

GAS DPP RESET 2017 - QUESTIONS FOR SUPPLIER EVIDENCE STAGE OF FORECASTING EXPENDITURE PROCESS

1. With reference to your 2016-2026 Asset Management Plan update (28 September 2016) we request the following information from Powerco:
 - 1.1 Explanation of the step change increase in reliability, safety and environment planning capex, and demonstration of how the forecast was arrived at.
 - 1.2 Explanation of Powerco's capex over-forecast variances with historical actual expenditure. When 2013, 2014 and 2015 actual total capex expenditure is compared with what was forecast there are significant differences. We are looking for reassurance that there is no systematic over-forecasting occurring in this expenditure category.