



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

FOR THE YEAR ENDED 31 MARCH 2018

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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 2018			
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)	Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)
9	Operational expenditure	18,281	264	73,259	6,991	30,803
10	Network	5,243	76	21,010	2,005	8,834
11	Non-network	13,038	188	52,249	4,986	21,969
12						
13	Expenditure on assets	22,933	331	91,900	8,770	38,641
14	Network	22,933	331	91,900	8,770	38,641
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	81,241	1,171			
20	Standard consumer line charge revenue	81,241	1,171			
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	27	Average number of ICPs per km of circuit length (for supply) (ICPs/km)			
28	Energy intensity	14,417	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)			
29						
30	1(iv): Composition of regulatory income					
31			(\$000)	% of revenue		
32	Operational expenditure		4,587	22.53%		
33	Pass-through and recoverable costs excluding financial incentives and wash-ups		7,184	35.29%		
34	Total depreciation		2,925	14.37%		
35	Total revaluations		882	4.33%		
36	Regulatory tax allowance		1,548	7.60%		
37	Regulatory profit/(loss) including financial incentives and wash-ups		4,995	24.54%		
38	Total regulatory income		20,356			
39						
40	1(v): Reliability					
41						
42	Interruption rate		4.27	Interruptions per 100 circuit km		

Company Name	Electricity Invercargill Limited
For Year Ended	31 March 2018

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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

sch ref

7	2(i): Return on Investment	CY-2	CY-1	Current Year CY
		31 Mar 16	31 Mar 17	31 Mar 18
8				
9	ROI – comparable to a post tax WACC			
10	Reflecting all revenue earned	6.75%	6.76%	5.78%
11	Excluding revenue earned from financial incentives	6.75%	6.76%	5.81%
12	Excluding revenue earned from financial incentives and wash-ups	6.75%	6.69%	5.73%
13				
14	Mid-point estimate of post tax WACC	5.37%	4.77%	5.04%
15	25th percentile estimate	4.66%	4.05%	4.36%
16	75th percentile estimate	6.09%	5.48%	5.72%
17				
18				
19	ROI – comparable to a vanilla WACC			
20	Reflecting all revenue earned	7.40%	7.31%	6.37%
21	Excluding revenue earned from financial incentives	7.40%	7.31%	6.40%
22	Excluding revenue earned from financial incentives and wash-ups	7.40%	7.23%	6.32%
23				
24	WACC rate used to set regulatory price path	7.19%	7.19%	7.19%
25				
26	Mid-point estimate of vanilla WACC	6.02%	5.31%	5.60%
27	25th percentile estimate	5.30%	4.59%	4.92%
28	75th percentile estimate	6.74%	6.03%	6.29%
29				
30	2(ii): Information Supporting the ROI			
31				
32	Total opening RAB value	80,292		
33	plus Opening deferred tax	(3,018)		
34	Opening RIV		77,274	
35				
36	Line charge revenue		20,384	
37				
38	Expenses cash outflow	11,771		
39	add Assets commissioned	5,907		
40	less Asset disposals	85		
41	add Tax payments	1,132		
42	less Other regulated income	(28)		
43	Mid-year net cash outflows		18,753	
44				
45	Term credit spread differential allowance		–	
46				
47	Total closing RAB value	84,072		
48	less Adjustment resulting from asset allocation	0		
49	less Lost and found assets adjustment	–		
50	plus Closing deferred tax	(3,434)		
51	Closing RIV		80,638	
52				
53	ROI – comparable to a vanilla WACC			6.37%
54				
55	Leverage (%)			44%
56	Cost of debt assumption (%)			4.80%
57	Corporate tax rate (%)			28%
58				
59	ROI – comparable to a post tax WACC			5.78%
60				

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						6.16%
95							
96	Year-end ROI – comparable to a post tax WACC						5.56%
97							
98	* 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.						
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						(26)
106	Other financial incentives						-
107	Financial incentives						(26)
108							
109	Impact of financial incentives on ROI						-0.02%
110							
111	Input methodology claw-back						-
112	Recoverable customised price-quality path costs						-
113	Catastrophic event allowance						-
114	Capex wash-up adjustment						81
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						81
120							
121	Impact of wash-up costs on ROI						0.08%

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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

sch ref			
7		3(i): Regulatory Profit	(\$000)
8		Income	
9		Line charge revenue	20,384
10		plus Gains / (losses) on asset disposals	(80)
11		plus Other regulated income (other than gains / (losses) on asset disposals)	52
12			
13		Total regulatory income	20,356
14		Expenses	
15		less Operational expenditure	4,587
16			
17		less Pass-through and recoverable costs excluding financial incentives and wash-ups	7,184
18			
19		Operating surplus / (deficit)	8,585
20			
21		less Total depreciation	2,925
22			
23		plus Total revaluations	882
24			
25		Regulatory profit / (loss) before tax	6,543
26			
27		less Term credit spread differential allowance	-
28			
29		less Regulatory tax allowance	1,548
30			
31		Regulatory profit/(loss) including financial incentives and wash-ups	4,995
32			
33		3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)
34		Pass through costs	
35		Rates	125
36		Commerce Act levies	30
37		Industry levies	56
38		CPP specified pass through costs	-
39		Recoverable costs excluding financial incentives and wash-ups	
40		Electricity lines service charge payable to Transpower	6,584
41		Transpower new investment contract charges	389
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	7,184
47			
48		3(iii): Incremental Rolling Incentive Scheme	(\$000)
49			
50			
51		Allowed controllable opex	-
52		Actual controllable opex	-
53			
54		Incremental change in year	-
55			
56			
57			
58			
59			
60			
61			
62		Net incremental rolling incentive scheme	-
63			
64		Net recoverable costs allowed under incremental rolling incentive scheme	-
65			
66		3(iv): Merger and Acquisition Expenditure	(\$000)
67		Merger and acquisition expenditure	-
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			
70		3(v): Other Disclosures	(\$000)
71		Self-insurance allowance	-

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**

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

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

sch ref

		for year ended				
		RAB	RAB	RAB	RAB	RAB
		31 Mar 14	31 Mar 15	31 Mar 16	31 Mar 17	31 Mar 18
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
7	4(i): Regulatory Asset Base Value (Rolled Forward)					
9	Total opening RAB value	65,348	64,392	74,188	77,667	80,292
11	less Total depreciation	2,526	2,539	2,789	2,885	2,925
13	plus Total revaluations	993	54	435	1,676	882
15	plus Assets commissioned	1,426	12,354	5,869	4,103	5,907
17	less Asset disposals	214	73	36	269	85
19	plus Lost and found assets adjustment	-	-	-	-	-
21	plus Adjustment resulting from asset allocation	(635)	0	0	(0)	0
23	Total closing RAB value	64,392	74,188	77,667	80,292	84,072

		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
26	4(ii): Unallocated Regulatory Asset Base				
28	Total opening RAB value		80,292		80,292
30	less Total depreciation		2,925		2,925
32	plus Total revaluations		882		882
34	plus Assets commissioned (other than below)		-		-
35	Assets acquired from a regulated supplier		-		-
37	Assets acquired from a related party		5,907		5,907
38	Assets commissioned		5,907		5,907
39	less Asset disposals (other than below)		85		85
41	Asset disposals to a regulated supplier		-		-
42	Asset disposals to a related party		-		-
43	Asset disposals		85		85
45	plus Lost and found assets adjustment		-		-
47	plus Adjustment resulting from asset allocation		-		0
49	Total closing RAB value		84,072		84,072

* 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.

52	4(iii): Calculation of Revaluation Rate and Revaluation of Assets		
54	CPI _t		1.011
55	CPI _{t-1}		1.000
56	Revaluation rate (%)		1.10%
58			
59			
60	Total opening RAB value	80,292	80,292
61	less Opening value of fully depreciated, disposed and lost assets	98	98
62	Total opening RAB value subject to revaluation	80,195	80,195
64	Total revaluations	882	882

		Unallocated works under construction		Allocated works under construction	
		(\$000)	(\$000)	(\$000)	(\$000)
66	4(iv): Roll Forward of Works Under Construction				
67	Works under construction—preceding disclosure year		1,072		1,072
69	plus Capital expenditure	5,718		5,718	
70	less Assets commissioned	5,907		5,907	
71	plus Adjustment resulting from asset allocation		-		-
72	Works under construction - current disclosure year		883		883
74	Highest rate of capitalised finance applied				-

76	4(v): Regulatory Depreciation										
77		Unallocated RAB *		RAB							
78		(5000)	(5000)	(5000)	(5000)						
79	Depreciation - standard	2,925		2,925							
80	Depreciation - no standard life assets	-		-							
81	Depreciation - modified life assets	-		-							
82	Depreciation - alternative depreciation in accordance with CPP	-		-							
83	Total depreciation		2,925		2,925						
84											
85	4(vi): Disclosure of Changes to Depreciation Profiles (5000 unless otherwise specified)										
86				Closing RAB value							
87	Asset or assets with changes to depreciation*	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation						
88											
89											
90											
91											
92											
93											
94											
95											
96	* include additional rows if needed										
97	4(vii): Disclosure by Asset Category (5000 unless otherwise specified)										
98		Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
99	Total opening RAB value	57	7,104	14,950	1,978	39,435	9,198	4,225	3,340	-	80,292
100	less Total depreciation	2	200	519	85	1,353	388	223	155	-	2,925
101	plus Total revaluations	1	78	164	22	434	100	46	37	-	892
102	plus Assets commissioned	-	38	1,734	153	2,446	931	573	32	-	5,907
103	less Asset disposals	-	-	1	-	-	65	20	-	-	85
104	plus Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
105	plus Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	-	-
106	plus Asset category transfers	-	-	-	-	-	-	-	-	-	-
107	Total closing RAB value	56	7,020	16,329	2,068	40,961	9,776	4,606	3,255	-	84,072
108											
109	Asset Life										
110	Weighted average remaining asset life	29	41	35	29	36	26	18	21	-	(years)
111	Weighted average expected total asset life	47	57	53	59	59	45	40	39	-	(years)

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**

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		6,543
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	1,268	
13	Amortisation of revaluations	194	
14			1,463
15			
16	<i>less</i> Total revaluations	882	
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	-	*
20	Notional deductible interest	1,594	
21			2,476
22			
23	Regulatory taxable income		5,529
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		5,529
27			
28	Corporate tax rate (%)	28%	
29	Regulatory tax allowance		1,548
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	25,367	
37	<i>less</i> Amortisation of initial differences in asset values	1,268	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	-	
40	Closing unamortised initial differences in asset values		24,099
41			
42	Opening weighted average remaining useful life of relevant assets (years)		20
43			

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**

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	3,433
10 Capital expenditure	5,768
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 Limited	50% Shareholding
16 Invercargill City Holdings	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 Limited	Capex	Builds Network Capex on behalf of line business	5,768	IM clause 2.2.11(5)(h)
24 PowerNet Limited	Opex	Complete Maintenance on behalf of Network	1,389	ID clause 2.3.6(1)(f)
25 PowerNet Limited	Opex	Agency Costs (Busines Support & System Control)	1,879	ID clause 2.3.6(1)(f)
26 Invercargill City Holdings	Opex	Mgmt Fee	166	ID clause 2.3.6(1)(a)
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				

* include additional rows if needed

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**

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	5c(i): Qualifying Debt (may be Commission only)										
8											
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	5c(ii): Attribution of Term Credit Spread Differential									
18										
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 2018**

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		471			
Not directly attributable					
Total attributable to regulated service		471			
Vegetation management					
Directly attributable		0			
Not directly attributable					
Total attributable to regulated service		0			
Routine and corrective maintenance and inspection					
Directly attributable		784			
Not directly attributable					
Total attributable to regulated service		784			
Asset replacement and renewal					
Directly attributable		61			
Not directly attributable					
Total attributable to regulated service		61			
System operations and network support					
Directly attributable		903			
Not directly attributable					
Total attributable to regulated service		903			
Business support					
Directly attributable		2,368			
Not directly attributable					
Total attributable to regulated service		2,368			
Operating costs directly attributable		4,587			
Operating costs not directly attributable					
Operational expenditure		4,587			

5d(ii): Other Cost Allocations		(5000)
Pass through and recoverable costs		
Pass through costs		
Directly attributable		211
Not directly attributable		
Total attributable to regulated service		211
Recoverable costs		
Directly attributable		6,973
Not directly attributable		
Total attributable to regulated service		6,973

5d(iii): Changes in Cost Allocations* †		(\$000)		
Change in cost allocation 1	Cost category	Original allocation	Current Year (CY)	
			CY-1	
	Original allocator or line items			
	New allocator or line items			
Rationale for change				
Change in cost allocation 2		(\$000)		
	Cost category	Original allocation	Current Year (CY)	
	Original allocator or line items			
	New allocator or line items			
Rationale for change				
Change in cost allocation 3		(\$000)		
	Cost category	Original allocation	Current Year (CY)	
	Original allocator or line items			
	New allocator or line items			
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 2018**

SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

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

sch ref

5e(i): Regulated Service Asset Values		Value allocated (\$000s)
		Electricity distribution services
7	Subtransmission lines	
11	Directly attributable	56
12	Not directly attributable	
13	Total attributable to regulated service	56
14	Subtransmission cables	
15	Directly attributable	7,020
16	Not directly attributable	
17	Total attributable to regulated service	7,020
18	Zone substations	
19	Directly attributable	16,329
20	Not directly attributable	
21	Total attributable to regulated service	16,329
22	Distribution and LV lines	
23	Directly attributable	2,068
24	Not directly attributable	
25	Total attributable to regulated service	2,068
26	Distribution and LV cables	
27	Directly attributable	40,961
28	Not directly attributable	
29	Total attributable to regulated service	40,961
30	Distribution substations and transformers	
31	Directly attributable	9,776
32	Not directly attributable	
33	Total attributable to regulated service	9,776
34	Distribution switchgear	
35	Directly attributable	4,606
36	Not directly attributable	
37	Total attributable to regulated service	4,606
38	Other network assets	
39	Directly attributable	3,255
40	Not directly attributable	
41	Total attributable to regulated service	3,255
42	Non-network assets	
43	Directly attributable	
44	Not directly attributable	
45	Total attributable to regulated service	-
46		
47	Regulated service asset value directly attributable	84,072
48	Regulated service asset value not directly attributable	-
49	Total closing RAB value	84,072

5e(ii): Changes in Asset Allocations* †		(\$000)	
		CY-1	Current Year (CY)
53	Change in asset value allocation 1		
54	Asset category		
55	Original allocator or line items		
56	New allocator or line items		
57			
58	Rationale for change		
59			
60			
61			
62	Change in asset value allocation 2		
63	Asset category		
64	Original allocator or line items		
65	New allocator or line items		
66			
67	Rationale for change		
68			
69			
70			
71	Change in asset value allocation 3		
72	Asset category		
73	Original allocator or line items		
74	New allocator or line items		
75			
76	Rationale for change		
77			
78			

* 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 componen
 † include additional rows if needed

Company Name **Electricity Invercargill Limited**For Year Ended **31 March 2018****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		237
9	System growth		-
10	Asset replacement and renewal		5,308
11	Asset relocations		-
12	Reliability, safety and environment:		
13	Quality of supply	4	
14	Legislative and regulatory	-	
15	Other reliability, safety and environment	205	
16	Total reliability, safety and environment		209
17	Expenditure on network assets		5,754
18	Expenditure on non-network assets		-
19			
20	Expenditure on assets		5,754
21	plus Cost of financing		-
22	less Value of capital contributions		36
23	plus Value of vested assets		-
24			
25	Capital expenditure		5,718
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)	19	
33	Customer Connections (21 to 99kVA)	19	
34	Customer Connections (≥ 100kVA)	199	
35	Distributed Generation Connection	-	
36	New Subdivisions	-	
37	<i>* include additional rows if needed</i>		
38	Consumer connection expenditure		237
39			
40	less Capital contributions funding consumer connection expenditure	36	
41	Consumer connection less capital contributions		201
42	6a(iv): System Growth and Asset Replacement and Renewal		
43		System Growth	Asset Replacement and Renewal
44		(\$000)	(\$000)
45	Subtransmission	-	39
46	Zone substations	-	3,705
47	Distribution and LV lines	-	90
48	Distribution and LV cables	-	758
49	Distribution substations and transformers	-	362
50	Distribution switchgear	-	354
51	Other network assets	-	-
52	System growth and asset replacement and renewal expenditure	-	5,308
53	less Capital contributions funding system growth and asset replacement and renewal	-	-
54	System growth and asset replacement and renewal less capital contributions	-	5,308
55			
56	6a(v): Asset Relocations		
57	<i>Project or programme*</i>	(\$000)	(\$000)
58	[Description of material project or programme]	-	
59	[Description of material project or programme]	-	
60	[Description of material project or programme]	-	
61	[Description of material project or programme]	-	
62	[Description of material project or programme]	-	
63	<i>* include additional rows if needed</i>		
64	All other projects or programmes - asset relocations	-	
65	Asset relocations expenditure		-
66	less Capital contributions funding asset relocations	-	
67	Asset relocations less capital contributions		-

68				
69	6a(vi): Quality of Supply			
70	<i>Project or programme*</i>		(\$000)	(\$000)
71	[Description of material project or programme]		-	
72	[Description of material project or programme]		-	
73	[Description of material project or programme]		-	
74	[Description of material project or programme]		-	
75	[Description of material project or programme]		-	
76	<i>* include additional rows if needed</i>			
77	All other projects programmes - quality of supply		4	
78	Quality of supply expenditure			4
79	<i>less</i> Capital contributions funding quality of supply		-	
80	Quality of supply less capital contributions			4
81	6a(vii): Legislative and Regulatory			
82	<i>Project or programme*</i>		(\$000)	(\$000)
83	[Description of material project or programme]		-	
84	[Description of material project or programme]		-	
85	[Description of material project or programme]		-	
86	[Description of material project or programme]		-	
87	[Description of material project or programme]		-	
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>		(\$000)	(\$000)
95	20458 - Pillar Box Lid Upgrade		72	
96	20459 - Neutral Earth Resistor Protection Upgrade		133	
97				
98				
99				
100	<i>* include additional rows if needed</i>			
101	All other projects or programmes - other reliability, safety and environment		-	
102	Other reliability, safety and environment expenditure			205
103	<i>less</i> Capital contributions funding other reliability, safety and environment		-	
104	Other reliability, safety and environment less capital contributions			205
105				
106	6a(ix): Non-Network Assets			
107	Routine expenditure			
108	<i>Project or programme*</i>		(\$000)	(\$000)
109	[Description of material project or programme]		-	
110	[Description of material project or programme]		-	
111	[Description of material project or programme]		-	
112	[Description of material project or programme]		-	
113	[Description of material project or programme]		-	
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>		(\$000)	(\$000)
119	[Description of material project or programme]		-	
120	[Description of material project or programme]		-	
121	[Description of material project or programme]		-	
122	[Description of material project or programme]		-	
123	[Description of material project or programme]		-	
124	<i>* include additional rows if needed</i>			
125	All other projects or programmes - atypical expenditure		-	
126	Atypical expenditure			-
127				
128	Expenditure on non-network assets			-

Company Name **Electricity Invercargill Limited**For Year Ended **31 March 2018****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	471	
9 Vegetation management	0	
10 Routine and corrective maintenance and inspection	784	
11 Asset replacement and renewal	61	
12 Network opex		1,315
13 System operations and network support	903	
14 Business support	2,368	
15 Non-network opex		3,271
16		
17 Operational expenditure		4,587
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		111
23 * Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**

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

	Target (\$000) ¹	Actual (\$000)	% variance
7(i): Revenue			
Line charge revenue	21,088	20,384	(3%)
7(ii): Expenditure on Assets	Forecast (\$000) ²	Actual (\$000)	% variance
Consumer connection	224	237	6%
System growth	–	–	–
Asset replacement and renewal	5,727	5,308	(7%)
Asset relocations	6	–	(100%)
Reliability, safety and environment:			
Quality of supply	67	4	(94%)
Legislative and regulatory	–	–	–
Other reliability, safety and environment	194	205	5%
Total reliability, safety and environment	261	209	(20%)
Expenditure on network assets	6,218	5,754	(7%)
Expenditure on non-network assets	–	–	–
Expenditure on assets	6,218	5,754	(7%)
7(iii): Operational Expenditure			
Service interruptions and emergencies	431	471	9%
Vegetation management	1	0	(89%)
Routine and corrective maintenance and inspection	1,034	784	(24%)
Asset replacement and renewal	105	61	(42%)
Network opex	1,571	1,315	(16%)
System operations and network support	894	903	1%
Business support	2,337	2,368	1%
Non-network opex	3,231	3,271	1%
Operational expenditure	4,802	4,587	(4%)
7(iv): Subcomponents of Expenditure on Assets (where known)			
Energy efficiency and demand side management, reduction of energy losses	–	–	–
Overhead to underground conversion	–	–	–
Research and development	–	–	–
7(v): Subcomponents of Operational Expenditure (where known)			
Energy efficiency and demand side management, reduction of energy losses	125	125	–
Direct billing	–	–	–
Research and development	–	–	–
Insurance	106	111	5%

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 2018**

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(j): Billed Quantities by Price Component

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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	5,330	31,641
Domestic	Residential	Standard	9,932	92,796
Non-Domestic	Commercial	Standard	1,964	51,517
Individual non half hour	Commercial	Standard	52	8,123
Individual half hour	Commercial	Standard	126	66,829
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		

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

Standard consumer totals	17,404	250,907
Non-standard consumer totals	-	-
Total for all consumers	17,404	250,907

Price component	Billed quantities by price component					
	Variable day energy sales	Variable day energy purchases				
Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)	kWh	kWh				
		24,881,100				
		74,402,701				
		41,265,740				
		6,509,127				
	48,839,254					
	48,839,254	147,058,668	-	-	-	-
	-	-	-	-	-	-
	48,839,254	147,058,668	-	-	-	-

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

31 **8(ii): Line Charge Revenues (\$000) by Price Component**

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Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$ per day, \$ per kWh, etc.)	Line charge revenues (\$000) by price component						
								Fixed \$/Day	Variable \$/kwh					
Low user	Residential	Standard	\$3,032		\$2,114	\$918		\$206	\$2,826					
Domestic	Residential	Standard	\$8,769		\$5,977	\$2,792		\$3,294	\$5,475					
Non-Domestic	Commercial	Standard	\$4,946		\$3,371	\$1,575		\$1,909	\$3,037					
Individual non half hour	Commercial	Standard	\$568		\$359	\$208		\$89	\$479					
Individual half hour	Commercial	Standard	\$3,069		\$1,589	\$1,479		\$1,545	\$1,523					
			-											
			-											
			-											
			-											
			-											
<i>Add extra rows for additional consumer groups or price category codes as necessary</i>														
Standard consumer totals			\$20,384	-	\$13,411	\$6,973		\$7,043	\$13,341	-	-	-	-	-
Non-standard consumer totals			-	-	-	-		-	-	-	-	-	-	-
Total for all consumers			\$20,384	-	\$13,411	\$6,973		\$7,043	\$13,341	-	-	-	-	-

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

Price component

8(iii): Number of ICPS directly billed

Number of directly billed ICPS at year end

Check OK

Company Name **Electricity Invercargill Limited**

For Year Ended **31 March 2018**

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	Voltage	Asset category	Asset class	Units	Items at start of	Items at end of	Net change	Data accuracy
					year (quantity)	year (quantity)		(1-4)
8	All	Overhead Line	Concrete poles / steel structure	No.	647	666	19	3
9	All	Overhead Line	Wood poles	No.	320	278	(42)	3
10	All	Overhead Line	Other pole types	No.	-	-	-	N/A
11	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	1	1	-	4
12	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
13	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	15	15	(1)	4
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	12	12	0	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	N/A
17	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
22	HV	Zone substation Buildings	Zone substations up to 66kV	No.	5	5	-	4
23	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	N/A
24	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	-	-	-	N/A
26	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	2	2	-	4
27	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	20	16	(4)	4
28	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	4
29	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	5	5	-	4
30	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	2	2	-	4
31	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	49	30	(19)	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	-	-	-	N/A
33	HV	Zone Substation Transformer	Zone Substation Transformers	No.	6	6	-	4
34	HV	Distribution Line	Distribution OH Open Wire Conductor	km	23	23	(0)	3
35	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	N/A
36	HV	Distribution Line	SWER conductor	km	-	-	-	N/A
37	HV	Distribution Cable	Distribution UG XLPE or PVC	km	58	55	(3)	3
38	HV	Distribution Cable	Distribution UG PILC	km	103	99	(4)	3
39	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	N/A
40	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	2	2	-	4
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	38	47	9	4
42	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	64	61	(3)	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	-	-	-	N/A
44	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	457	457	-	4
45	HV	Distribution Transformer	Pole Mounted Transformer	No.	11	11	-	4
46	HV	Distribution Transformer	Ground Mounted Transformer	No.	433	431	(2)	4
47	HV	Distribution Transformer	Voltage regulators	No.	-	-	-	N/A
48	HV	Distribution Substations	Ground Mounted Substation Housing	No.	-	-	-	N/A
49	LV	LV Line	LV OH Conductor	km	30	30	(0)	3
50	LV	LV Cable	LV UG Cable	km	423	422	(1)	3
51	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	168	167	(0)	3
52	LV	Connections	OH/UG consumer service connections	No.	17,883	17,805	(78)	3
53	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	153	155	2	4
54	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
55	All	Capacitor Banks	Capacitors including controls	No.	-	-	-	N/A
56	All	Load Control	Centralised plant	Lot	1	1	-	4
57	All	Load Control	Relays	No.	-	-	-	N/A
58	All	Civils	Cable Tunnels	km	-	-	-	N/A

Company Name	Electricity Invercargill Limited
For Year Ended	31 March 2018
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)	(km)
9				
10	Circuit length by operating voltage (at year end)			
11	> 66kV	–	–	–
12	50kV & 66kV	–	–	–
13	33kV	1	26	28
14	SWER (all SWER voltages)	–	–	–
15	22kV (other than SWER)	–	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	23	154	177
17	Low voltage (< 1kV)	30	422	452
18	Total circuit length (for supply)	54	602	656
19				
20	Dedicated street lighting circuit length (km)	25	142	168
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			
22				
23	Overhead circuit length by terrain (at year end)	(% of total overhead length)		
24	Urban	50		93%
25	Rural	1		2%
26	Remote only	–		–
27	Rugged only	3		5%
28	Remote and rugged	–		–
29	Unallocated overhead lines	–		–
30	Total overhead length	54		100%
31				
32		(% of total circuit length)		
33	Length of circuit within 10km of coastline or geothermal areas (where known)	656		100%
34		(% of total overhead length)		
35	Overhead circuit requiring vegetation management	4		7%

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

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

sch ref

		Number of ICPs served	Line charge revenue (\$000)
8	Location *		
9			
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	Electricity Invercargill Limited
For Year Ended	31 March 2018
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	Domestic		33
13	Low User		3
14	Non Domestic		15
15	Individual half hour		2
16	* include additional rows if needed		
17	Connections total		53
18			
19	Distributed generation		
20	Number of connections made in year	15	connections
21	Capacity of distributed generation installed in year	0.23	MVA
22	9e(ii): System Demand		
23			
24			Demand at time of maximum coincident demand (MW)
25	Maximum coincident system demand		
26	GXP demand	61	
27	plus Distributed generation output at HV and above	-	
28	Maximum coincident system demand	61	
29	less Net transfers to (from) other EDBs at HV and above	(2)	
30	Demand on system for supply to consumers' connection points	63	
31	Electricity volumes carried		Energy (GWh)
32	Electricity supplied from GXPs	247	
33	less Electricity exports to GXPs	-	
34	plus Electricity supplied from distributed generation	0	
35	less Net electricity supplied to (from) other EDBs	(17)	
36	Electricity entering system for supply to consumers' connection points	265	
37	less Total energy delivered to ICPs	251	
38	Electricity losses (loss ratio)	14	5.2%
39			
40	Load factor	0.48	
41	9e(iii): Transformer Capacity		
42			(MVA)
43	Distribution transformer capacity (EDB owned)	149	
44	Distribution transformer capacity (Non-EDB owned, estimated)	2	
45	Total distribution transformer capacity	151	
46			
47	Zone substation transformer capacity	82	

Company Name **Electricity Invercargill Limited**
 For Year Ended **31 March 2018**
 Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

10(i): Interruptions

Interruptions by class		Number of interruptions	
Class A (planned interruptions by Transpower)			
Class B (planned interruptions on the network)		7	
Class C (unplanned interruptions on the network)		20	
Class D (unplanned interruptions by Transpower)			
Class E (unplanned interruptions of EDB owned generation)			
Class F (unplanned interruptions of generation owned by others)			
Class G (unplanned interruptions caused by another disclosing entity)		1	
Class H (planned interruptions caused by another disclosing entity)			
Class I (interruptions caused by parties not included above)			
Total		28	

Interruption restoration	≤3Hrs	>3hrs
Class C interruptions restored within	11	9

SAIFI and SAIDI by class	SAIFI		SAIDI	
	SAIFI	SAIDI	SAIFI	SAIDI
Class A (planned interruptions by Transpower)				
Class B (planned interruptions on the network)	0.04		9.0	
Class C (unplanned interruptions on the network)	0.67		37.8	
Class D (unplanned interruptions by Transpower)				
Class E (unplanned interruptions of EDB owned generation)				
Class F (unplanned interruptions of generation owned by others)				
Class G (unplanned interruptions caused by another disclosing entity)	0.04		15.8	
Class H (planned interruptions caused by another disclosing entity)				
Class I (interruptions caused by parties not included above)				
Total	0.75		62.6	

Normalised SAIFI and SAIDI	Normalised SAIFI	Normalised SAIDI
Classes B & C (interruptions on the network)	0.72	46.8

Quality path normalised reliability limit	SAIFI reliability limit	SAIDI reliability limit
SAIFI and SAIDI limits applicable to disclosure year* * not applicable to exempt EDBs	0.77	31.1

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

Cause	SAIFI	SAIDI
Lightning		
Vegetation		
Adverse weather		
Adverse environment		
Third party interference	0.11	6.8
Wildlife		
Human error	0.30	10.2
Defective equipment	0.22	16.7
Cause unknown	0.04	4.1

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

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	-	-
Subtransmission cables	-	-
Subtransmission other	-	-
Distribution lines (excluding LV)	0.02	5.9
Distribution cables (excluding LV)	-	-
Distribution other (excluding LV)	0.02	3.1

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

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.28	9.8
Subtransmission cables	-	-
Subtransmission other	-	-
Distribution lines (excluding LV)	0.15	13.8
Distribution cables (excluding LV)	0.22	13.8
Distribution other (excluding LV)	0.02	0.4

10(v): Fault Rate

Main equipment involved	Number of Faults		Circuit length (km)	Fault rate (faults per 100km)
	Number of Faults	Circuit length (km)		
Subtransmission lines	1	1		71.94
Subtransmission cables		26		-
Subtransmission other				
Distribution lines (excluding LV)	9	23		39.63
Distribution cables (excluding LV)	5	154		3.24
Distribution other (excluding LV)	6			
Total	21			

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 5.78% which is above the 75th percentile estimate of post-tax WACC of 5.72% and a 6.37% vanilla WACC which is above with the 75th percentile estimate of vanilla WACC of 6.29%.

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 \$52k 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 2017 closing figure as a starting point with inflationary indexing over the year to 31 March 2018 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

Income included in regulatory profit / (loss) before tax but not taxable is the \$882k 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:	\$ 59
	<u>\$ 59</u>
Tax Rate:	28%
Temporary Differences	<u>\$ 17</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 a profit orientated limited liability company 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, 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 7% below budget.

Consumer connection:

- Net 6% overspend due to portions of large customer connections work carried over, from FY16/17 into FY17/18, balanced by customer deferment of connections from FY17/18 into FY18/19.

System Growth:

- No spend in this category for FY17/18

Asset replacement and renewal:

- Net 7% underspend due to: overspend in major plant refurbishment and protection related initiatives, balanced by reduced spend from reduced scope of works for the 2017/18 stage of a major zone substation project; diversion of field staff to higher priority safety issues.

Asset Relocations:

- Underspend in this small budget due to customer initiated relocation work being deferred by the customers

Quality of Supply:

- Budget was largely un-spent as field staff were diverted to higher priority safety.

Reliability, Safety and Environment:

- Net 20% underspend, as field staff were diverted to higher priority safety issues.

Operational Expenditure:

Network opex was 4% below budget.

Service interruptions and emergencies:

- 9% overspent with reactive work than expected.

Vegetation management:

- Small reactive budget, went largely unspent.

Routine and corrective maintenance and inspection:

- Net 24% underspend due to less corrective maintenance.

Asset replacement and renewal:

- Net 42% underspend due to diversion of field staff

System Operations and Network Support:

- Within 1% of budget.

Business Support:

- Within 1% of 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 2018:

- Target revenue for the 2017-18 year was \$21,088k. The total billed revenue for the 2017-18 year was \$20,384k, which is \$704k 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 (3% 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 2017/18 at 27.49, was below the applicable Commerce Commission Limit of 31.13, but above the Commerce Commission Target 24.08 levels.

The SAIFI assessed value for 2017/18 at 0.47 was well below the applicable Commerce Commission Limit of 0.77, and below the Commerce Commission Target level of 0.59.

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.

EIL has disclosed a normalised SAIDI at 46.8 and normalised SAIFI at 0.72 for 2017/18.

2017/18 SAIDI was high relative to the expected long term average due to:

- an unusually high number of high impact third-party caused incidents
- a single operator error event at a zone substation

Due to the small footprint and underground nature of the network. The probability of an interruption is relatively low. However, in the event of an interruption, the number of customers affected tends to be high as a percentage of the total customer base. This inherent variance makes SAIDI & SAIFI difficult to predict for any given year.

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 \$26.3 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

No amendments were disclosed.

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 December 2016:

	2018	2019	2020	2021	2022
Inflator (CAPEX & OPEX)	2.0%	2.1%	2.0%	2.1%	2.0%

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

Schedule 9c: Report on Overhead Lines and Underground Cables

- Circuit length by operating voltage
 - in an effort to refine and standardise the process of circuit length calculations, change has been made in reporting conductors that are 'In Service and Under Construction' to just 'In Service'. This has resulted to a reduction in disclosed line length of "6.6kV to 11kV (inclusive-other than SWER)".
 - in prior year disclosures, assumed parameters in estimating the length of rural low voltage lines had not changed since 2012. Recalculation this year resulted to a reduction in disclosed length of "Low voltage (<11kV)".

Initiatives are underway to improve the completeness and accuracy in gathering information and maintaining our asset data base. This exercise may impact the future reporting of quantities in the schedule

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 2018, 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.

**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.

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



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.

A handwritten signature in black ink, appearing to read 'Nathan Wylie', is written over the typed name and title.

Nathan Wylie
PricewaterhouseCoopers
On behalf of the Auditor-General
Christchurch, New Zealand
30 August 2018

5. DIRECTORS' CERTIFICATE

Schedule 18: Certification for Year-End Disclosures

Clause 2.9.2

We, Thomas Campbell and Sarah Jane Brown, 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 2012), 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



Sarah Jane Brown

30 August 2018