conversion	–	–	–
34	Research and development	–	–	–
35				
36				
7(v): Subcomponents of Operational Expenditure (where known)				
37	Energy efficiency and demand side management, reduction of energy losses	125	125	–
38	Direct billing	–	–	–
39	Research and development	–	–	–
40	Insurance	88	94	7%
41				
42				

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

2 From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the disclosure year (the second to last disclosure of Schedules 11a and 11b)

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**
 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)	Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)	Billed quantities by price component									
						Variable day energy sales	Variable day energy purchases								
Low user	Residential	Standard	4,945	30,460											
Domestic	Residential	Standard	10,278	97,493											
Non-Domestic	Commercial	Standard	1,961	50,817											
Individual non half hour	Commercial	Standard	52	7,742											
Individual half hour	Commercial	Standard	128	67,039											
		[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			17,364	253,551		49,195,879	149,979,720								
Non-standard consumer totals			-	-		-	-								
Total for all consumers			17,364	253,551		49,195,879	149,979,720								

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

8(ii): Line Charge Revenues (\$000) by Price Component					Line charge revenues (\$000) by price component							
Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Price component				Rate (eg, \$ per day, \$ per kWh, etc.)	
							Fixed	Variable				
							\$/Day	\$/kwh				
Low user	Residential	Standard	\$2,799	-	\$1,952	\$847	\$27	\$2,772				
Domestic	Residential	Standard	\$8,969	-	\$6,263	\$2,706	\$3,308	\$5,661				
Non-Domestic	Commercial	Standard	\$4,800	-	\$3,347	\$1,453	\$1,851	\$2,949				
Individual non half hour	Commercial	Standard	\$516	-	\$318	\$198	\$66	\$449				
Individual half hour	Commercial	Standard	\$2,997	-	\$1,609	\$1,388	\$1,560	\$1,437				
		[Select one]	-	-								
		[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			\$20,081	-	\$13,489	\$6,592	\$6,813	\$13,268	-	-	-	-
Non-standard consumer totals			-	-	-	-	-	-	-	-	-	-
Total for all consumers			\$20,081	-	\$13,489	\$6,592	\$6,813	\$13,268	-	-	-	-

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

Company Name **Electricity Invercargill Limited**For Year Ended **31 March 2017**

Network / Sub-network Name

SCHEDULE 9a: ASSET REGISTER

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

sch ref

					Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
8	Voltage	Asset category	Asset class	Units				
9	All	Overhead Line	Concrete poles / steel structure	No.	682	647	(35)	3
10	All	Overhead Line	Wood poles	No.	311	320	9	3
11	All	Overhead Line	Other pole types	No.	-	-	-	N/A
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	1	1	(0)	3
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	15	15	1	3
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	12	12	0	3
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	5	5	-	4
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.	-	-	-	N/A
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	2	2	-	4
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	16	20	4	4
29	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	5	5	-	4
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	2	2	-	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	48	49	1	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	-	-	-	N/A
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	6	6	-	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	23	23	(0)	3
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	N/A
37	HV	Distribution Line	SWER conductor	km	-	-	-	N/A
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	56	58	2	3
39	HV	Distribution Cable	Distribution UG PILC	km	111	103	(8)	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.	2	2	-	4
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	30	38	8	4
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	52	64	12	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.	460	457	(3)	3
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	13	11	(2)	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	435	433	(2)	3
48	HV	Distribution Transformer	Voltage regulators	No.	-	-	-	N/A
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	-	-	-	N/A
50	LV	LV Line	LV OH Conductor	km	30	30	0	3
51	LV	LV Cable	LV UG Cable	km	423	423	0	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	167	168	0	3
53	LV	Connections	OH/UG consumer service connections	No.	17,845	17,883	38	2
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	158	153	(5)	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	3
56	All	Capacitor Banks	Capacitors including controls	Lot	-	-	-	N/A
57	All	Load Control	Centralised plant	No.	1	1	-	4
58	All	Load Control	Relays	No.	-	-	-	N/A
59	All	Civils	Cable Tunnels	km	-	-	-	N/A

Company Name **Electricity Invercargill Limited**For Year Ended **31 March 2017**

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	–	–
13	33kV	1	27
14	SWER (all SWER voltages)	–	–
15	22kV (other than SWER)	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	23	161
17	Low voltage (< 1kV)	30	423
18	Total circuit length (for supply)	54	610
19			
20	Dedicated street lighting circuit length (km)	25	142
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		–
22			
23	Overhead circuit length by terrain (at year end)		
24	Urban	51	93%
25	Rural	2	3%
26	Remote only	–	–
27	Rugged only	2	3%
28	Remote and rugged	–	–
29	Unallocated overhead lines	–	–
30	Total overhead length	54	100%
31			
32			
33	Length of circuit within 10km of coastline or geothermal areas (where known)	665	100%
34			
35	Overhead circuit requiring vegetation management	4	7%

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2017**

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

8	Location *	Line charge revenue	
		Number of ICPs served	(\$000)
9	None		
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

* 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 **Electricity Invercargill Limited**For Year Ended **31 March 2017**

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	<i>Number of ICPs connected in year by consumer type</i>		
10	<i>Consumer types defined by EDB*</i>	Number of	
11	Domestic	connections (ICPs)	
12	Low User	42	
13	Non Domestic	8	
14		39	
15			
16	<i>* include additional rows if needed</i>		
17	Connections total	89	
18			
19	Distributed generation		
20	Number of connections made in year	29	connections
21	Capacity of distributed generation installed in year	0.13	MVA
22			
23	9e(ii): System Demand		
24			
25		Demand at time of	
26	Maximum coincident system demand	maximum	
27	GXP demand	coincident demand	
28	<i>plus</i> Distributed generation output at HV and above	(MW)	
29	Maximum coincident system demand	61	
30	<i>less</i> Net transfers to (from) other EDBs at HV and above	–	
31	Demand on system for supply to consumers' connection points	61	
32		(2)	
33		63	
34			
35	Electricity volumes carried	Energy (GWh)	
36	Electricity supplied from GXPs	253	
37	<i>less</i> Electricity exports to GXPs	–	
38	<i>plus</i> Electricity supplied from distributed generation	0	
39	<i>less</i> Net electricity supplied to (from) other EDBs	(16)	
40	Electricity entering system for supply to consumers' connection points	269	
41	<i>less</i> Total energy delivered to ICPs	254	
42	Electricity losses (loss ratio)	15	5.6%
43			
44	Load factor	0.49	
45			
46	9e(iii): Transformer Capacity		
47		(MVA)	
48	Distribution transformer capacity (EDB owned)	149	
49	Distribution transformer capacity (Non-EDB owned, estimated)	2	
50	Total distribution transformer capacity	151	
51			
52	Zone substation transformer capacity	82	

Company Name **Electricity Invercargill Limited**For Year Ended **31 March 2017**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

10(i): Interruptions		Number of interruptions	
8	10(i): Interruptions		
9	Interruptions by class		
10	Class A (planned interruptions by Transpower)		
11	Class B (planned interruptions on the network)	20	
12	Class C (unplanned interruptions on the network)	11	
13	Class D (unplanned interruptions by Transpower)		
14	Class E (unplanned interruptions of EDB owned generation)		
15	Class F (unplanned interruptions of generation owned by others)		
16	Class G (unplanned interruptions caused by another disclosing entity)	1	
17	Class H (planned interruptions caused by another disclosing entity)		
18	Class I (interruptions caused by parties not included above)		
19	Total	32	
20			
21	Interruption restoration	≤3Hrs	>3hrs
22	Class C interruptions restored within	8	3
23			
24	SAIFI and SAIDI by class	SAIFI	SAIDI
25	Class A (planned interruptions by Transpower)		
26	Class B (planned interruptions on the network)	0.05	8.8
27	Class C (unplanned interruptions on the network)	0.27	9.2
28	Class D (unplanned interruptions by Transpower)		
29	Class E (unplanned interruptions of EDB owned generation)		
30	Class F (unplanned interruptions of generation owned by others)		
31	Class G (unplanned interruptions caused by another disclosing entity)	0.06	0.8
32	Class H (planned interruptions caused by another disclosing entity)		
33	Class I (interruptions caused by parties not included above)		
34	Total	0.37	18.8
35			
36	Normalised SAIFI and SAIDI	Normalised SAIFI	Normalised SAIDI
37	Classes B & C (interruptions on the network)	0.32	18.0
38			
39	Quality path normalised reliability limit	SAIFI reliability limit	SAIDI reliability limit
40	SAIFI and SAIDI limits applicable to disclosure year*	0.77	31.1
41	* not applicable to exempt EDBs		
42	10(ii): Class C Interruptions and Duration by Cause		
43			
44	Cause	SAIFI	SAIDI
45	Lightning		
46	Vegetation		
47	Adverse weather		
48	Adverse environment		
49	Third party interference		
50	Wildlife		
51	Human error	0.01	0.1
52	Defective equipment	0.26	9.0
53	Cause unknown		
54			
55	10(iii): Class B Interruptions and Duration by Main Equipment Involved		
56			
57	Main equipment involved	SAIFI	SAIDI
58	Subtransmission lines		
59	Subtransmission cables		
60	Subtransmission other		
61	Distribution lines (excluding LV)	0.03	7.0
62	Distribution cables (excluding LV)	-	-
63	Distribution other (excluding LV)	0.02	1.8
64			
65	10(iv): Class C Interruptions and Duration by Main Equipment Involved		
66			
67	Main equipment involved	SAIFI	SAIDI
68	Subtransmission lines		
69	Subtransmission cables		
70	Subtransmission other		
71	Distribution lines (excluding LV)	0.15	5.5
72	Distribution cables (excluding LV)	0.12	3.7
73	Distribution other (excluding LV)	-	0.0
74			
75	10(v): Fault Rate		
76			
77	Main equipment involved	Number of Faults	Circuit length (km)
78	Subtransmission lines		1
79	Subtransmission cables		27
80	Subtransmission other		
81	Distribution lines (excluding LV)	7	23
82	Distribution cables (excluding LV)	2	161
83	Distribution other (excluding LV)	2	
84	Total	11	
85			
86			Fault rate (faults per 100km)
87			-
88			-
89			30.82
90			1.25

SCHEDULE 14 MANDATORY EXPLANATORY NOTES

1. This schedule requires EDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and subclauses 2.5.1(1)(f), and 2.5.2(1)(e).
2. This schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 12 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for EDBs to give additional explanation of disclosed information should they elect to do so.

Return on Investment (Schedule 2)

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

Box 1: Explanatory comment on return on investment

Electricity Invercargill Limited achieved a post-tax WACC of 6.76% which is above the 75th percentile estimate of post-tax WACC of 5.48% and a 7.31% vanilla WACC which is also above the 75th percentile estimate of vanilla WACC of 6.03%.

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 regulated income (other than gains / (losses) on asset disposals), as disclosed in 3(i) of Schedule 3
 - 5.2 information on reclassified items in accordance with subclause 2.7.1(2).

Box 2: Explanatory comment on regulatory profit

Included in other regulated income is an amount of \$46k for line charges to another lines company.

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 subclause 2.7.1(2)
 - 6.2 any other commentary on the benefits of the merger and acquisition expenditure to the EDB.

Box 3: Explanatory comment on merger and acquisition expenditure

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 subclause 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 stated using the 31 March 2016 closing figure as a starting point with inflationary indexing over the year to 31 March 2017 plus additions less disposals.

No items were reclassified.

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

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-
- 8.1 Income not included in regulatory profit / (loss) before tax but taxable;
 - 8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible;
 - 8.3 Income included in regulatory profit / (loss) before tax but not taxable;
 - 8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax.

Box 5: Regulatory tax allowance: permanent differences

The expenditure deductible but not in regulatory profit is the \$4k cost of easements which is a tax deductible expense.

Income included in regulatory profit / (loss) before tax but not taxable is the \$1,676k revaluations for the year.

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 material 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:	\$ 53
	<u>\$ 53</u>
Tax Rate:	28%
Temporary Differences	<u>\$ 15</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 subclause 2.3.6(1)(b).

Box 7: Related party transactions

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

PowerNet Limited carries out project management and asset construction to develop Electricity Invercargill Limited's electricity network.

Invercargill City Holdings Limited owns 100% of Electricity Invercargill Limited and provides treasury facility and debt management services to Electricity Invercargill Limited electricity distribution business.

Cost allocation (Schedule 5d)

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

Box 8: Cost allocation

All costs are directly attributable as all costs were either passed through by PowerNet as agent or were invoiced to Electricity Invercargill Limited.

No items were reclassified.

Asset allocation (Schedule 5e)

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

Box 9: Commentary on asset allocation

All network assets are directly attributable.

No items were reclassified.

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 subclause 2.7.1(2),

Box 10: Explanation of capital expenditure for the disclosure year

The materiality threshold applied to identify programmes or projects during the disclosure year was \$100k.

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 subclause 2.7.1(2);

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

Box 11: Explanation of operational expenditure for the disclosure year

Reactive and minor maintenance is performed on Electricity Invercargill Limited's transformers and cables 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.

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 subclause 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 15% above budget.

Consumer connection:

- 40% underspent due largely to the lower than usual demand for large new connections in FY 16/17. A secondary factor was that no new subdivisions were connected; the probability of future major subdivision developments within the EIL area is forecast as low, and the subdivision budget was therefore reduced in later AMPs.

System Growth:

- Overspent due to a range of factors including unanticipated carry-over from the previous financial year, issues discovered during post-commissioning checks, and testing at two sites to meet Council Notice of Requirement.

Asset replacement and renewal:

- 20% over budget due to several factors, including:
 - A five-yearly inspection was completed on one of EIL's two predominantly overhead line feeders, and this inspection revealed a larger than usual amount of replacement and renewal work to be done.
 - Ring Main Units replacements exceeded budget due to a larger than usual level of 11 kV cable replacement associated with one site, and the reactively-driven replacement of another site.
 - The physical requirement for distribution transformer replacements exceeded the applicable 2016/17 budget, which had been lowered in an attempt to manage the capital expenditure allowances under the 2016 reset.

Asset Relocations:

- Small reactive budget, spend within \$1k of budget.

Quality of Supply:

- 75% underspent as the anticipated increase in work from smart meter low voltage information did not eventuate, due to delays in smart meter rollout combined with gaining access to data.

Reliability, Safety and Environment:

- Within 5% of budget.

Operational Expenditure:

Network opex was 5% below budget.

Service interruptions and emergencies:

- 19% underspent with reactive work than expected.

Vegetation management:

- Small reactive budget, spent within \$3k of budget.

Routine and corrective maintenance and inspection:

- Within 5% of budget.

Asset replacement and renewal:

- 25% overspent due largely to reinstatement work on former substation sites that could not be capitalised.

System Operations and Network Support:

- 36% overspent this is due to the reclassification of system control and engineering costs that were included in the Business Support category.

Business Support:

- Within 5% of budget but this category also includes an increased in audit and consultant costs as compared to budget.

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 clause 2.4.1 and subclause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and

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

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

Year ended 31 March 2015:

- Target revenue for the 2016-17 year was \$20,254k. The total billed revenue for the 2016-17 year was \$20,081k, which is \$173k below.

The electricity consumption was impacted by the unseasonal warm weather during the first half of the year. This reduced the underlying line charge revenue, making it slightly lower (1% variation) than the targeted result.

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 assessed value for 2016/17 at 13.47 was below the applicable Commerce Commission Limit of 31.13, and also within the Commerce Commission Collar levels that represent particularly good network performance.

The SAIFI assessed value for 2016/17 at 0.29 was well below the applicable Commerce Commission Limit of 0.77, and below the Commerce Commission Target level of 2.52.

In accordance with the Issues Register for Electricity and Gas Information Disclosure, issues 447 and 458, EIL has disclosed normalised SAIDI/SAIFI calculated according to the 2012 EDB ID while disclosing limits calculated according to the 2015 DPP. While this difference in methodology often creates the misleading impression that a network has exceeded its limits, EIL's 2016/17 performance was good enough to avoid the problem. EIL has disclosed a normalised SAIDI at 18 and SAIFI limit is only 0.32 for 2016/17.

Network reliability is compliant with quality requirements under the default price-quality path, however there are inherent limitations in the ability of Electricity Invercargill 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 accuracy of recorded faults and control over the 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

Electricity Invercargill Limited insures its substations, network equipment and buildings.

- Substations and network equipment are insured for \$23.23 million.

Lines and cables are not insured. Electricity Invercargill Limited therefore "self-insures" its lines and cables but does not recognise the cost of self-insurance.

Amendments to previously disclosed information

19. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:
- 19.1 a description of each error; and
 - 19.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 16: Disclosure of amendment to previously disclosed information

Schedule 5a(iii): The closing unamortised initial differences in assets values has been recalculated, adjustment for unamortised initial differences in assets disposed were incorrectly added instead of being deducted creating an overstatement in the closing balance of the previous years.

An additional \$954k was recognised this year in the adjustment for unamortised initial differences in assets disposed to correct prior years' overstatement of the closing unamortised initial differences in asset values.

SCHEDULE 14A MANDATORY EXPLANATORY NOTES ON FORECAST INFORMATION

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

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

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

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

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)

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

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

Nominal Prices are based on publicly available New Zealand Treasury's economic forecast indicated in the Budget Economic and Fiscal Update report released in May 2016:

	2017	2018	2019	2020	2021
Inflator (CAPEX & OPEX)	1.5%	2.0%	1.9%	2.1%	2.2%

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

SCHEDULE 15 VOLUNTARY EXPLANATORY NOTES

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

Box 1: Voluntary explanatory comment on disclosed information

None.

4. AUDITORS' REPORT



Independent Assurance Report

To the Directors of Electricity Invercargill Limited and the Commerce Commission

The Auditor-General is the auditor of Electricity Invercargill Limited (the company). The Auditor-General has appointed me, Nathan Wylie, using the staff and resources of PricewaterhouseCoopers, to provide an opinion, on his behalf, on whether the information disclosed in schedules 1 to 4, 5a to 5g, 6a and 6b, 7, the system average interruption duration index ('SAIDI') and system average interruption frequency index ('SAIFI') information disclosed in Schedule 10 and the explanatory notes in boxes 1 to 12 in Schedule 14 ('the Disclosure Information') for the disclosure year ended 31 March 2017, have been prepared, in all material respects, in accordance with the Electricity Distribution Information Disclosure Determination 2012 (the 'Determination').

Directors' responsibility for the Disclosure Information

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

Our responsibility for the Disclosure Information

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

Basis of opinion

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

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

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



Independent Assurance Report

Electricity Invercargill Limited and the Commerce Commission

Use of this report

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

Scope and inherent limitations

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

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

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

Independence and quality control

When carrying out the engagement, we complied with the Auditor-General's:

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

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

The Auditor-General, and his employees, and PricewaterhouseCoopers and its partners and employees may deal with the company and its subsidiaries on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of business, this engagement, the annual audit of the company's financial statements, Electricity Distribution Services Default Price-Quality Path Determination 2015 and other regulatory requirements of the Commerce Act 1986, we have no relationship with or interests in the company and its subsidiaries.



Independent Assurance Report

Electricity Invercargill Limited and the Commerce Commission

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

As described in Box 14 of Schedule 14, there are inherent limitations in the ability of the Company to collect and record the network reliability information specifically the interconnection points ('ICP's') affected by an interruption and the duration of the interruption used in calculating the amounts required to be disclosed in Schedules 10(i) to 10(iv). Consequently there is no independent evidence available to support the accuracy of the ICP's affected and duration of an interruption. Control over the accuracy of the ICP and interruption 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 the accuracy of the ICP data used to record the number of ICP's affected and duration of the interruption 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 limitation described above, we are unable to form an opinion as to the accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(iv).

In this respect alone we have not obtained all the recorded evidence and explanations that we have required.

In our opinion, except for the matters described above:

- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the company;
- As far as appears from an examination, the information used in the preparation of the Disclosure Information has been properly extracted from the company's accounting and other records and has been sourced, where appropriate, from the company's financial and non-financial systems; and
- The Disclosure Information has been prepared, in all material respects, in accordance with the Determination.

In forming our opinion, we have obtained sufficient recorded evidence and all the information and explanations we have required.

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

Nathan Wylie
PricewaterhouseCoopers
On behalf of the Auditor-General
Christchurch, New Zealand
31 August 2017

5. DIRECTORS' CERTIFICATE**Schedule 18: Certification for Year-End Disclosures**

Clause 2.9.2

We, Thomas Campbell and Ross Lindsay Smith, being directors of Electricity Invercargill 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, 2.3.2, 2.4.21, 2.4.22, 2.5.1, 2.5.2; and 2.7.1 of the Electricity Distribution Information Disclosure Determination 2012 in all material respects complies with that determination; and
- b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 9e, 10, and 14 has been properly extracted from the Electricity Invercargill 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 subclauses 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(1)(a) and 2.3.6(1)(f), 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.



Thomas Campbell



Ross Lindsay Smith

31 AUGUST 2017