Decision No. [XXX]

Draft Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012

Draft Electricity Distribution Services Information Disclosure Determination under Part 4 of the Commerce Act 1986.

**The Commerce Commission: Dr M Berry**

**S Begg**

**P Duignan**

**S Gale**

**Summary of the determination**: Under Part 4 of the Commerce Act 1986, the Commerce Commission has determined information disclosure requirements that apply to electricity distribution businesses.

**This determination is currently in draft form and is intended for technical consultation purposes only. Following submissions on this draft determination, a final determination will be made****. This is expected to occur by the end of August 2012.**

Date of Decision: [xx xxxxxxx 2012]

COMMERCE ACT (ELECTRICITY DISTRIBUTION SERVICES INFORMATION DISCLOSURE) DETERMINATION 2012

[Part 1 GENERAL PROVISIONS 5](#_Toc329296589)

[1.1 TITLE 5](#_Toc329296590)

[1.2 COMMENCEMENT DATE 5](#_Toc329296591)

[1.3 APPLICATION 5](#_Toc329296592)

[1.4 INTERPRETATION 5](#_Toc329296593)

[Part 2 DISCLOSURE REQUIREMENTS 31](#_Toc329296594)

[2.1 INFORMATION DISCLOSURE 31](#_Toc329296595)

[2.2 APPLICABLE INPUT METHODOLOGIES 31](#_Toc329296596)

[2.3 FINANCIAL INFORMATION FOR THE DISCLOSURE YEAR 32](#_Toc329296597)

[2.4 PRICING AND RELATED INFORMATION 37](#_Toc329296598)

[2.5 NON-FINANCIAL INFORMATION RELATING TO NETWORK ASSETS 44](#_Toc329296599)

[2.6 ASSET MANAGEMENT PLANS AND FORECAST INFORMATION 45](#_Toc329296600)

[2.7 EXPLANATORY NOTES TO DISCLOSED INFORMATION 48](#_Toc329296601)

[2.8 ASSURANCE REPORTS 49](#_Toc329296602)

[2.9 CERTIFICATES 50](#_Toc329296603)

[2.10 RETENTION AND CONTINUING DISCLOSURES 50](#_Toc329296604)

[2.11 EXEMPTIONS 50](#_Toc329296605)

[2.12 TRANSITIONAL PROVISIONS 51](#_Toc329296606)

[Appendix A Asset Management Plans 55](#_Toc329296607)

[Appendix B Information Requirements for Engineer’s Report 68](#_Toc329296608)

[Schedule 1 Analytical Ratios 73](#_Toc329296609)

[Schedule 2 Report on Expenditure Forecasts 74](#_Toc329296610)

[Schedule 3 Report on Return on Investment 75](#_Toc329296611)

[Schedule 3a Term Credit Spread Differential Allowance 76](#_Toc329296612)

[Schedule 4 Report on Value of the Regulatory Asset Base (Rolled Forward) 77](#_Toc329296613)

[Schedule 4a Report on Asset Allocations 78](#_Toc329296614)

[Schedule 4b Report Supporting Asset Allocations 79](#_Toc329296615)

[Schedule 4c Report on Initial RAB Adjustment 80](#_Toc329296616)

[Schedule 4d Report on Transitional Financial Information 81](#_Toc329296617)

[Schedule 5 Report on Regulatory Profit 83](#_Toc329296618)

[Schedule 5a Report on Regulatory Tax Allowance 84](#_Toc329296619)

[Schedule 5b Report on Related Party Transactions 85](#_Toc329296620)

[Schedule 5c Report on Cost Allocations 86](#_Toc329296621)

[Schedule 5d Report Supporting Cost Allocations 87](#_Toc329296622)

[Schedule 6 Report on Capital Expenditure for the Disclosure Year 88](#_Toc329296623)

[Schedule 7 Report on Operational Expenditure for the Disclosure Year 90](#_Toc329296624)

[Schedule 8a Report on Billed Quantities and Line Charge Revenues (by Type of Charge) 91](#_Toc329296625)

[Schedule 8b Report on Billed Quantities and Line Charge Revenues (by Consumer Type) 92](#_Toc329296626)

[Schedule 9a Asset Register 94](#_Toc329296627)

[Schedule 9b Asset Age Profile 95](#_Toc329296628)

[Schedule 9c Report on Overhead Lines 96](#_Toc329296629)

[Schedule 9d Report on Embedded Networks 97](#_Toc329296630)

[Schedule 9e Report on Demand 98](#_Toc329296631)

[Schedule 10 Report on Network Reliability 99](#_Toc329296632)

[Schedule 10a Report on Network Reliability (Data Class C) 100](#_Toc329296633)

[Schedule 11a Report on Forecast Capital Expenditure 101](#_Toc329296634)

[Schedule 11b Report on Forecast Operational Expenditure 103](#_Toc329296635)

[Schedule 12a Report on Asset Condition 104](#_Toc329296636)

[Schedule 12b Report on Forecast Capacity 105](#_Toc329296637)

[Schedule 12c Report on Forecast Demand 106](#_Toc329296638)

[Schedule 12d Report on Forecast Interruptions and Duration 107](#_Toc329296639)

[Schedule 13 Report on Asset Management Maturity 108](#_Toc329296640)

[Schedule 14 Mandatory Explanatory Notes 118](#_Toc329296641)

[Schedule 14a Mandatory Explanatory Notes on Forecast Information 124](#_Toc329296642)

[Schedule 14b Explanatory Notes on Transitional Financial Information 125](#_Toc329296643)

[Schedule 15 Voluntary Explanatory Notes 126](#_Toc329296644)

[Schedule 16 Definitions of Terms used in Schedules 1 to 15 127](#_Toc329296645)

[Schedule 17 Certification for Year-beginning Disclosures 153](#_Toc329296646)

[Schedule 18 Certification for Year-end Disclosures 154](#_Toc329296647)

[Schedule 19 Certification for Transitional Disclosures 155](#_Toc329296648)

Under Part 4 of the Commerce Act 1986, the Commerce Commission makes the following determination:

1. GENERAL PROVISIONS
   1. TITLE
      1. This determination is the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012.
   2. COMMENCEMENT DATE
      1. This determination comes into force on [ ].
   3. APPLICATION
      1. This determination applies to **electricity distribution businesses** as suppliers of regulated goods and services under Part 4 of the Act.
   4. INTERPRETATION
      1. In this determination, unless the context otherwise requires—
         1. terms in bold type in the main body of this determination (this includes the appendices) have the meaning given to those terms in this section 1.4; terms used in the Schedules are defined in Schedule 16;
         2. terms used in this determination that are defined in the **Act** but not in this determination, have the same meanings as in the **Act**;
         3. terms used in this determination that are defined in the **IM determinations** but not in this determination have the same meanings as in the **IM determinations**;
         4. a word which denotes the singular also denotes the plural and vice versa;
         5. an obligation to do something is deemed to include an obligation to cause that thing to be done;
         6. financial items must be measured and disclosed in accordance with **GAAP** or the **IM determinations,** unless otherwise required in this Determination;
         7. non-financial items must be measured and disclosed in accordance with standard industry practice unless otherwise required in this Determination.
      2. If there is any inconsistency between the main body of this determination (this includes the appendices) and any schedule to this determination, the main body of this determination prevails.
      3. In this determination the words or phrases in bold type bear the following meanings:

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| **2008 requirements** | means the Electricity Distribution (Information Disclosure) Requirements 2008 issued 31 October 2008 |

## A

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| **Act** | means the Commerce Act 1986 |
| **Allocated works under construction** | means, for the components of the works under construction roll-forward, the works under construction values after the application of clause 2.1.1 of the **IM determination** |
| **Allocation methodology type** | has the meaning set out in the **IM determination** |
| **Allocator** | means the measure used to allocate **operating costs** or **regulated service asset values** that are **not directly attributable** as set out in clause 2.1.3 or clause 2.1.5 of the **IM determination** |
| AMP | means **asset management plan** |
| AMP planning period | has the meaning specified in clause 3.4 of Appendix A to this determination |
| AMP update | has the meaning specified in clause 4 of section 2.5 of this determination |
| Asset management plan | has the meaning specified in clause 1 of section 2.5 of this determination |
| **Asset relocations** | in relation to expenditure, means **gross capital expenditure** where the **primary driver** is the need to relocate assets due to third party requests, such as for the purpose of allowing road widening or similar needs. This expenditure category includes **gross capital expenditure** relating to the undergrounding of previously aboveground assets at the request of a third party |
| **Asset replacement and renewal** | means:   1. in relation to capital expenditure, **gross capital expenditure** 2. In relation to operational expenditure, **operational expenditure**   where the **primary driver** is the need to maintain network asset integrity so as to maintain current security and/or quality of supply standards and includes expenditure as a result of:   * the progressive physical deterioration of the condition of **network** assets or their immediate surrounds; * the obsolescence of **network** assets; * preventative replacement programmes, consistent with asset life-cycle management policies; or * the need to ensure the ongoing physical security of the **network** assets |
| **Assets acquired from a related party** | means:   1. in relation to the **unallocated RAB**, the sum of value of assets acquired from a **related party** as determined in accordance with clauses 2.2.11(1)(f) and (g) of the **IM determination**; 2. in relation to the **RAB**, means the sum of value of the assets (as determined in accordance with paragraph (a)) which is allocated to the **electricity distribution services** in accordance with clause 2.1.1 of the **IM determination** |
| **Assets commissioned** | means:   1. in relation to the **unallocated RAB** or **works under construction**, the sum of value of **commissioned** assets as determined in accordance with clause 2.2.11 of the **IM determination**; 2. in relation to the **RAB**, the value of the assets (as determined in accordance with paragraph (a)) which is allocated to the **electricity distribution services** in accordance with clause 2.1.1 of the **IM determination**; 3. in relation to forecast information, a forecast of the value of the assets (as determined in accordance with paragraph (b)) for a future **disclosure year** |
| **Atypical** | means ‘one-off’ or ‘exceptional’ costs incurred as a result of events outside management control |
| **Audited disclosure information** | means information disclosed under any of clauses and of section 2.3, clauses and of section 2.4, clauses and of section 2.5, clause of section and clause of section of this determination |

## B

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| **Business support** | in relation to expenditure, means **operational expenditure** associated with the following corporate activities:   * HR and training (other than operational training) * finance and regulation including compliance activities, valuations and auditing * CEO and director costs * legal services * consulting services (excluding engineering/technical consulting) * property management * corporate communications * corporate IT * industry liaison and participation * commercial activities including pricing, billing, revenue collection and marketing * liaison with **Transpower**, **customers** and **electricity retailers** |

## C

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| **Capital contributions** | has the meaning set out in the **IM determination** |
| **Capital expenditure** | means:   1. in relation to the **unallocated works under construction**, costs:    1. incurred in the acquisition or development of an asset during the **disclosure year** that is, or is intended to be, **commissioned**; and    2. that are included or are intended to be included in the value of **assets commissioned** relating to the **unallocated RAB**; 2. in relation to the report on **related party transactions**, costs:   (i) incurred in the acquisition or development of an asset during the **disclosure year** that is, or is intended to be, **commissioned**; and  (ii) that are included or are intended to be included in the value of assets **commissioned** relating to the **RAB**; and  (iii) that are as a result of **related party transactions**;   1. in all other instances, costs:    1. incurred or forecast to be incurred in the acquisition or development of an asset during the **disclosure year** that is, or is intended to be, **commissioned**; and    2. that are included or are intended to be included in the value of **assets commissioned** relating to the **RAB** |
| **Commencement date** | means the date specified in clause 1.2 of part 1 of this determination |
| **Commission** | means the Commerce Commission |
| **Commissioned** | has the meaning set out in the **IM determination** |
| **Community trust** | has the meaning set out in s 54D(2) of the **Act** |
| Connection point | see the definition of **ICP** |
| **Consumer** | (a) in clauses and , has the meaning set out in s 54D(2) of the **Act**; and   1. in all other instances, means a **person** that consumes or acquires **electricity lines services** |
| **Consumer-controlled** | means an **EDB** that is a **community trust**, **customer co-operative**, or **customer trust** or is controlled by 1 or more such **community trust**, **customer co-operative**, or **customer trust**; and, for the purposes of this definition, a **EDB** is controlled by 1 or more such **community trust**, **customer co-operative**, or **customer trust** if it or they together directly or indirectly—  (a) control the composition of the board or other governing body of the **EDB**; or  (b) are in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the shareholders or members or beneficiaries of the **EDB**; or  (c) hold more than one-half of the issued capital of the **EDB**; or  (d) are entitled to receive more than one-half of every dividend or other distribution paid by the **EDB** |
| **Consumer group** | means the category of **consumers** used by the **EDB** for the purposes of setting **prices** |
| **Contract** | means a contract for the supply of goods or services (or both) whether or not the contract, or any part of the contract, is in writing and, for the avoidance of doubt, includes:   * + - 1. a contract under which goods or services (or both) are being supplied, although some or all of the terms and conditions in relation to the supply of those goods or services have not been settled; and       2. any operating agreement, side letter, or documentation that influences, adjusts or amends the terms and conditions of the contract |
| **Controlling consumers** | in relation to a **consumer-controlled** **EDB**, means all the income beneficiaries or shareholders, as the case may be, of the **community trusts**, **customer co-operatives**, or **customer trusts** that constitute or control that **EDB** |
| **CPP** | has the meaning set out in the **IM determination** |
| **Customer co-operative** | has the meaning set out in s 54D(2) of the **Act** |
| **Customer connection** | in relation to expenditure, means **gross capital expenditure** where the primary driver is the establishment of a new customer connection point or alterations to an existing customer connection point. This expenditure category includes **gross capital expenditure** relating to:   * connection assets and/or parts of the **network** for which the expenditure is recoverable in total, or in part, by a contribution from the customer requesting the new or altered connection point; and * both electricity injection and offtake points of connection. |
| **Customer trust** | has the meaning set out in s 54D(2) of the **Act** |
| **CY, CY-X or CY+X** | means  (a) the **disclosure year** or  (b) where a '-' precedes 'X', the Xth year preceding the **disclosure year** or  (c) where a '+' precedes the 'X', the Xth year following the **disclosure year** |

## D

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| **Direct billing** | in relation to expenditure, means **operational expenditure** associated with directly billing end consumers and recovering payments due. This includes billing services, credit and debtor management, associated customer call centres, and customer account management |
| **Directly attributable** | has the meaning set out in the **IM determination** |
| **Director** | has the meaning set out in the **IM determination** |
| **Disclosure year** | means the 12 month period ending on 31 March of the year the disclosure relates or if the term disclosure year is proceeded by a year, the 12 month period ended on 31 March of that year |
| **Discretionary discounts and customer rebates** | has the meaning set out in the **IM determination** |
| **Disposed asset** | has the meaning set out in paragraph (a) of the defined term in the **IM determination** |
| **Distribution and LV cables** | means all power cables operated at **distribution voltage** or **low voltage**, excluding any pilot or communications cables. |
| **Distributed generation** | has the meaning set out in the Electricity Industry Participation Code 2010 |
| **Distribution and LV lines** | means all overhead power lines operated at **distribution voltage** or **low voltage**, excluding any pilot or communications lines. |
| **Distribution substations and transformers** | means:   * substations, including all associated poles, ground pads and covers, and kiosks and components used to install transformers; and * transformers used to convert between **distribution voltage** and **low voltage.**   For the purpose of the RAB disclosure this excludes **distribution switchgear** installed at distribution substations but includes surge arrestors. |
| **Distribution switchgear** | means all switchgear operated at **distribution voltage**. This includes disconnectors, fuses (including drop outs and fuse switches), circuit breakers, reclosers, sectionalisers, ring main units and voltage regulators. For the purpose of RAB, the value of the switchgear includes the value of protection and controls equipment installed on the switchgear. |
| **Distribution voltage** | means 3 phase nominal voltage:   * over 1 kV and up to and including 30 kV; and * excludes those voltages used within the **network** in the role or manner of a **sub-transmission voltage**. |

## E

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| **EDB (or electricity distribution business)** | means a supplier of **electricity distribution services** |
| **Electrical contracting services** | means the following services, when provided under a contract between the **EDB** and a **related party**:   1. construction and maintenance 2. network management 3. vegetation management 4. connection and disconnection services 5. load control. |
| **Electricity distribution services** | has the meaning set out in the **IM determination** |
| **Electricity lines services** | has the meaning set out in s 54C of the **Act** |
| **Electricity retailer** | means a **person** who supplies electricity to another **person**(s) for any purpose other than for re-supply by the other **person**(s) |
| **Expenses** | means **operational expenditure** and **pass-through and recoverable costs** accrued in each of the months of the **disclosure year**. Where costs are notional they should be recognised evenly over the months of the **disclosure year** |

## F

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| Fault | [TBC – technical consultation] |
| **Forecast expenditure** | means, in relation to:   1. current **disclosure year**, the forecast expenditure for the current **disclosure year** disclosed under section 2.5 of this determination (asset management information) immediately prior to the start of the current **disclosure year** 2. **regulatory period**, the forecast expenditure for the **disclosure years** from the start of the **regulatory period** to the current **disclosure year** disclosed under Part 5 of the **IM determination** where a **CPP** is in place for the current **disclosure year** or disclosed under section 2.5 of this determination (asset management information) prior to the start of the **disclosure year** preceding the **regulatory period** where a **CPP** is not in place for the current **disclosure year** |

## G

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| **GAAP** | means generally accepted accounting practice in New Zealand |
| **GDB** | means gas distribution business as that term is defined in the **IM determination** |
| **Gross capital expenditure** | means **capital expenditure** plus **capital contributions** and **net value of vested assets** |
| **Gross line charge revenue** |  |
| **GTB** | has the meaning set out in the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010 |

## H

## I

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| **ICP (or connection point)** | means a point of connection on a local **network** or embedded **network** which the **EDB** nominates as the point at which an **electricity retailer** will be deemed to supply electricity to a **consumer** |
| **IM determination** | means the Commerce Act (Electricity Distribution Services Input Methodologies) Determination 2010 |
| **Independent auditor** | means a person who:   1. is qualified for appointment as auditor of a company under the Companies Act 1993 or, where the **EDB** is a public entity (as defined in s 4 of the Public Audit Act 2001), is the Auditor-General; 2. has no relationship with, or interest in, the **EDB** that is likely to involve a conflict of interest; 3. has not assisted with the compilation of the information or provided advice or opinions (other than in relation to audit reports) on the methodologies or processes used in compiling the information; and 4. is not associated with nor directed by any person who has provided any such assistance, advice, or opinion |
| **Initial RAB** | has the meaning set out in the **IM determination** |

## L

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| **Legislative and regulatory** | in relation to expenditure, means **gross capital expenditure** where the **primary driver** is a new regulatory or legal requirement that results in the creation of, or modification to, **network** assets |
| **Low voltage** (LV) | means the nominal Alternating Current (AC) voltage of less than 1000 volts or the assets of the **EDB** that are directly associated with the transport or delivery of electricity at those voltages |

## M

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| **Mark-up** | means the margin charged on the directly attributed cost incurred by the related party in providing a good or service which is included in the price of the good or service |
| **Material projects and programmes** | Projects or programmes with actual or forecast total expenditure greater than the materiality threshold that is developed and applied by the **EDB** |

## N

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| **Net value of vested assets** | Is the total value of vested assets calculated in accordance with clause 2.2.11(1)(i) of the **IM determination** |
| **Network** | means the fixed assets used by a **EDB** to provide **electricity lines services** |
| **Network support** | means **operational expenditure** where the **primary driver** is the management of the **network** including:   * asset management planning including preparation of the **AMP**, load forecasting, **network** modelling * **network** and engineering design (excluding design costs capitalised for capital projects) * **network** policy development (including the development of environmental, technical and engineering policies) * standards and manuals for **network** management * **network record** keeping and asset management databases including GIS * outage recording * connection and customer records/customer management databases (including embedded generators) * customer queries and call centres (not associated with **direct billing**) * operational training for **network** management and field staff * operational vehicles and transport * IT & telecoms for network management (including IT support for asset management systems) * day to day customer management including responding to queries on new connections, disconnections and reconnections, embedded generators * engineering and technical consulting * **network** planning and system studies * logistics (procurement) and stores * **network** asset site expenses and leases * Route/easement management (including locating cables and pipelines for third parties, mark cuts, stand-overs, high-load escorts, obstructions, plans and permits) * surveying of new sites to identify work requirements * engineering/technical consulting services (excluding costs capitalised for capital projects) * contractor/contracts management (excluding costs capitalised for capital projects) * transmission operator liaison and management * **network** related research and development |
| Nominal New Zealand dollars | in relation to an expenditure or revenue forecast, means the New Zealand dollar prices expected to apply at the time of transaction |
| **Non-qualifying intangible assets** | means the value of assets identified in clause 2.2.2(d) of the **IM determination** |
| **Non-standard contract** | means a contract that is not a **standard contract** |
| **Non-network capex** (or **non-system fixed assets**) | in relation to expenditure, means **gross capital expenditure** related to the provision of **electricity lines services** but that is not directly related to any **network** asset, and includes expenditure on or in relation to:   * information and technology systems; * asset management systems; * office buildings, depots and workshops; * office furniture and equipment; * motor vehicles; * tools, plant and machinery; and * any other items treated as non-system fixed assets under Generally Accepted Accounting Practice (GAAP). |
| **Not directly attributable** | means:   1. in relation to **operating costs**, **operating costs** that are not **directly attributable**; 2. in relation to **regulated service asset values**, **regulated service asset values** that are not **directly attributable** |

## O

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| **Operating cost** | has the meaning set out in the **IM determination** |
| **Operational expenditure** | means operating costsafter applying clause 2.1.1 of the **IM determination**, except in relation to the report on **related party transactions** where it means operating costs from **related party transactions** as determined after applying clause 2.1.1 of the **IM determination** |
| **Other assets** | means assets used by the **EDB** to provide **electricity lines services** and which are not **subtransmission**, **zone substation**, **distribution and LV lines**, **distribution and LV cables**, **distribution substations and transformers**, **distribution switchgear** or **other system fixed assets** |
| **Other network assets** (or **other system fixed assets)** | means assets used by the **EDB** to provide **electricity lines services** that are not **sub transmission**, **zone substation**, **distribution and LV lines**, **distribution and LV cables**, **distribution substations and transformers** or **distribution switchgear**. This definition includes central facilities for SCADA and telecommunications systems. |
| **Other reliability, safety and environment** | in relation to expenditure, means **gross capital expenditure** where the **primary driver** is to improve **network** reliability or safety or to mitigate the environmental impacts of the **network**,but is not included in either of the quality of supply or **legislative and regulatory** categories. For example, this category may include **gross capital expenditure** where the **primary driver** is to ensure staff safety or meet the EDB’s environmental policies. |

## P

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| **Person** | includes a natural person, a corporation sole, a body corporate, and an unincorporated body |
| Planned interruptio**n** | means any **interruption** in respect of which not less than 24 hours' notice was given, either to the public or to all electricity consumers affected by the interruption |
| **Prescribed contract** | in relation to an **EDB**, means -  a **contract** under which the **EDB** supplies **electricity lines services**:  a **contract** for **related services**, if goods or services are to be supplied under the contract by—  the **EDB**; or  a **person** that is a **related party of** the **EDB**; or  a **person** that supplies **electricity lines services** by means of works owned by the **EDB**; or  a **person** that is a **related party of** a **person** of the kind referred to in subparagraph (iii) |
| **Prescribed terms and conditions** | means, in relation to a **contract** for the supply of **electricity lines services** or for **related services**, the terms and conditions of the **contract** that—  describe the goods or services to be supplied under the **contract**  determine, or provide for the determination of, the quantity or amount of those goods or services  specify, determine, or provide for the determination of the:  **price** at which those goods or services are to be supplied  timing of payment for those goods or services  security for payment for those goods or services  **EDB**’s obligations and responsibilities (if any) to **consumers** in the event that the supply of **electricity lines services** to **consumers** is interrupted. |
| **Prices** | has the meaning set out in the **IM determination**; |
| **Pricing principles** | means, in relation to the supply of **electricity distribution services**, the distribution pricing principles as published by the Electricity Commission in March 2010, adopted by the Electricity Authority, and amended by the Electricity Authority from time to time |
| **Pricing strategy** | means a decision made by the Board of Directors of the EDB on the approach to setting **prices,** and recorded in writing. |
| **Primary driver** | means the primary reason for a decision to incur a cost in the year the cost was incurred or forecast to be incurred.  For example, an asset may be relocated at the request of a third party and, at the same time, capacity on the asset increased to take account of expected future demand. If it is the third party request that required the asset to be relocated at that time, then the **gross capital expenditure** would be allocated to **asset relocation**. If the deadline for relocating the asset was not imminent, but the project had to be completed to allow for the increase in capacity, then the **gross capital expenditure** would be allocated to **system growth**.  Where there is more than one driver for a cost, and the cost is a significant proportion of **operational expenditure** or **gross capital expenditure**, expenditure may be apportioned between expenditure categories according to the relative importance of each driver to the decision, or the project divided into cost categories |
| **Publicly disclose** | in relation to any information, means to:   * + - 1. disclose the information to the public on the Internet at the **EDB**’s usual publicly accessible website;       2. make copies of the information available for inspection by any person during ordinary office hours, at the principal office of the **EDB** making the public disclosure and       3. within 10 working days of being requested to do so by any person, provide that person with a copy of the information, either by post or for collection (during ordinary office hours) from that principal office, whichever the person prefers; and       4. within 5 working days after the information is disclosed to the public, provide a copy of the information to the **Commission** in the form that it is disclosed to the public and in an electronic format that is compatible with Microsoft Excel or Microsoft Word (as the case may be),   and **public disclosure** and **publicly disclosing** have corresponding meanings |

## Q

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| **Quality of supply** | in relation to expenditure, means **gross capital expenditure** where the **primary driver** is the need to meet improved security and/or quality of supply standards. This may include expenditure to:   * reduce the overall outage/fault rate of the **network**; * reduce the average time that customers are affected by planned and/or unplanned interruptions; or * reduce the average number of customers affected by planned and/or unplanned interruptions |

## R

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| **RAB** | means regulatory asset base and for the components of the RAB roll-forward, the values after applying clause 2.1.1 of the **IM determination** |
| Real New Zealand dollars | means, in relation to the prospective disclosures made under subclauses 2.6.1, 2.6.3, and 2.6.5(1), New Zealand dollars denominated in real terms as at the mid-point of the **disclosure year** |
| **Record** | has the meaning set out in section 4 of the Public Records Act 2005 |
| **Regulated service** | has the meaning set out in the **IM determination** |
| **Regulated service asset values** | has the meaning set out in the **IM determination** |
| **Regulatory period** | has the meaning set out in the **IM determination** |
| **Related party** | has the meaning set out in the **IM determination** |
| **Related party transaction** | means a transaction with a **related party** |
| **Related services** | means goods or services (other than the supply of electrical appliances) supplied or to be supplied under a **contract** in any case where-   * + - * 1. there is a linkage between that **contract** for the supply of the goods and services and another **contract** for the conveyance of electricity by reason that the consideration for the supply of those goods or services is linked to, or combined with, payment for the conveyance of that electricity; and         2. the monetary value of the goods or services supplied, or to be supplied, amounts to or (as the case may be) will amount to more than 1% of the monetary value or projected monetary value (as the case may be) of the **contract** for the conveyance of electricity, in respect of either the period of 12 months immediately before, or the period of 12 months immediately after, the **public disclosure** of the information relating to the **contract** for the conveyance of electricity as required by either of clauses 9 or 10 of section 2.4 |
| **Revenue** | means **total regulatory income** accrued in each of the months of the **disclosure year** |
| **Routine and corrective maintenance and inspection** | in relation to expenditure, means **operational expenditure** where the **primary driver** is the activities specified in planned or programmed inspection, testing and maintenance work schedules and includes:   * fault rectification work that is undertaken at a time or date subsequent to any initial fault response and restoration activities * routine inspection * functional and intrusive testing of assets, plant and equipment including critical spares and equipment * helicopter, vehicle and foot patrols, including negotiation of landowner access * asset surveys * environmental response * painting of network assets * outdoor and indoor maintenance of substations, including weed and vegetation clearance, lawn mowing and fencing * maintenance of access tracks, including associated security structures and weed and vegetation clearance * customer-driven maintenance * notices issued |

## S

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| **SAIDI** (System Average Interruption Duration Index) | means the average forced sustained Interruption duration per **connection point** served per year (measured in minutes). **Connection point** numbers are to be the average for the **disclosure year** |
| **SAIFI** (System Average Interruption Frequency Index) | means the average forced sustained Interruption frequency per **connection point** served per year (measured in frequency per year). **Connection point** numbers are to be the average for the **disclosure year** |
| **Service interruptions and emergencies** | In relation to expenditure, means **operational expenditure** where the **primary driver** is an unplanned instantaneous event or incident that impairs the normal operation of **network** assets. This relates to reactive work (either temporary or permanent) undertaken in the immediate or short term in response to an unplanned event. Includes back-up assistance required to restore supply, repair leaks or make safe. It also includes operational support such as mobile generation used during the outage or emergency response. It also includes any necessary response to events arising in the transmission system. It does not include expenditure on activities performed proactively to mitigate the impact such an event would have should it occur.  Planned follow-up activities resulting from an event which were unable to be permanently repaired in the short term are to be included under **routine and corrective maintenance and inspection** |
| **Shared asset** | means a network asset used by more than 1 **consumer** in order to receive **electricity lines services** |
| **Sole use assets** | means assets connected to the network for use by only 1 connecting consumer in order to receive electricity lines services |
| **Special contract term** | means -   1. a non-price term in a contract which materially differs from the terms which the parties in their respective positions would usually include in an arms length contract; or 2. the omission of a material non-price term from a contract, when the parties in their respective positions would usually include that term in an arms length contract; or 3. a non-price term in a contract resulting from a tender process, which materially varies from, or was not included in, the contractual basis on which the tender proposals were requested or the terms proposed by the lowest qualifying tender from an unrelated party, which credibly could have performed the services. |
| **Standard contract** | means any **contract** (being a **contract** for the carrying out of **electricity line services**) between an **EDB** any other **person** where –  the **price** at which the **electricity line services** are to be carried out under the **contract** is determined solely by reference to a schedule of **prescribed terms and conditions**, being a schedule that is **publicly disclosed**; and  at least 4 other **persons** have such **contracts** with the **EDB**, and none of those other **persons** is **involved in** the **EDB**, or with any of those other **persons** |
| Sub-network | means, in relation to network assets of a supplier that is—   1. **consumer-controlled** and the number of **controlling consumers** is less than 90% of the total number of **consumers** of the services provided by the **EDB**; the part of the **network** assets owned by the **EDB** that is substantially used to provide services to—   **consumers** that are controlling consumers; or  **consumers** that are not **controlling consumers**; or   1. Aurora, either the assets located in the Dunedin geographic region or the assets located outside that region; or 2. Powerco, either the assets located in the Eastern geographic region or the assets located outside that region |
| **Subtransmission** | means:   * in relation to **AMP**s, the transport or delivery of electricity at the following voltages: 110 kV, 66 kV, 33 kV and other voltages within this range *(note: whilst voltages outside this range (eg, 22 kV) may be used for the purposes of sub-transmission, they are not to be included in the sub-transmission reporting category)*; or * for any other purpose, any of the electric lines, cables, plant and equipment, operated at any **sub-transmission voltage**, that are not installed in any **zone substation**. The assets include associated pilot and communication cables, switches and surge arrestors or other overhead lines and cable components installed outside of any **zone substation** |
| **Subtransmission voltage** | means 3 phase nominal voltage:   * over 30 kV and up to and including 110 kV; or * 22kV, if that voltage is used within the **network** in the role or manner of a sub-transmission voltage |
| **SWER** | means single wire earth return |
| **System growth** | in relation to expenditure, means **gross capital expenditure** where the **primary driver** is a change in demand or generation on a part of the **network** which results in a requirement for either additional capacity to meet this demand or additional investment to maintain current security and/or quality of supply standards due to the increased demand. This expenditure category includes **gross capital expenditure** associated with SCADA and telecommunications assets. |
| **System operations and network support** | In relation to expenditure, means **operational expenditure** where the **primary driver** is the management of the **network** and includes expenditure relating to control centre and office-based system operations, including:   * asset management planning including preparation of the **AMP**, load forecasting, **network** modelling * **network** and engineering design (excluding design costs capitalised for capital projects) * **network** policy development (including the development of environmental, technical and engineering policies) * standards and manuals for **network** management * **network record** keeping and asset management databases including GIS * outage recording * connection and customer records/customer management databases (including embedded generators) * customer queries and call centres (not associated with **direct billing**) * operational training for **network** management and field staff * operational vehicles and transport * IT & telecoms for network management (including IT support for asset management systems) * day to day customer management including responding to queries on new connections, disconnections and reconnections, embedded generators * engineering and technical consulting * **network** planning and system studies * logistics (procurement) and stores * **network** asset site expenses and leases |

## T

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| **Target revenue** | means the revenue that the **EDB** expects to obtain from **prices** |
| **Total opening RAB values** | means:  (a) in relation to the **unallocated RAB**, the sum of unallocated opening **RAB** values as determined in accordance with the **IM determination;**  (b) in relation to the **RAB**, the sum of opening **RAB** values as determined in accordance with the **IM determination** |
| **Total regulatory income** | means:   1. in relation to the Report on Regulatory Profit, the sum of **gross line charge revenue** and **other regulated income** 2. in relation to the report on **related party transactions**, total regulatory income (as determined in accordance with paragraph (a)) from **related party transactions** |
| **Transmission charge** | means any payment made in respect of the use of the **transmission system**. For the avoidance of doubt, this includes avoided transmission charges. |
| **Transmission system** | means the national grid |

## U

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| **Unallocated RAB** | means for the components of the **RAB** roll-forward, the values before the application of clause 2.1.1 of the **IM determination** |
| **Unallocated works under construction** | means for the components of the **works under construction** roll-forward, the **works under construction** values before the application of clause 2.1.1 of the **IM determination** |
| **Unallocated 2009 modified asset values** | means the value of the **2009 modified asset values** before any allocation of asset value relevant to the regulatory disclosures been undertaken |
| **Unplanned interruption** | means any **interruption** in respect of which less than 24 hours' notice, or no notice, was given, either to the public or to all electricity consumers affected by the interruption |

## V

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| **Vegetation management** | in relation to expenditure, means **operational expenditure** where the **primary driver** is the need to physically fell, remove or trim vegetation (including root management) that is in the proximity of overhead lines or cables. It includes expenditure arising from the following activities:   * inspection of affected lines and cables where the inspection is substantially or wholly directed to vegetation management (e.g., as part of a vegetation management contract). Includes pre-trim inspections as well as well as inspections of vegetation cut for the primary purpose of ensuring the work has been undertaken in an appropriate manner; * liaison with landowners including the issue of trim/cut notices, and follow up calls on notices; * the felling or trimming of vegetation to meet externally imposed requirements or internal policy, including operational support such as any mobile generation used during the activity.   The following activities and related costs are excluded from this category:   * general inspection costs of assets subject to vegetation where this is not substantially directed to vegetation management (include in routine and corrective maintenance and inspection); * costs of assessing and reviewing the vegetation management policy (include in network support); * data collection relating to vegetation (include in network support); * the cost of managing a vegetation management contract, except as stated above (include in network support); * emergency work (include in service interruptions and emergencies). |

## W

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| **Works under construction** | means:   1. in relation to **unallocated works under construction**, the value of *q* calculated using the following formula:   where:  = **unallocated works under construction** - preceding disclosure year  = **unallocated capital expenditure**  = **unallocated assets commissioned**  = **adjustment resulting from cost allocation**  (b) in relation to **allocated works under construction**, the value (as determined in accordance with paragraph (a)) which was allocated to **electricity distribution services** in accordance with clause 2.1.1 of the **IM determination**  (c) in relation to the establishment of the initial **RAB** value, the value of works under construction included in **unallocated 2009 modified asset values** as works under construction is defined in the **IM determination** |

## Y

## Z

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| **Zone substation** | means the transformers, switchgear, protection and control and Supervisory Control and Data Acquisition (SCADA) equipment, **low voltage** and station direct current systems, other secondary systems, ripple injection plant and outdoor structure installed in an electrical power substation primarily used to convert any **sub-transmission voltage** to any **distribution voltage**. Zone substation assets include the land, any buildings and the value of site developments. |

1. DISCLOSURE REQUIREMENTS
   1. INFORMATION DISCLOSURE
      1. Subject to sections 2.11 and 2.12, from the **commencement date** every **EDB** must comply with the information disclosure requirements set out in this determination and, in particular, must comply with:
         1. The requirements to disclose financial information in section 2.3
         2. The requirement to disclose pricing and related information in section 2.4
         3. The requirement to disclose non-financial information relating to network assets in section 2.5
         4. The requirement to disclose asset management plans and forecast information in section 2.6
         5. The requirement to disclose explanatory notes in relation to disclosed information in section 2.7
         6. The audit, certification and verification requirements in sections 2.8 and 2.9
         7. The retention and continuous disclosure requirements in section 2.10
         8. The transitional provisions in section 2.12
   2. APPLICABLE INPUT METHODOLOGIES
      1. Every **EDB** must apply requirements set out in the following subparts of the **IM determination** as applicable, when complying with this determination:
         1. Subpart 1 of part 2, cost allocation
         2. Subpart 2 of part 2, asset valuation
         3. Subpart 3 of part 2, treatment of taxation
         4. Subpart 4 of part 2, cost of capital, with respect to qualifying suppliers as qualifying suppliers is defined in the **IM determination**.
   3. FINANCIAL INFORMATION FOR THE DISCLOSURE YEAR

### Annual Disclosure Relating to Financial Information for the Disclosure Year

* + 1. Subject to clauses , 2.3.7, 2.3.8 2.3.5of this section and section 2.12, within 5 months after the end of each **disclosure year**, every **EDB** must disclose information relating to its financial position by:
       1. Completing each of the following reports by inserting all information relating to the **electricity lines services** supplied by the **EDB** for that disclosure year:
          1. The Comparison of Forecasts to Actual Expenditure in Schedule 2
          2. the Report on Return on Investment set out in Schedule 3;
          3. the Report on Term Credit Spread Differential Allowance set out in Schedule 3a;
          4. the Report on Value of the Regulatory Asset Base (Rolled Forward) set out in Schedule 4;
          5. the Report on Asset Allocations set out in Schedule 4a;
          6. the Report on Regulatory Profit set out in Schedule 5;
          7. the Report on Regulatory Tax Allowance set out in Schedule 5a;
          8. the Report on Related Party Transactions set out in Schedule 5b;
          9. the Report on Cost Allocations set out in Schedule 5c;
          10. the Report on Capital Expenditure for the Disclosure Year set out in Schedule 6;
          11. the Report on Operational Expenditure for the Disclosure Year set out in Schedule 7; and
       2. **Publicly disclosing** each of those reports;
    2. Subject to section 2.12, within 5 months after the end of each **disclosure year**, every **EDB** must disclose to the **Commission** information supporting the information disclosed in accordance with clause 2.3.1 above by completing each of the following reports by inserting all information relating to the information supplied by the **EDB** in Schedules 4a and 5c for that **disclosure year**:
       1. the Report Supporting Asset Allocations set out in Schedule 4b;
       2. the Report Supporting Cost Allocations set out in Schedule 5d.

### Alternative Method for Return on Investment Information

* + 1. Subject to section 2.12, in completing the Report on Return on Investment in Schedule 3:
       1. an **EDB** must disclose information in accordance with part 3(iii) of Schedule 3 if the calculation of ROI under part 3(iii), to the extent it relates to the specific timing and value of **assets commissioned** by the **EDB** during the **disclosure year,** would lead to a difference of 50 basis points or more compared to the ROI calculation set out in part 3(i) of Schedule 3;
       2. otherwise an **EDB** may elect to disclose information in accordance with part 3(iii) of Schedule 3;

### Term Credit Spread Differential Allowance

* + 1. The Report on Term Credit Spread Differential Allowance in Schedule 3a is only required to be completed by qualifying suppliers as qualifying suppliers is defined in the **IM determination**.

### Allocation of Assets and Operating Costs

* + 1. In completing the Report on Asset Allocations in Schedule 4a and the Report on Cost Allocations in Schedule 5c an **EDB** must:
       1. **Publicly disclose**, for each asset category in Schedule 4a and each **operational expenditure** category in Schedule 5c that has **not directly attributable** costs:
          1. a description of the **not directly attributable** costs or assets;
          2. the allocation methodology types used to allocate the **not directly attributable** costs or assets;
          3. where more than one allocation method is used, the percentage of **not directly attributable** costs or assets allocated using each method;
          4. where ABAA or OVABAA methodologies are used, whether the **allocators** are proxy asset allocators, proxy cost allocators or causal allocators, as ABAA, OVABAA, proxy assets allocator, proxy cost allocator and causal are defined in the **IM determination**; and
          5. the **allocators** used and the rationale for using each **allocator**.

### Related Party Transactions

* + 1. For the purpose of clause 2.3.1, the cost of any service, good, or asset from a **related party** must be:
       1. for any **assets acquired from a related party**, as determined in accordance with clause 2.2.11(1)(g) of the **IM determination**; or
       2. for any service, good, or for any assets other than **assets acquired from a related party**, one of the following:
          1. at the directly attributable cost incurred by the **related party** in accordance with the cost allocation process set out in clauses [clause references] of the **IM determination**, provided that the cost incurred by the **related party** in providing the service to the **EDB**–

is fair and reasonable to the **EDB**, and

is substantially the same as the cost incurred by the **related party** in providing the same type of services to third parties,; or

* + - * 1. for **electrical contracting services** to maintain or develop the **network**, at the directly attributable cost incurred by the **related party,** determined in accordance with the cost allocation process and approaches of the **IM determination**, plus a **mark-up** which does not exceed 17.2%; or
        2. the price paid by the **EDB**, where–

at least 50%  of the **related party’s** sales of services, goods, and assets are to third parties, and third parties may purchase the same or similar services, goods, and assets from the **related party** on substantially the same terms and conditions, including price; or

that price is substantially the same as the price paid for the same or substantially similar services (including any adjustments for inflation using CPI or an appropriate input price index) on substantially the same terms and conditions in the preceding 3 **disclosure years** from a party other than a **related party**; or

* + - * 1. at the price paid by the **EDB**, where –

the price paid for all services, goods, and assets acquired from that **related party** is less than 1% of the **EDB**’s total revenue from the **regulated service** for that year, and

the total price paid for all **related party transactions** is less than 5% of the **EDB**’s total revenue from the **regulated service**; or

* + - * 1. at the price paid by the **EDB** to the **related party** following a competitive tender process, provided that–

the price is no more than 5% higher than the price of the lowest conforming tender received;

all relevant information material to consideration of a proposal was provided to third parties, or made available upon request;

at least one other qualifying proposal was received;

the final agreement for the provision of the services, goods, or assets by the **related party** does not include any **special contract terms**;

the **EDB** retains for a period of 7 years following the closing date of tender proposals a record of the tender and tender process, including request for information and/or proposal, the criteria used for the assessment of proposals, reasons for acceptance or rejection of proposals, and all proposals and requests for information on the tender for the purposes of making proposals; and

its **directly attributable** cost would be as incurred by the group to which the **EDB** and **related party** are a part, determined in accordance with GAAP, as the if the consolidate group was the **EDB**;

* + - * 1. the price paid by the **EDB**, provided–

the price cannot otherwise be determined under subclauses (a) to (e), and

no fewer than 2 **director**s of the **EDB** provide a written certification that they are satisfied that the price or prices paid for all services, goods, or assets determined in accordance with this paragraph reflect the price or prices that would be received in an arm’s-length transaction; or

* + - * 1. nil.
    1. For the purpose of clause 2.3.1 above, the price received for any sale or supply of services, goods, or assets to a **related party**, must be one of the following:
       1. if the **related party** is another **EDB**, a **GDB**, or **GTB** required to publicly disclose the price paid or cost incurred in accordance with another **Commission** determination, then the price received must be that disclosed by the **related party**; or
       2. if the price received cannot be determined under subclause (1), then:
          1. at the price received from the **related party**, where the **EDB** makes at least 50%  of its revenue from the provision of similar services to unrelated parties, and the price charged by the **EDB** to the **related party** is substantially the same as the price charged to third parties for similar services, goods, or assets on substantially the same terms and conditions; or
          2. at the price received from the **related party**, provided that no fewer than 2 directors of the **EDB**'s provide a written certification that they are satisfied that the prices received for all services, goods, or assets provided to **related parties** reflect the price or prices that would be received in an arm’s length transaction; or
          3. at the cost incurred by the **EDB** in providing the service, good, or asset.

*Information on capital expenditure projects*

* + 1. Subject to section 2.12, in completing the Report on Capital Expenditure for the Disclosure Year in Schedule 6, **EDB**s must disclose the following information in relation to **material projects and programmes**:
       1. Separately disclose **customer** **connection** expenditure for each customer type defined by the **EDB** in 6(iii) of Schedule 6;
       2. For each material **asset relocation** project in Schedule 6:
          1. separately disclose a brief description of the project and its value in 6(v) of Schedule 6;
          2. Provide any additional commentary, including the purpose of the project and a description of the assets relocated in Schedule 14 (Mandatory Explanatory Notes).
       3. For each material **quality of supply** project:
          1. separately disclose a brief description of the project and its value in 6(vi) in Schedule 6;
          2. provide any additional commentary, including the purpose of the project and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes)
       4. For each material **legislative and regulatory** project in Schedule 6:
          1. separately disclose a brief description of the **legislative and regulatory** requirement and the value of the project in 6(vii) of Schedule 6;
          2. provide any additional commentary, including the purpose of the projects and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes);
       5. For each material **other reliability, safety and environment** project in Schedule 6:
          1. separately disclose a brief description of the project and its value in 6(viii) of Schedule 6;
          2. provide any additional commentary, including the purpose of the project and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes);
       6. For each material **non-network capex** project in Schedule 6:
          1. separately disclose a brief description of the project and its value in 6(ix) of Schedule 6;
          2. provide any additional commentary, including the purpose of the project and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes).
  1. PRICING AND RELATED INFORMATION

### Disclosure of pricing methodologies

* + 1. Every **EDB** must **publicly disclose**, before the start of each **disclosure year**, a pricing methodology which:
       1. Describes the methodology, in accordance with clause 2.4.3 below, used to calculate the **prices** payable or to be payable
       2. Describes any changes in **prices** and **target revenues**
       3. Explains, in accordance with clause 2.4.5 below, the approach taken with respect to pricing in **non-standard contracts** and **distributed generation** (if any)
       4. Explains whether, and if so how, the **EDB** has sought the views of **consumers**, including their expectations in terms of **price** and quality, and reflected those views, in calculating the **prices** payable or to be payable. If the **EDB** has not sought the views of **consumers**, the reasons for not doing so must be disclosed.
    2. Any change in the methodology or adoption of a different methodology, must be **publicly disclosed** at least 20 working days before prices determined in accordance with the change or the different methodology take effect.
    3. Every disclosure under clause above must:
       1. Include sufficient information and commentary to enable interested persons to understand how **prices** were set for each **consumer group**, including the assumptions and statistics used to determine **prices** for each **consumer group**
       2. Demonstrate the extent to which the pricing methodology is consistent with the **pricing principles** and explain the reasons for any inconsistency between the pricing methodology and the **pricing principles**
       3. State the **target revenue** to be collected for the current **disclosure year**
       4. Where applicable, identify the key components of **target revenue** required to cover the costs and return on investment associated with the **EDB**’s provision of **electricity lines services**. Disclosure must include the numerical value of each of the components
       5. State the **consumer groups** for whom **prices** have been set, and describe:
          1. the rationale for grouping **consumers** in this way
          2. the method and the criteria used by the **EDB** to allocate **consumers** to each of the **consumer groups**.
       6. If **prices** have changed from **prices** disclosed for the immediately preceding **disclosure year**, explain the reasons for changes, and quantify the difference in respect of each of those reasons
       7. Where applicable, describe the method used by the **EDB** to allocate the **target revenue** among **consumer groups**, including the numerical values of the **target revenue** allocated to each **consumer group**, and the rationale for allocating it in this way
       8. State the proportion of **target revenue** (if applicable) that is collected through each tariff type as **publicly disclosed** annually under clause 2.4.16.
    4. Every disclosure under clause 2.4.1 above must, if the **EDB** has a **pricing strategy**:
       1. Explain the **pricing strategy** for the next 5 **disclosure years** (or as close to 5 years as the **pricing strategy** allows), including the current **disclosure year** for which **prices** are set
       2. Explain how and why **prices** for each **consumer group** will change as a result of the **pricing strategy**
       3. If the **pricing strategy** has changed from the preceding **disclosure year**, identify the changes and explain the reasons for the changes.
    5. Every disclosure under clause 2.4.1 above must:
       1. Describe the approach to setting **prices** for **non-standard contracts**, including:
          1. the extent of **non-standard contract** use, including the number of **ICP**s represented by **non-standard contracts** and the value of **target revenue** anticipated from **non-standard contracts**
          2. how the **EDB** determines whether to use a **non-standard contract**, including any criteria used
          3. any specific criteria or methodology used for determining **prices** for **non-standard contracts** and how these criteria or that methodology is consistent with the **pricing principles**
       2. Describe the **EDB**’s obligations and responsibilities (if any) to customers on **non-standard contracts** in the event that the supply of **electricity lines services** to the customer is interrupted. Disclosure must explain:
          1. the extent of the differences in these terms within **standard contracts** and **non-standard contracts**
          2. any implications of this approach for determining **prices** for **non-standard contracts**
       3. Describe the **EDB**’s approach to payments made to and by providers of **distributed generation**, include the:
          1. value of the payments
          2. structure of the payments
          3. rationale for the payments.

### Disclosure of capital contributions

* + 1. Every **EDB** must at all times **publicly disclose**:
       1. A description of its current policy or methodology for determining **capital contributions**, including:
          1. the circumstances (or how to determine the circumstances) under which the **EDB** may require a **capital contribution**
          2. how the amount payable of any **capital contribution** is determined. Disclosure must include a description of how the costs of any **shared assets** (if applicable), and any **sole use assets** that are included in the amount of the **capital contribution**,are calculated
          3. the extent to which any policy or methodology is consistent with the relevant **pricing principles**
       2. A statement of whether a **person** can use an independent contractor to undertake some or all of the work covered by the **capital contribution** sought by the **EDB**, as an alternative to paying the full amount of the **capital contribution** to the **EDB**
       3. If the **EDB** has a standard schedule of **capital contribution** charges, the current version of that standard schedule.
    2. When a **consumer** or other **person** from whom the **EDB** seeks a **capital contribution**, queries the **capital contribution** charge, (and when the charge is not covered in the schedule of standard **capital contribution** charges, or no such schedule exists) the **EDB** must, within 10 working days of receiving the request, provide reasonable explanation to any reasonable query from that **consumer** or other **person** of the components of that charge and how these were determined.
    3. The requirements in clauses 2.4.6 and 2.4.7 apply if:
       1. the **EDB** determines the amount of **capital contributions**
       2. the **EDB** has or can obtain information about the policy or methodology used by another **person** to determine **capital contributions** where the **EDB** receives those **capital contributions**.

### Disclosure of prescribed terms and conditions of contracts

* + 1. Subject to clause 2.4.15, every **EDB** must, within 20 working days of entering into a **prescribed contract**, that is a **standard contract**, **publicly disclose**:
       1. If the other party to the contract is an **electricity retailer**, the name of that **electricity retailer**
       2. In any other case, the **prescribed terms and conditions** of the **prescribed contract**.
    2. Subject to section 53C(4) of the **Act**, every **EDB** must, in respect of all **prescribed contracts** that are **non-standard contracts** entered into during the disclosure year, within 5 months after the end of that **disclosure year**, either:
       1. If the other party to the contract is an **electricity retailer**, **publicly disclose** the name of that **electricity retailer**
       2. In any other case, either:
          1. **publicly disclose** a description of the goods or services to be supplied under the **prescribed** **contract** and the quantity or amount of those goods or services;or
          2. **publicly disclose** the **prescribed terms and conditions** of each **prescribed contract**, with the exception of **prescribed terms and conditions** that specify, determine, **or provide for the determination** of the **price** at which goods or services are to be supplied.
    3. For any **contract** for which information is **publicly disclosed** under clause 2.4.10, unless **prescribed terms and conditions** have been publicly disclosed under subclause 2.4.10(2)(b), every **EDB** must, within 20 working days of a request by any **person**, provide to that **person** and **publicly disclose** the **prescribed terms and conditions** of the **prescribed contract**, with the exception of **prescribed terms and conditions** that specify, determine, or provide for the determination of the **price** at which goods or services are to be supplied.
    4. Subject to section 53C(4) of the **Act**, if any **prescribed terms and conditions** of a **prescribed contract** that is also a **standard contract** (including a **prescribed contract** that was entered into before the date on which this determination came into force) are modified, the **EDB** must, no later than 20 working days after those modifications take effect, **publicly disclose**:
       1. The **prescribed contract** concerned
       2. The modifications made to the **prescribed terms and conditions**.
    5. Subject to section 53C(4) of the **Act** and within 5 months after the end of the **disclosure year**, if any **prescribed terms and conditions** of a **prescribed contract** that is a **non-standard contract** (including a **prescribed contract** that was entered into before the date on which this determination came into force) are modified, the **EDB** must disclose to any **person**, within 20 working days of a request by that **person**, the modifications made to the **prescribed terms and conditions**.
    6. Every **EDB** must, when **publicly disclosing** the **prescribed terms and conditions** under clauses 2.4.10 or 2.4.11 above, include the following information:
       1. The electricity supply capacity (in kilovolt amperes) of the assets used for the purposes of conveying electricity under the **contract**:
          1. at the point of supply, if the electricity is conveyed to a **consumer**; or
          2. at the point at which the electricity is supplied to any **person** other than a **consumer**.
       2. The voltage at which the electricity is to be supplied or conveyed under the **non-standard contract**.
    7. For the purposes of this section, **public disclosure** by an **EDB** of the **prescribed terms and conditions** of a **standard contract** is to be regarded as **public disclosure** by that **EDB** in relation to all of its **standard contracts** with the same **prescribed terms and conditions**.

### Disclosure of prices

* + 1. Every **EDB** must at all times **publicly disclose**:
       1. Each current **price** expressed in a manner that enables **consumers** to determine:
          1. the **consumer group** or groups applicable to them
          2. the total **price** for **electricity lines services** applicable to them
          3. of the total **price**, the **prices** represented by each charge type applicable to them
       2. The amount of each current **price** that is attributable to **transmission charges**
       3. The number (or estimated number) of **consumers** by whom each **price** is payable
       4. The date at which each **price** was or will be first introduced
       5. The **price** that was payable immediately before each current **price** (if any) expressed in the manner referred to in subclause (1) above.
    2. Every **EDB** must, at least 20 working days before changing a **price** or introducing a new **price** that is payable by 5 or more **consumers**,
       1. **Publicly disclose**:
          1. the information specified in clause 2.4.16 above in respect of that **price**
          2. an explanation of the reasons for the new **price** or the changed **price**.
       2. In addition, either-
          1. give written notice to each **consumer** by whom that **price** is payable, including the information specified in clause above in respect of that **price**, or
          2. notify in the news section of either

2 separate editions of each newspaper, or

news media accessible using the internet

that is widely read by **consumers** connected to the **EDB**’s **network**, details of the **price**, including:

the changed **price** alongside the immediately preceding **price** applicable

contact details where further details of the new or changed **price** can be found including the URL of the **EDB**’s publicly accessible website.

* + 1. Every **EDB** must, in respect of all new **prices** payable by 4 or fewer **consumers**, at least 20 working days before introducing a new **price**, give written notice to each **consumer** by whom that **price** is payable, the information specified in clause above in respect of that **price**.

### Annual disclosure of information on quantities and revenues billed

* + 1. Within 5 months of the end of each **disclosure year**, every **EDB** must **publicly disclose** the information specified in Schedule 8a and Schedule 8b.
    2. If **prices** differ between **sub-networks**, a separate Schedule 8a and Schedule 8b must be completed for each **sub-network**.

### Disclosure of financial distributions arising from ownership interest

* + 1. If in a **disclosure year** an **EDB** makes a financial distribution to a **community trust**, **customer trust** or **customer co-operative** and recommends how that financial distribution should be allocated amongst **consumers**, including where the **EDB** makes the allocation on behalf of the **community trust**, **customer trust** or **customer co-operative**, the **EDB** must **publicly disclose** the allocation methodology it used to make the recommendation or allocation.
    2. The description in clause 2.4.21 must provide sufficient detail that **consumers** can accurately determine their entitlement.
  1. NON-FINANCIAL INFORMATION RELATING TO NETWORK ASSETS
     1. Within 5 months after the end of each **disclosure year**, every **EDB** must—
        1. Complete each of the following reports by inserting all information relating to the **electricity distribution services** supplied by the **EDB** for the **disclosure years** provided for in the following reports:
           1. the Asset Register set out in Schedule 9a;
           2. the Asset Age Profile set out in Schedule 9b;
           3. the Report on Overhead Lines set out in Schedule 9c;
           4. the Report on Embedded Networks set out in Schedule 9d;
           5. the Report on Demand set out in Schedule 9e; and
           6. **publicly disclose** these reports.
        2. If an **EDB** has **sub-networks**, complete each of the following reports by inserting all information relating to the **electricity distribution services** supplied by the **EDB** in relation to each **sub-network** for the **disclosure years** provided for in the report:
           1. the Assets Register set out in Schedule 9a;
           2. the Report on Assets Age Profile set out in Schedule 9b;
           3. the Report on OHL Data set out in Schedule 9c;
           4. the Report on Embedded Networks set out in Schedule 9d;
           5. the Report on Demand set out in Schedule 9e; and
           6. **publicly disclose** these reports.
     2. Within 5 months after the end of each **disclosure year**, every **EDB** must—
        1. Complete each of the following reports by inserting all information relating to the **electricity distribution services** supplied by the **EDB** for the **disclosure years** provided for in the following reports:
           1. the Report on Reliability set out in Schedule 10;
           2. the Report on Reliability Data Class C set out in Schedule 10a; and
           3. **publicly disclose** these reports.
        2. If the **EDB** has **sub-networks**, complete each of the following reports by inserting all information relating to the **electricity distribution services** supplied by the **EDB** in relation to each **sub-network** for the **disclosure years** provided for in the report:
           1. the Report on Reliability set out in Schedule 10;
           2. the Report on Reliability Data Class C set out in Schedule 10a; and
           3. **publicly disclose** these reports.
  2. ASSET MANAGEMENT PLANS AND FORECAST INFORMATION

### Disclosure relating to asset management plans and forecast information

* + 1. Subject to clause 2.6.3 below, before the start of each **disclosure year** commencing with the **disclosure year** 2014, every **EDB** must complete and **publicly disclose** an **AMP** that—
       1. Relates to the electricity distribution services supplied by the **EDB**;
       2. Meets the purposes of **AMP** disclosure set out in clause 2.6.2;
       3. Has been prepared in accordance with Appendix A to this determination;
       4. Contain the completed tables required in clause
       5. Contains the Asset Management Maturity Report set out in Schedule 13.
    2. The purposes of **AMP** disclosure referred to in clause 2.6.1(2) are that the **AMP**—
       1. Must provide sufficient information for an interested person to assess whether:
          1. assets are being managed for the long term;
          2. the required level of performance is being delivered; and
          3. costs are efficient and performance efficiencies are being achieved;
       2. Must be capable of being understood by an interested person with a reasonable understanding of the management of infrastructure assets;
       3. Should provide a sound basis for the ongoing assessment of asset-related risks, particularly high impact asset-related risks.
    3. If the disclosure year described in clause 2.6.1 above does not coincide with the first or fourth disclosure year of the **regulatory period**, and if the **EDB** has publicly disclosed an AMP under clause 2.6.1 above in respect of a prior **disclosure year**, then the **EDB** may—
       1. Elect to not comply with clause 2.6.1 in the current **disclosure year**; and
       2. Complete and **publicly disclose**, before the start of the disclosure year, an **AMP update** under clause 2.6.4 below.
    4. For the purpose of subclause , the **AMP update** must—
       1. Relate to the **electricity distribution services** supplied by the **EDB**;
       2. Identify any material changes to the network development plans disclosed in the last **AMP** under clause of Appendix A or in the last **AMP update** disclosed under this section;
       3. Identify any material changes to the lifecycle asset management (maintenance and renewal) plans disclosed in the last **AMP** under clause of Appendix A or in the last **AMP update** disclosed under this section;
       4. Contain the completed tables required in subclause ;
       5. Provide the reasons for any material changes to the previous disclosures in the Report on Forecast Capital Expenditure set out in Schedule 11a and Report on Forecast Operational Expenditure set out in Schedule 11b;
       6. Identify any changes to the asset management practices of the **EDB** that would affect a schedule 13 Report on Asset Management Maturity disclosure.
    5. Every **EDB** must—
       1. Before the start of each **disclosure year**, complete each of the following reports by inserting all information relating to the **electricity distribution services** supplied by the **EDB** for the **disclosure years** provided for in the following reports—
          1. the Report on Forecast Capital Expenditure in Schedule 11a
          2. the Report on Forecast Operational Expenditure in Schedule 11b
          3. the Report on Asset Condition in Schedule 12a
          4. the Report on Forecast Capacity in Schedule 12b
          5. the Report on Forecast Demand in Schedule 12c
          6. the Report on Forecast Interruptions and Duration in Schedule 12d
       2. Include, in the **AMP** or **AMP update** as applicable, the information contained in each of the reports described in subclause 2.6.5(1);
       3. Within 5 working days of **publicly disclosing** the **AMP** or **AMP update** as applicable, disclose the reports described in subclause 2.6.5(1) to the **Commission**;
       4. Within 5 months of the start of the **disclosure year**, **publicly disclose** the reports described in subclause 2.6.5(1).
  1. EXPLANATORY NOTES TO DISCLOSED INFORMATION
     1. Within 5 months of the end of each **disclosure year**, every **EDB** must complete and **publicly disclose** the Schedule of Mandatory Explanatory Notes (Schedule 14) by inserting all information relating to information disclosed in accordance with clauses 2.3.1, 2.4.19, 2.4.20, 2.5.1, and 2.5.2.
        1. In relation to details of any insurance cover for the assets used to provide **electricity distribution services**, the explanatory notes in Schedule 14 must include:
           1. The **EDB**’s approaches and practices in regard to the insurance of assets, including the level of insurance;
           2. In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.
        2. Where an item disclosed in accordance with clause 2.3.1 is classified differently from the previous year, the explanatory notes in Schedule 14 must include the:
           1. nature of the item reclassified;
           2. value of the item in the current **disclosure year** and in the previous **disclosure year;**
           3. classification of the item in the previous **disclosure year;**
           4. classification of the item in the current **disclosure year;** and
           5. reason why the item has been reclassified.
     2. Within 5 months of the end of each **disclosure year**, every **EDB** must complete and **publicly disclose** the Mandatory Explanatory Notes on Forecast Information in Schedule 14a by inserting all relevant information relating to information disclosed in accordance with clause 2.6.5.
     3. Within 5 months of the end of each **disclosure year**, every **EDB** may **publicly disclose** any further comments on the information disclosed in accordance with clauses 2.3.1, 2.4.19, 2.4.20, 2.5.1, 2.5.2, and 2.6.5, in Schedule 15.
  2. ASSURANCE REPORTS
     1. Where an **EDB** is required to **publicly disclose** any **audited disclosure information**, the **EDB** must:
        1. Procure an assurance report by an **independent auditor** in respect of that audited **disclosure information**, that is prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards, signed by the **independent auditor** (either in his or her own name or that of his or her firm), that:
           1. is addressed to the **director**s of the **EDB** and to the **Commission** as the intended users of the assurance report,
           2. states:

that it has been prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards; and

the work done by the **independent auditor**; and

the scope and limitations of the audit; and

the existence of any relationship (other than that of auditor) which the **independent auditor** has with, or any interests which the **independent auditor** has in, the **EDB** or any of its subsidiaries or **related parties**; and

whether the **independent auditor** has obtained sufficient recorded evidence and explanations that he or she required and, if not, the information and explanations not obtained; and

whether, in the **independent auditor**’s opinion, as far as appears from an examination, the information used in the preparation of Schedules 2, 3, 3a, 4, 4a, 4b, 4c, 4d, 5, 5a, 5b, 5c, 5d, 6, 7, 8a, 8b, 9a, 9b, 9c, 9d, 9e, 10, 10a, 14, 14a, and 14b has been properly extracted from the **EDB**’s accounting and other records, sourced from its financial and non-financial systems; and

whether, in the **independent auditor**’s opinion, as far as appears from an examination of them, proper **records** to enable the complete and accurate compilation of information required by the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012have been kept by the **EDB** and, if not, the **records** not so kept; and

* + - * 1. States whether (and, if not, the respects in which it has not), in the **independent auditor**’s opinion, the **EDB** has complied, in all material respects, with the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012; and
      1. **Publicly disclose** the **independent auditor**’s report prepared in accordance with subclause (1) above at the same time as the **EDB** **publicly discloses** the **audited disclosure information**.
  1. CERTIFICATES
     1. Where an **EDB** is required to **publicly disclose** any information under clause 2.4.1 of section 2.4; and clause 2.6.1 and subclauses 2.6.3(2) and 2.6.5(2) of section 2.6, the **EDB** must at that time **publicly disclose** a certificate in the form set out in Schedule 17 in respect of that information, duly signed by 2 **directors** of the **EDB**.
     2. Where an **EDB** is required to **publicly disclose** any information under any of clauses 2.3.1 and 2.3.2 of section 2.3; and clauses 2.4.19 and 2.4.20 of section 2.4, and clauses 2.5.1 and 2.5.2 of section 2.5, and clauses 2.7.1 and 2.7.2 of section 2.7, the **EDB** must at that time **publicly disclose** a certificate in the form set out in Schedule 18 in respect of that information, duly signed by 2 **directors** of the **EDB**.
     3. Where an **EDB** is required to **publicly disclose** any information under clause 2.12.1 and 2.12.2 the **EDB** must at that time **publicly disclose** a certificate in the form set out in Schedule 19 in respect of that information, duly signed by 2 **directors** of the **EDB**.
  2. RETENTION AND CONTINUING DISCLOSURES
     1. An **EDB** that is required by this determination to **publicly disclose** any information must retain, and continuously **publicly disclose**, that information for at least 7 years from the date that information is first required to be **publicly disclosed**.
  3. EXEMPTIONS
     1. The **Commission** may at any time, by written notice to an **EDB**-
        1. Exempt the **EDB** from any or all of the requirements of this determination, for a period and on such terms and conditions as the **Commission** specifies in the notice; and
        2. Amend or revoke any such exemption.
  4. TRANSITIONAL PROVISIONS
     1. Subject to clause 2 below, within 9 months after the end of the **disclosure year** 2012, the **EDB** must:
        1. Complete the Report on Transitional Financial Information set out in Schedule 4d;
        2. Complete the Report on Asset Allocations set out in Schedule 4a by inserting all information relating to the asset allocation for the **total opening RAB value** disclosed in Schedule 4;
        3. Provide explanatory comment in Schedule 14b in relation to transitional financial information disclosed in Schedule 4d; and
        4. **Publicly disclose** those reports.
     2. Subject to clause 2.12.3, where an **EDB** elects to undertake an adjustment in accordance with clause 2.2.1 of the **IM determination**, within 9 months after the **disclosure year** 2012 the **EDB** must:
        1. Complete the Report on Initial RAB Adjustment set out in Schedule 4c;
        2. Procure a written engineer’s report that complies with the requirements specified in Appendix B; and
        3. **Publicly disclose** those reports.
     3. Where an **EDB** has disclosed information to the **Commission** on the **initial RAB** and asset adjustment process as provided for under clauses 2.2.1 to 2.2.3 of the **IM determination**, the information disclosed in accordance with subclause above must be consistent with that disclosure.
     4. Despite any requirements set out in clauses 2.3.1 and 2.3.2 of section 2.3; clauses 2.4.19 and 2.4.20 of section 2.4, clauses 2.5.1 and 2.5.2 of section 2.5, clause 2.7.1 of section 2.7 and clauses 2.12.1 of section 2.12, but subject to clause of this section, any information that would otherwise be required to be **publicly disclosed** under subclauses 2.3.1 and 2.3.2 of section 2.3; clauses 2.4.19 and 2.4.20 of section 2.4 , clauses 2.5.1 and 2.5.2 of section 2.5, clause 2.7.1 of section 2.7 and clauses 2.12.1 of section 2.12 in respect of the **disclosure year** 2012 is required to be **publicly disclosed** within 9 months after the end of the **disclosure year** 2012;
     5. Notwithstanding any requirements set out in section 2.3 of this determination, the following transitional provisions apply in respect of the **disclosure year** 2012:
        1. Information in 3(i) of the Report on Return on Investment set out in Schedule 3 relating to **CY**-2 and **CY**-1 is not required to be disclosed
        2. Information in 4(i) of The Report on Regulatory Asset Base Roll Forward set out in Schedule 4 relating to **CY**-3 and **CY**-4 is not required to be disclosed
        3. In 6(i) of the Report on Capital Expenditure set out in Schedule 6 and 2(ii) of the Report on Comparison of Forecasts to Actual Expenditure set out in Schedule 2,
           1. ‘reliability, safety and environment’ (as defined in the **2008 requirements**), must be disclosed as **quality of supply**
           2. legislative and regulatory is not required to be separately disclosed
           3. other reliability safety and environment is not required to be separately disclosed
           4. ‘non-system fixed assets’ (as defined in the **2008 requirements**), must be disclosed as **non-network capex**
        4. In 6(ii) of the Report on Capital Expenditure set out in Schedule 6 and 2(iv) of the Report on Comparison of Forecasts to Actual Expenditure set out in Schedule 2 only ‘Overhead to underground conversion’ must be disclosed
        5. In the Report on Capital Expenditure set out in Schedule 6, 6 (iii)-6(ix) is not required to be disclosed
        6. In the Report on Operational Expenditure set out in Schedule 7 and 2(iii) of the Report on Comparison of Forecasts to Actual Expenditure set out in Schedule 2,
           1. ‘fault and emergency maintenance ‘ (as defined in the **2008 requirements**), must be disclosed as **service interruptions and emergencies**
           2. **Vegetation management** is not required to be separately disclosed
           3. ‘routine and preventative maintenance’and ‘refurbishment and renewal maintenance’ (as defined in the **2008 requirements**), must be disclosed as **routine and corrective maintenance and inspection**
           4. ‘system management and operations’(as defined in the **2008 requirements**), must be disclosed as **system operations and network support**
           5. ‘general management, administration and overheads’(as defined in the **2008 requirements**), must be disclosed as **business support**
           6. Energy efficiency, demand side management and reducing energy losses, insurance, research and development, and direct billing are not required to be separately disclosed
        7. In completing the Report on Comparison of Forecasts to Actual Expenditure as set out in Schedule 2, references to **forecast expenditure** is to be to the forecast expenditure for the current disclosure year disclosed under clause 7 of the **2008 requirements**
        8. In completing the Report on Asset Allocations set out in Schedule 4a and the Report Supporting Asset Allocations set out in Schedule 4b, allocation disclosures must be made aligned to the categories outlined in subclause (3) above.
        9. In completing the Report on Cost Allocations set out in Schedule 5c and the Reporting Supporting Cost Allocations set out in Schedule 5d, allocation disclosures must be made aligned to the categories outlined in subclause (5) above.
     6. Notwithstanding any requirements set out in section 2.3 of this determination, the following transitional provisions apply in respect of the **disclosure year** 2013:
        1. Information in 3(i) of the Report on Return on Investment set out in Schedule 3 relating to **CY**-2 is not required to be disclosed
        2. Information in 4(i) of the Report on Regulatory Asset Base Roll Forward set out in Schedule 4 relating to **CY**-4 is not required to be disclosed
        3. In completing the Report on Expenditure Forecast as set out in Schedule 2, references to **forecast expenditure** is to be to the forecast expenditure for the current disclosure year disclosed under clause 7 of the **2008 requirements**, recast to align with the **operational expenditure** and **capital expenditure** categories of this determination
     7. The information required under clause 2.4.6 is not required to be **publicly disclosed** for the first time until 5 months after this determination is determined.
     8. The information required under clause 2.4.9 is not required to be **publicly disclosed** for the first time until 2 months after this determination is determined.

|  |  |
| --- | --- |
| Dr Mark Berry, *Chair* | Sue Begg, *Deputy Chair* |
| Pat Duignan | Stephen Gale |

Dated at Wellington this day of 2012.

COMMERCE COMMISSION

# Appendix A Asset Management Plans

This Appendix sets out the mandatory disclosure requirements with respect to **AMP**s. The text in italics provides a commentary on those requirements. The purpose of the commentary is to provide guidance on the expected content of disclosed **AMP**s. The commentary has been prepared on the basis that **EDB**s will implement best practice asset management processes.

### AMP design

1. The core elements of asset management—
   1. A focus on measuring network performance, and managing the assets to achieve service targets;
   2. Monitoring and continuously improving asset management practices;
   3. Close alignment with corporate vision and strategy;
   4. That asset management is driven by clearly defined strategies, business objectives and service level targets;
   5. That responsibilities and accountabilities for asset management are clearly assigned;
   6. An emphasis on knowledge of what assets are owned and why, the location of the assets and the condition of the assets;
   7. An emphasis on optimising asset utilisation and performance;
   8. That a total life cycle approach should be taken to asset management;
   9. That the use of ‘non-network’ solutions and demand management techniques as alternatives to asset acquisition is considered.
2. The disclosure requirements are designed to produce AMPs that—
   1. Are based on, but are not limited to, the core elements of asset management identified in clause 1 above;
   2. Are clearly documented and made available to all stakeholders;
   3. Contain sufficient information to allow interested persons to make an informed judgement about the extent to which the **EDB**’s asset management processes meet best practice criteria and outcomes are consistent with outcomes produced in competitive markets;
   4. Specifically support the achievement of disclosed service level targets;
   5. Emphasise knowledge of the performance and risks of assets and identify opportunities to improve performance and provide a sound basis for ongoing risk assessment;
   6. Consider the mechanics of delivery including resourcing;
   7. Consider the organisational structure and capability necessary to deliver the **AMP**;
   8. Consider the organisational and contractor competencies and any training requirements;
   9. Consider the systems, integration and information management necessary to deliver the plans;
   10. Use unambiguous and consistent definitions of asset management processes and terminology consistent with the terms used in this appendix to enhance comparability of asset management practices over time and between **EDBs**;
   11. Promote continual improvements to asset management practices.

Disclosing an **AMP** does not constrain an **EDB** from managing its assets in a way that differs from the **AMP** if its circumstances change after preparing the plan or if the **EDB** adopts improved asset management practices.

### Contents of the **AMP**

1. The **AMP** must include the following:
   1. A summary that provides a brief overview of the contents and highlights information that the **EDB** considers significant
   2. Details of the background and objectives of the **EDB**’s asset management and planning processes
   3. A purpose statement which:
      1. makes clear the purpose and status of the **AMP** in the **EDB**’s asset management practices. The purpose statement must also include a statement of the objectives of the asset management and planning processes
      2. states the corporate mission or vision as it relates to asset management
      3. identifies the documented plans produced as outputs of the annual business planning process adopted by the **EDB**
      4. states how the different documented plans relate to one another, with particular reference to any plans specifically dealing with asset management
      5. includes a description of the interaction between the objectives of the **AMP** and other corporate goals, business planning processes, and plans

The purpose statement should be consistent with the **EDB**’s vision and mission statements, and show a clear recognition of stakeholder interest.

* 1. Details of the **AMP planning period**, which must cover at least a projected period of 10 years commencing with the **disclosure year** following the date on which the **AMP** is disclosed

Good asset management practice recognises the greater accuracy of short-to-medium term planning, and will allow for this in the **AMP**. The **AMP**s for the second 5 years of the **AMP planning period** need not be presented in the same detail as the first 5 years.

* 1. The date that it was approved by the **directors**
  2. A description of stakeholder interests (owners, **consumers** etc) which identifies important stakeholders and indicates:
     1. how the interests of stakeholders are identified
     2. what these interests are
     3. how these interests are accommodated in asset management practices
     4. how conflicting interests are managed
  3. A description of the accountabilities and responsibilities for asset management on at least 3 levels, including:
     1. governance—a description of the extent of **director** approval required for key asset management decisions and the extent to which asset management outcomes are regularly reported to **directors**
     2. executive—an indication of how the in-house asset management and planning organisation is structured
     3. field operations—an overview of how field operations are managed, including a description of the extent to which field work is undertaken in-house and the areas where outsourced contractors are used
  4. All significant assumptions
     1. quantified where possible
     2. clearly identified in a manner that makes their significance understandable to interested persons, including
     3. a description of changes proposed where the information is not based on the **EDB**’s existing business
     4. the sources of uncertainty and the potential effect of the uncertainty on the prospective information
     5. the price inflator assumptions used to prepare the financial information disclosed in **nominal New Zealand dollars** in the Report on Forecast Capital Expenditure set out in Schedule 11a and the Report on Forecast Operational Expenditure set out in Schedule 11b.
  5. A description of the factors that may lead to a material difference between the prospective information disclosed and the corresponding actual information recorded in future disclosures
  6. An overview of asset management strategy and delivery

To support the AMMAT disclosure and assist interested persons to assess the maturity of asset management strategy and delivery, the **AMP** should identify:

* *how the asset management strategy is consistent with the* ***EDB****’s other strategy and policies;*
* *how the asset strategy takes into account the life cycle of the assets;*
* *the link between the asset management strategy and the* ***AMP****;*
* *processes that ensure costs, risks and system performance will be effectively controlled when the* ***AMP*** *is implemented.*
  1. An overview of systems and information management data

To support the AMMAT disclosure and assist interested persons to assess the maturity of systems and information management, the **AMP** should describe:

* *the processes used to identify asset management data requirements that cover the whole of life cycle of the assets;*
* *the systems used to manage asset data and where the data is used, including* *an overview of the systems to record asset conditions and operation capacity and to monitor the performance of assets;*
* *the systems and controls to ensure the quality and accuracy of asset management information;* *and*
* *the extent to which these systems, processes and controls are integrated.*
  1. A statement covering any limitations in the availability or completeness of asset management data and disclose any initiatives intended to improve the quality of this data

Discussion of the limitations of asset management data is intended to enhance the transparency of the **AMP** and identify gaps in the asset management system.

* 1. A description of the processes used within the **EDB** for:
     1. managing routine asset inspections and **network** maintenance
     2. planning and implementing **network** development projects
     3. measuring **network** performance.
  2. An overview of asset management documentation, controls and review processes

To support the AMMAT disclosure and assist interested persons to assess the maturity of asset management documentation, controls and review processes, the **AMP** should:

* identify the documentation that describes the key components of the asset management system and the links between the key components;
* describe the processes developed around documentation, control and review of key components of the asset management system;
* where the **EDB** outsources components of the asset management system, the processes and controls that the **EDB** uses to ensure efficient and cost effective delivery of its asset management strategy;
* where the **EDB** outsources components of the asset management system, the systems it uses to retain core asset knowledge in-house; and
* audit or review procedures undertaken in respect of the asset management system.
  1. An overview of communication and participation processes

To support the AMMAT disclosure and assist interested persons to assess the maturity of asset management documentation, controls and review processes, the **AMP** should:

* communicate asset management strategies, objectives, policies and plans to stakeholders involved in the delivery of the asset management requirements, including contractors and consultants;
* demonstrate staff engagement in the efficient and cost effective delivery of the asset management requirements.
  1. The **AMP** must present all financial values in **real New Zealand dollars** except where specified otherwise;
  2. The **AMP** must be structured and presented in a way that the **EDB** considers will support the purposes of **AMP** disclosure set out in clause 2.6.2 of the determination.

### Assets covered

1. The **AMP** must provide details of the assets covered, including:
   1. a high-level description of the service areas covered by the **EDB** and the degree to which these are interlinked, including:
      1. the region(s) covered
      2. identification of large **consumers** that have a significant impact on network operations or asset management priorities
      3. description of the load characteristics for different parts of the **network**
      4. peak demand and total energy delivered in the previous year, broken down by **sub-network**, if any.
   2. a description of the **network** configuration, including:
      1. identifying bulk electricity supply points and any embedded generation with a capacity greater than 1 MW. State the existing firm supply capacity and current peak load of each bulk electricity supply point;
      2. a description of the **subtransmission** system fed from the bulk electricity supply points, including the capacity of **zone substations** and the voltage(s) of the **subtransmission** **network**(s). The **AMP** must identify the supply security provided at individual **zone substations**, by describing the extent to which each has n-x **subtransmission** security or by providing alternative security class ratings;
      3. a description of the distribution system, including the extent to which it is underground;
      4. a brief description of the **network**’s distribution substation arrangements;
      5. a description of the **low voltage** **network** including the extent to which it is underground; and
      6. an overview of secondary assets such as protection relays, ripple injection systems, SCADA and telecommunications systems.

To help clarify the network descriptions, **network** maps and a single line diagram of the **subtransmission** **network** should be made available to interested persons. These may be provided in the AMP or, alternatively, made available upon request with a statement to this effect made in the AMP.

* 1. If **sub-networks** exist, the **network** configuration information referred to in subclause 4.2 above must be disclosed for each **sub-network**.

### Network assets by category

* 1. The **AMP** must describe the **network** assets by providing the following information for each asset category:
     1. voltage levels;
     2. description and quantity of assets;
     3. age profiles; and
     4. a discussion of the condition of the assets, further broken down into more detailed categories as considered appropriate. Systemic issues leading to the premature replacement of assets or parts of assets should be discussed.
  2. The asset categories discussed in subclause 4.4 above should include at least the following:
     1. Sub transmission
     2. Zone substations
     3. Distribution and LV lines
     4. Distribution and LV cables
     5. Distribution substations and transformers
     6. Distribution switchgear
     7. Other system fixed assets
     8. Other assets;
     9. assets owned by the **EDB** but installed at bulk electricity supply points owned by others;
     10. **EDB** owned mobile substations and generators whose function is to increase supply reliability or reduce peak demand; and
     11. other generation plant owned by the **EDB**.

### Service Levels

1. The **AMP** must clearly identify or define a set of performance indicators for which annual performance targets have been defined. The annual performance targets must be consistent with business strategies and asset management objectives and be provided for each year of the **AMP planning period**. The targets should reflect what is practically achievable given the current **network** configuration, condition and planned expenditure levels. The targets should be disclosed for each year of the **AMP planning period**.
2. Performance indicators for which targets have been defined in clause 5 above must include **SAIDI** and **SAIFI** values for the next 5 **disclosure years**.
3. Performance indicators for which targets have been defined in clause 5 above should also include:
   1. **Consumer** oriented indicators that preferably differentiate between different **consumer groups**;
   2. Indicators of asset performance, asset efficiency and effectiveness, and service efficiency, such as technical and financial performance indicators related to the efficiency of asset utilisation and operation.
4. The **AMP** must describe the basis on which the target level for each performance indicator was determined. Justification for target levels of service includes **consumer** expectations or demands, legislative, regulatory, and other stakeholders’ requirements or considerations. The **AMP** should demonstrate how stakeholder needs were ascertained and translated into service level targets.
5. Targets should be compared to historic values where available to provide context and scale to the reader.
6. Where forecast expenditure is expected to materially affect performance against a target defined in clause 5 above, the target should be consistent with the expected change in the level of performance.

Performance against target must be monitored for disclosure in the Evaluation of Performance section of each subsequent AMP.

### Network Development Planning

1. **AMP**s must provide a detailed description of **network** development plans, including—
   1. A description of the planning criteria and assumptions for **network** development;
   2. Planning criteria for network developments should be described logically and succinctly. Where probabilistic or scenario-based planning techniques are used, this should be indicated and the methodology briefly described;
   3. A description of strategies or processes (if any) used by the EDB that promote cost efficiency including through the use of standardised assets and designs;
   4. The use of standardised designs may lead to improved cost efficiencies. This section should discuss:
      1. the categories of assets and designs that are standardised;
      2. the approach used to identify standard designs.
   5. A description of strategies or processes (if any) used by the **EDB** that promote the energy efficient operation of the **network**.

The energy efficient operation of the **network** could be promoted, for example, though **network** design strategies, demand side management strategies and asset purchasing strategies.

* 1. A description of the criteria used to determine the capacity of equipment for different types of assets or different parts of the **network**.

The criteria described should relate to the **EDB**’s philosophy in managing planning risks.

* 1. A description of the process and criteria used to prioritise **network** development projects and how these processes and criteria align with the overall corporate goals and vision.
  2. Details of demand forecasts, the basis on which they are derived, and the specific **network** locations where constraints are expected due to forecast increases in demand;
     1. explain the load forecasting methodology and indicate all the factors used in preparing the load estimates;
     2. provide separate forecasts to at least the **zone substation** level covering at least a minimum five year forecast period. Discuss how uncertain but substantial individual projects/developments that affect load are taken into account in the forecasts, making clear the extent to which these uncertain increases in demand are reflected in the forecasts;
     3. identify any **network** or equipment constraints that may arise due to the anticipated growth in demand during the **AMP planning period**; and
     4. discuss the impact on the load forecasts of any embedded generation or anticipated levels of **distributed generation** in a **network**, and the projected impact of any demand management initiatives.
  3. Analysis of the significant **network** level development options identified and details of the decisions made to satisfy and meet target levels of service, including:
     1. the reasons for choosing a selected option for projects where decisions have been made;
     2. the alternative options considered for projects that are planned to start in the next five years and the potential for non-network solutions described;
     3. consideration of planned innovations that improve efficiencies within the **network**, such as improved utilisation, extended asset lives, and deferred investment.
  4. A description and identification of the **network** development programme including **distributed generation** and non-network solutions and actions to be taken, including associated expenditure projections. The **network** development plan must include:
     1. a detailed description of the material projects and a summary description of the non-material projects currently underway or planned to start within the next 12 months;
     2. a summary description of the programmes and projects planned for the following four years (where known); and
     3. an overview of the material projects being considered for the remainder of the **AMP planning period**.

For projects included in the **AMP** where decisions have been made, the reasons for choosing the selected option should be stated which should include how target levels of service will be impacted. For other projects planned to start in the next five years, alternative options should be discussed, including the potential for non-network approaches to be more cost effective than **network** augmentations.

* 1. A description of the **EDB**’s policies on **distributed generation**, including the policies for connecting embedded generation. The impact of such generation on network development plans must also be stated.
  2. A description of the **EDB**’s policies on non-network solutions, including:
     1. economically feasible and practical alternatives to conventional **network** augmentation. These are typically approaches that would reduce **network** demand and/or improve asset utilisation; and
     2. the potential for non-network solutions to address **network** problems or constraints.

### Lifecycle Asset Management Planning (Maintenance and Renewal)

1. The **AMP** must provide a detailed description of the lifecycle asset management processes, including—
   1. The key drivers for maintenance planning and assumptions;
   2. Identification of **routine and corrective maintenance and inspection** policies and programmes and actions to be taken for each asset category, including associated expenditure projections. This must include:
      1. the approach to inspecting and maintaining each category of assets, including a description of the types of inspections, tests and condition monitoring carried out and the intervals at which this is done;
      2. any systemic problems identified with any particular asset types and the proposed actions to address these problems; and
      3. budgets for maintenance activities broken down by asset category for the **AMP planning period**.
   3. Identification of **asset replacement and renewal** policies and programmes and actions to be taken for each asset category, including associated expenditure projections. This must include:
      1. the processes used to decide when and whether an asset is replaced or refurbished, including a description of the factors on which decisions are based, and consideration of future demands on the network and the optimum use of existing network assets;
      2. a description of innovations made that have deferred asset replacement;
      3. a description of the projects currently underway or planned for the next 12 months;
      4. a summary of the projects planned for the following four years (where known); and
      5. an overview of other work being considered for the remainder of the **AMP planning period**.
   4. The asset categories discussed in subclauses 12.2 and 12.3 above should include at least the categories in subclause 4.5 above.

### Non-Network Development, Maintenance and Renewal

1. **AMP**s must provide a summary description of material non-network development, maintenance and renewal plans, including—
   1. a description of non-network assets;
   2. development, maintenance and renewal policies that cover them;
   3. a description of material capital expenditure projects (where known) planned for the next five years;
   4. a description of material maintenance and renewal projects (where known) planned for the next five years.

### Risk Management

1. **AMP**s must provide details of risk policies, assessment, and mitigation, including—
   1. Methods, details and conclusions of risk analysis;
   2. Strategies used to identify areas of the **network** that are vulnerable to high impact low probability events and a description of the resilience of the **network** and asset management systems to such events;
   3. A description of the policies to mitigate or manage the risks of events identified in subclause 18.2;
   4. Details of emergency response and contingency plans.

Asset risk management forms a component of an **EDB**’s overall risk management plan or policy, focusing on the risks to assets and maintaining service levels. **AMPs** should demonstrate how the EDB identifies and assesses asset related risks and describe the main risks within the **network**. The focus should be on credible low-probability, high-impact risks. Risk evaluation may highlight the need for specific development projects or maintenance programmes. Where this is the case, the resulting projects or actions should be discussed, linking back to the development plan or maintenance programme.

### Evaluation of performance

1. **AMP**s must provide details of performance measurement, evaluation, and improvement, including—
   1. A review of progress against plan, both physical and financial;
      * referring to the most recent disclosures made under *Section 2.6 of this determination*, discussing any significant differences and highlighting reasons for substantial variances;
      * commenting on the progress of development projects against that planned in the previous **AMP** and provide reasons for substantial variances along with any significant construction or other problems experienced;
      * commenting on progress against maintenance initiatives and programmes and discuss the effectiveness of these programmes noted.
   2. An evaluation and comparison of actual service level performance against targeted performance;
      * in particular, comparing the actual and target service level performance for all the targets discussed under the Service Levels section of the **AMP** in the previous AMP and explain any significant variances;
   3. An evaluation and comparison of the results of the asset management maturity assessment disclosed in the Report on Asset Management Maturity set out in Schedule 13 against relevant objectives of the **EDB**’s asset management and planning processes.
   4. An analysis of gaps identified in subclauses and above. Where significant gaps exist (not caused by one-off factors), the **AMP** must describe any planned initiatives to address the situation.

### Capability to deliver

1. **AMPs** must describe the processes used by the **EDB** to ensure that:
   1. The **AMP** is realistic and the objectives set out in the plan can be achieved;
   2. The organisation structure and the processes for authorisation and business capabilities will support the implementation of the **AMP** plans.

# Appendix B Information Requirements for Engineer’s Report

1. The report must be completed by an ‘engineer’ as defined in clause 1.1.4 of the **IM determination** in respect of the ‘asset adjustment process’ for setting the **initial** **RAB** for an **EDB** as set out in clause 2.2.1 of the **IM determination**.
2. The report must:
3. be in writing and be accessible in electronic (PDF file-type) format;
4. include a copy of the written instructions provided to the engineer by the **EDB**, including any subsequent variations or modifications;
5. include a table summarising the various asset value adjustments and corresponding to Schedule A4 of the Information Disclosure Notice Templates;
6. provide the minimum information for each category of asset adjustment outlined in Table 1 below, together with such additional information sufficient to allow a reader of the report:
7. to understand the data, information, calculations and assumptions employed in respect of each category of asset adjustment;
8. to understand the extent to which professional judgement was exercised by the engineer and the effect of that judgement in deriving the resultant asset values; and
9. to verify the arithmetical accuracy of the asset adjustment calculations.
10. include a signed statement by the engineer that:
11. the ODV rules have been properly applied for assets which had not had an ODV valuation calculated originally as required by clause 2.2.1 of the **IM determination**;
12. where values under **GAAP** have been relied on, those values have been supplied or reviewed by an appropriately qualified party (e.g. accounting practitioner); and
13. the report meets the requirements of this Appendix B.

Table 1: Minimum Information Requirements for Adjustments to Assets

| **Category of adjustment** | **EDB IM cl. ref** | Designated asset type | **Minimum information requirements** |
| --- | --- | --- | --- |
| Include load control relay | 2.2.1(2)(a) | Included | Number and description of load control relays  Relevant depreciated historic cost of each asset or where sufficient **records** do not exist to establish this cost, their depreciated carrying value in the general purpose financial statements of the EDB |
| Correct asset register errors | 2.2.1(2)(b) | Included | Description of each asset (or asset type where assets are substantially similar)  Value of the asset (or sum value of each similar asset type) as of the day the asset enters the regulatory asset register, being the value that would have resulted from applying the Electricity Information Disclosure Requirements 2004 for assets commissioned prior to 1 April 2004 and from applying the Electricity Distribution (Information Disclosure) Requirements for assets commissioned from 1 April 2004 to 31 March 2009 |
| Excluded | Description of each asset (or asset type where assets are substantially similar)  Value of each asset (or asset type where assets are substantially similar) as of the day the asset entered the regulatory asset register |
| Value modified | Description of each asset (or asset type where assets are substantially similar) and type of error (incorrect asset category, incorrect estimation of quantity, age, category or location now known to be incorrect)  Value of each asset (or asset type where assets are substantially similar) as of the day the asset entered the regulatory asset register  Calculation of relevant adjustment to value in order to correct for the error  Resultant ‘modified value’ for each asset (or sum value of each similar asset type) as of the day the asset entered the regulatory asset register |
| Re-apply existing multiplier | 2.2.1(2)(c) | Value modified | Description of each asset (or asset type where assets are substantially similar)  ODV valuation for each asset (or asset type where assets are substantially similar) and multiplier originally applied  Description of the more accurate information relating to the application of a multiplier, including supporting facts, data, calculations and assumptions where relevant  Calculation of relevant modification to ODV valuation in order to be consistent with the more accurate information  Resultant ‘modified value’ at 2004 ODV value for each asset (or sum value of each similar asset type) |
| Re-apply a modified multiplier | 2.2.1(2)(d) | Value modified | Description of each asset (or asset type where assets are substantially similar)  ODV valuation for each asset (or asset type where assets are substantially similar) and multiplier originally applied  Specification of the alternative multiplier (rugged terrain, business district, rocky ground) and the reason for selecting the value of the multiplier within the range specified in clause 2.2.1(2)(d) of the IM Determination  Details of supporting facts, data, calculations and assumptions where relevant to support the reason  Calculation of relevant modification to ODV valuation in order to be consistent with the modified multiplier  Resultant ‘modified value’ at 2004 ODV value for each asset (or sum value of each similar asset type) |
| Re-apply optimisation or economic value test | 2.2.1(2)(e) | Included | Description of each asset (or asset type where assets are substantially similar)  Value of each asset in the 2004 ODV Valuation (or asset type where assets are substantially similar)  Value of each asset (or asset type where assets are substantially similar) in the ODV Valuation had the assets not been-  optimised in accordance with paragraphs 2.18 – 2.47 and Appendix B of the ODV Handbook; or  subject to the economic value test in accordance with paragraphs 2.59 – 2.65 of the ODV Handbook  Value of each asset (or asset type where assets are substantially similar) after reapplying the optimisation or economic value test in light of more up-to-date information that has subsequently become available  Details of supporting facts, data, calculations and assumptions where relevant to support the reapplication of the optimisation or economic value test  Resultant ‘included value’ at 2004 ODV value for each asset (or sum value of each similar asset type) |
| Excluded | Description of each asset (or asset type where assets are substantially similar)  Value of each asset at 2004 ODV value (or asset type where assets are substantially similar) |
| Value modified | Description of each asset (or asset type where assets are substantially similar)  Value of each asset in the 2004 ODV Valuation (or asset type where assets are substantially similar)  Value of each asset (or asset type where assets are substantially similar) had the assets not been-  optimised in accordance with paragraphs 2.18 – 2.47 and Appendix B of the ODV Handbook; or  subject to the economic value test in accordance with paragraphs 2.59 – 2.65 of the ODV Handbook  Value of each asset (or asset type where assets are substantially similar) after reapplying the optimisation or economic value test in light of more up-to-date information that has subsequently become available  Details of supporting facts, data, calculations and assumptions where relevant to support the reapplication of the optimisation or economic value test  Resultant ‘modified value’ at 2004 ODV value for each asset (or sum value of each similar asset type) |

# Schedule 1 Analytical Ratios



# Schedule 2 Report on Expenditure Forecasts



# Schedule 3 Report on Return on Investment



# Schedule 3a Term Credit Spread Differential Allowance



# Schedule 4 Report on Value of the Regulatory Asset Base (Rolled Forward)



# Schedule 4a Report on Asset Allocations



# Schedule 4b Report Supporting Asset Allocations



# Schedule 4c Report on Initial RAB Adjustment



# Schedule 4d Report on Transitional Financial Information



# Schedule 5 Report on Regulatory Profit



# Schedule 5a Report on Regulatory Tax Allowance



# Schedule 5b Report on Related Party Transactions



# Schedule 5c Report on Cost Allocations



# Schedule 5d Report Supporting Cost Allocations

# Schedule 6 Report on Capital Expenditure for the Disclosure Year





# Schedule 7 Report on Operational Expenditure for the Disclosure Year

# Schedule 8a Report on Billed Quantities and Line Charge Revenues (by Type of Charge)

# Schedule 8b Report on Billed Quantities and Line Charge Revenues (by Consumer Type)



# Schedule 9a Asset Register



# Schedule 9b Asset Age Profile

# Schedule 9c Report on Overhead Lines



# Schedule 9d Report on Embedded Networks

# Schedule 9e Report on Demand

# Schedule 10 Report on Network Reliability



# Schedule 10a Report on Network Reliability (Data Class C)

# Schedule 11a Report on Forecast Capital Expenditure



# Schedule 11b Report on Forecast Operational Expenditure

# Schedule 12a Report on Asset Condition

# Schedule 12b Report on Forecast Capacity

# Schedule 12c Report on Forecast Demand

# Schedule 12d Report on Forecast Interruptions and Duration

# Schedule 13 Report on Asset Management Maturity

1. Each supplier must complete the AMMAT Report. The EDB must ensure that the person responsible for managing network assets (or a similar level individual) in the organisation takes responsibility for completing and maintaining the AMMAT, including:
   1. Organising people within the organisation to answer the questions;
   2. Arranging for all information to be captured within the AMMAT;
   3. Reporting to the organisation on the results of the assessment;
   4. Planning the assessment process, including:
      1. determining the form the assessment process is to take. In this context, the principal formats are generally taken to be interviews, facilitated groups/panels or a combination of the two;
      2. arranging for appropriate outsourced service providers and stakeholders to act as respondents during the assessment exercise;
      3. providing appropriate pre-assessment communication (and training where appropriate) to ensure that, as a minimum, the proposed respondents are aware of the AMMAT process and the part within it that they are being asked to play;
      4. identifying which questions are to be asked of which respondents.

Part of the value of a formal asset management system is the definition and standardisation of terms. A common understanding of terms helps interested persons to understand the asset management concepts and processes that apply to the **EDB**. In particular, it helps the **EDB**’s employees and suppliers to understand and improve asset management concepts and processes.

The AMMAT will not provide an effective assessment of the maturity of the supplier’s asset management capability and processes unless the preparation of the AMMAT is supported by senior management of the **EDB**.

The level of effort required to complete the AMMAT should be consistent with a gap analysis exercise rather than the level typically involved with an audit for certification.

An audit involves a systematic, independent process for the collection and analysis of evidence to support a rating whereas the AMMAT is intended to be used by providing a reference to supporting evidence or an explanation of the self-assessment.

The level of documentation within an asset management system is expected to be consistent with factors such as the size of the company, complexity of processes and competence of personnel.

The definitions provided in the AMMAT for each maturity rating should provide sufficient information for an **EDB** to objectively identify the level currently being achieved by the organisation.

1. Each **EDB** must specify in the AMMAT Report the standard of asset management practice that the **EDB** has used as the reference standard.
2. Cells in the following columns in the AMMAT Report set out below must be filled out:
   1. ‘User guidance’: guidance (if required) on completing each question of the AMMAT.

This column can be used by the person responsible for completing and maintaining the AMMAT to provide guidance to the persons coordinating responses to each question.

* 1. ‘Evidence—Summary’: the information/evidence used to support the assessed rating.

The cells in this column should be completed by persons coordinating responses to each question.

* 1. ‘Score’: the appropriate maturity rating (this must be a whole number between 0 and 4).

To meet AMMAT level 4 maturity, the **EDB**’s processes must surpass the standards that must be complied with in an internationally accepted asset management specification. The AMMAT questionnaire has been prepared to conform to the PAS 55 specification. However, a similar specification, if available, may be used for the purpose of disclosure.

# 

















# Schedule 14 Mandatory Explanatory Notes

1. This Schedule requires **EDB**s to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.19, 2.4.20, 2.5.1, and 2.5.2.
2. This Schedule is mandatory—**EDB**s must provide the explanatory comment specified below, in accordance with clause 2.7.1. This information 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.

## Mandatory explanatory notes

### Variance between forecast and actual expenditure (Schedule 2)

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

|  |
| --- |
| Box 1: Explanatory comment on variance in actual to forecast expenditure  [Insert text here] |

### Return on Investment (Schedule 3)

1. In the box below, comment on return on investment as disclosed in Schedule 3. This comment must include information on reclassified items in accordance with clause2.7.1(2).

|  |
| --- |
| Box 2: Explanatory comment on return on investment  [Insert text here] |

### Value of the Regulatory Asset Base (Schedule 4)

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

|  |
| --- |
| Box 3: Explanatory comment on the value of the regulatory asset based (rolled forward)  [Insert text here] |

*Asset allocation (Schedule 4a)*

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

|  |
| --- |
| Box 4: Commentary on asset allocation  [Insert text here] |

*Initial RAB adjustment (Schedule 4c)*

1. In the box below, comment on adjustments to the **initial RAB** as disclosed in Schedule 4c. This comment must include information on adjustments in accordance with clause 2.7.1(3).

|  |
| --- |
| Box 5: Commentary on adjustments to the initial RAB   * [Insert text here] |

### Regulatory Profit (Schedule 5)

1. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 5. This comment must include:
   1. a description of material items included in ‘other regulatory line income’ other than gains and losses on asset sales, as disclosed in 5(i) of Schedule 5
   2. information on reclassified items in accordance with clause 2.7.1(2).

|  |
| --- |
| Box 6: Explanatory comment on regulatory profit  [Insert text here] |

### Merger and acquisition expenses (5(vi) of Schedule 5)

1. If the **EDB** incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below:
   1. information on reclassified items in accordance with clause 2.7.1(2)
   2. any other commentary on the benefits of the merger and acquisition expenditure to the **EDB**.

|  |
| --- |
| Box 7: Explanatory comment on merger and acquisition expenditure  [Insert text here] |

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

1. In the box below, provide descriptions and workings of the following items, as recorded in the asterisked categories in 5a(i) of Schedule 5a:
   1. Income not included in regulatory profit / (loss) before tax but taxable
   2. Expenditure or loss in regulatory profit / (loss) before tax but not deductible
   3. Income included in regulatory profit / (loss) before tax but not taxable
   4. Expenditure or loss deductible but not in regulatory profit / (loss) before tax

|  |
| --- |
| Box 8: Regulatory tax allowance: permanent differences  [Insert text here] |

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

1. In the box below, provide descriptions and workings of items recorded in the asterisked category ‘Tax effect of other temporary differences’ in 5a(iv) of Schedule 5a.

|  |
| --- |
| Box 9: Temporary differences / Tax effect of other temporary differences (current disclosure year)  [Insert text here] |

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

1. In the box below, provide descriptions of related party transactions beyond those disclosed on schedule 5b including identification and descriptions as to the nature of directly attributable costs disclosed under clause 2.3.6(2)(b).

|  |
| --- |
| Box 10: Related party transactions  [Insert text here] |

*Cost allocation (Schedule 5c)*

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

|  |
| --- |
| Box 10: Cost allocation  [Insert text here] |

### Capital Expenditure for the Disclosure Year (Schedule 6)

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

|  |
| --- |
| Box 11: Explanation of capital expenditure for the disclosure year  [Insert text here] |

### Operational Expenditure for the Disclosure Year (Schedule 7)

1. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 7. This comment must include:
   1. Commentary on assets replaced or renewed with Asset replacement and renewal operating expenditure, as reported in 7(i) of Schedule 7
   2. Information on reclassified items in accordance with clause 2.7.1(2)
   3. Commentary on any material atypicalexpenditure included in operational expenditure disclosed in Schedule 7, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

|  |
| --- |
| Box 12: Explanation of operational expenditure for the disclosure year  [Insert text here] |

### Information Relating to Revenue for the Disclosure Year

1. In the box below provide:
   1. a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clauses and to total billed line charge revenue for the disclosure year, as disclosed in Schedules 8a and 8b; and
   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  [Insert text here] |

### Network Reliability for the Disclosure Year (Schedule 10)

1. 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  [Insert text here] |

### Insurance cover

1. In the box below provide details of any insurance cover for the assets, including:
   1. The EDB’s approaches and practices in regard to the insurance of assets, including the level of insurance;
   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  [Insert text here] |

# Schedule 14a Mandatory Explanatory Notes on Forecast Information

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

*Commentary on difference between nominal and real capital expenditure forecasts (Schedule 11a)*

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

|  |
| --- |
| Box 15: Commentary on difference between nominal and real capital expenditure forecasts  [Insert text here] |

*Commentary on difference between nominal and real operational expenditure forecasts (Schedule 11b)*

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

|  |
| --- |
| Box 5: Commentary on difference between nominal and real capital expenditure forecasts  [Insert text here] |

# Schedule 14b Explanatory Notes on Transitional Financial Information

1. This Schedule provides for EDBs to provide explanatory notes to the transitional financial disclosed in accordance with clause .
2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause . This information is part of the auditeddisclosure information,and so is subject to the assurance requirements specified in section 2.8.
3. In the box below provide explanatory comment on the tax effect of other temporary differences for the years ending 31 March 2010 and 31 March 2011 (as reported in Schedule 4d(vi)).

|  |
| --- |
| Box 6: Temporary differences / Tax effect of other temporary differences (years ended 31 March 2010 and 31 March 2011)  [Insert text here] |

# Schedule 15 Voluntary Explanatory Notes

1. This Schedule enable EDBs to provide, should they wish to:
   1. additional explanatory comment to reports prepared in accordance with clauses , , , , , and .
   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.

|  |
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| Box 7: Voluntary explanatory comment on disclosed information  [Insert text below] |

# Schedule 16 Definitions of Terms used in Schedules 1 to 15

1. This Schedule provides definitions for terms used in Schedules 1 to 15 of this Determination.
2. Where terms used in the Schedules are defined in section 1.4 of this determination but are not defined below, they have the meanings set out in section 1.4 of this determination. Terms used in the Schedules that are defined in the IM determination have the meanings set out in the IM determination. Otherwise, unless defined below, terms used in the Schedules have meanings consistent with industry practice.

|  |  |
| --- | --- |
| Term | Definition |
| % of asset forecast to  be replaced in next 5 years | % of asset forecast to be replaced in next 5 years consistent with the capital expenditure forecast |
| % variance | means:  =  where:  = actual expenditure  = forecast expenditure |
| [Guidance for completing table 12b] | information provided in this table will assume that the network is operating in its normal steady state configuration |
| > 66 kV | means a circuit operating at a nominal voltage in excess of 66 kV |
| 2009 disclosed asset | has the meaning set out in the IM determination |
| 22 kV (other than SWER) | means a circuit operating at a nominal voltage of 22 kV that is not a SWER circuit |
| 25th percentile estimate | means the 25th percentile estimate for the range of the mid-point post tax WACC or mid-point vanilla WACC determined by the Commission in accordance with clause 2.4.7 of the IM determination |
| 33 kV | means a circuit operating at a nominal voltage of 33 kV |
| 50 kV & 66 kV | means a circuit operating at a nominal voltage of 50 kV or 66 kV |
| 6.6 kV to 11 kV (inclusive—other than SWER) | means a circuit operating at a nominal voltage of greater than or equal to 6.6 kV and less than or equal to 11 kV that is not a SWER circuit |
| 75th percentile estimate | means the 75th percentile estimate for the range of the mid-point post tax WACC or mid-point vanilla WACC determined by the Commission in accordance with clause 2.4.7 of the IM determination |
| Actual controllable opex | has the meaning set out in the IM determination |
| Actual expenditure | means, in relation to:   * + - * 1. any disclosure year, expenditure for the that disclosure year         2. regulatory period, expenditure for the disclosure years from the start of the regulatory period to the current disclosure year |
| Adjusted depreciation | has the meaning set out in the IM determination |
| Adjustment for unamortised initial differences in assets acquired | means for assets acquired from another regulated supplier, the value of the unamortised initial differences in asset values for those assets acquired as unamortised initial differences in asset values is determined in accordance with the input methodologies applying to the regulated goods or services supplied by that regulated supplier |
| Adjustment for unamortised initial differences in assets disposed | means the value of opening unamortised initial differences in asset values for assets that are disposed of during the disclosure year |
| Adjustment resulting from asset allocation | means   1. in relation to the works under construction roll-forward, the change in works under construction resulting from a change in asset allocation assumptions for assets included in works under construction, where increases in the value of works under construction are positive and decreases are negative 2. in all other instances, the value of *q* calculated using the following formula:   =  where:  = total closing RAB value  = total opening RAB value  = total depreciation  = total CPI revaluations   * = assets commissioned   = asset disposals  = lost and found assets adjustment  The formula must be calculated using component values that relate to the RAB. These component values are the values that result from the application of clause 2.1.1 of the IM determination; |
| Adjustment to reinstate 2009 modified asset values to unallocated amounts | means the value of the adjustment required to the 2009 modified asset values so the resultant value represents the unallocated 2009 modified asset values |
| Adverse environment | To capture all unplanned interruptions where the primary cause is adverse environment, such as slips or seismic events. |
| Adverse weather | To capture all unplanned interruptions directly resulting from adverse weather, other than those caused by directly by lightning, vegetation contact or adverse environment |
| All other projects or programmes | means, within an expenditure category, the total of projects and programmes that are not material projects and programmes. |
| Allocator metric | has the meaning set out in the IM determination |
| Allocator type | has the meaning set out in the IM determination |
| Allowed controllable opex | has the meaning set out in the IM determination |
| Alternative closing RIV | means total closing RAB value less adjustment resulting from cost allocation less lost and found assets adjustment plus closing deferred tax plus revenue related working capital |
| Alternative opening RIV | means the sum of total opening RAB value plus opening deferred tax plus revenue related working capital |
| Alternative ROI – comparable to a post-tax WACC | means the alternative ROI comparable to the vanilla WACC less the product of the cost of debt (%), the leverage and the corporate tax rate |
| Alternative ROI – comparable to a vanilla WACC | means:  *q = (1 + monthly IRR)12 – 1*  where:  *monthly IRR* = IRR (13 monthly amounts)  where the 13 monthly amounts are:   * the negative of alternative opening RIV * the 11 end-of-month notional net cash flows for April to February of the assessment period * notional net cash flows for March for the assessment period plus alternative closing RIV less term credit spread differential allowance. |
| Amortisation of initial differences in asset values | has the meaning set out in paragraph (a) of the defined term in the IM determination |
| Amortisation of revaluations | has the meaning set out in paragraph (a) of the defined term in the IM determination |
| Arm’s-length deduction | has the meaning set out in the IM determination |
| Asset category transfers | means the value of an asset transferred between asset categories |
| Asset Condition at end of year (percentage by grade) | Proportion of each asset class assessed against the asset condition categories (grade 1 to 4), reflecting the likelihood of short, medium or longer term intervention. Suppliers are able to apply their own criteria for intervention when populating the table. |
| Asset disposals | means:   1. in relation to the unallocated RAB, the sum of unallocated opening RAB values less regulatory depreciation of disposed assets, as determined in accordance with the input methodologies identified as applicable to that asset in the IM determination; 2. in relation to the RAB, the value (as determined in accordance with paragraph (a)) which was allocated to electricity distribution services in accordance with clause 2.1.1 of the IM determination |
| Asset disposals (other) | means asset disposals other than asset disposals to a regulated supplier and asset disposals to a related party |
| Asset disposals to a regulated supplier | means asset disposals disposed of to a regulated supplier |
| Asset disposals to a related party | means asset disposals disposed of to a related party |
| Asset or assets with non-standard depreciation | means a description of assets or groups of assets where depreciation is not included in Depreciation – standard |
| Assets acquired from a regulated supplier | means:   1. in relation to the unallocated RAB, the sum of value of assets acquired from another regulated supplier as determined in accordance with clause 2.2.11(1)(e) of the IM determination; 2. in relation to the RAB, the sum of value of the assets (as determined in accordance with paragraph (a)) which is allocated to the electricity distribution services in accordance with clause 2.1.1 of the IM determination |
| Assets not used to supply electricity distribution services | means the value of assets identified in sub-clause (a) of the definition of excluded asset in the IM determination |
| Associates | in relation to the definition of involved in, has the meaning set out in the Electricity Industry Act 2010 |
| Attribution rate | means: =  where:  = average opening and closing RAB values  = a leverage rate of 44%  = total book value of interest bearing debt |
| Average opening and closing RAB values | means;  =  where:  = Total opening RAB values  = Total closing RAB values |
| Avoided transmission charge | means a cost specified in clause 3.1.3(1)(e) or (f) of the IM determination |
| Basis for determining Value | means the basis for determining the value of the related party transaction in accordance with clause 7 of section 2.3 of this determination |
| Billed quantities | means the quantities associated with charge types upon which the consumer’s bill for electricity lines services is based expressed in the units of measure used by the EDB for setting prices (for example volumes of electricity delivered in kWh). |
| Book value | means:   1. in relation to the issue date, the book value in New Zealand dollars of a qualifying debt or non-qualifying debt on the issue date 2. in relation to the date of financial statements, the book value in New Zealand dollars of a qualifying debt or non-qualifying debt as at the end of the period of the EDB’s latest general purpose financial statements |
| CAIDI (Customer (Connection Point) Average Interruption Duration Index) | means the average forced sustained interruption duration per Interruption per year (measured in minutes). Connection point numbers are to be the average for the disclosure year |
| Capital contributions | has the meaning set out in the IM determination. |
| Capital contributions funding customer connection expenditure | means capital contributions that are paid to the EDB in relation to customer connection expenditure. |
| Cause | means the primary contributing factor |
| Charge Type | A rate that is a component of a multi-part line charge – for example, a daily rate in c/day or a volume rate in c/kWh |
| Circuit in sensitive areas (conservation areas, iwi territory etc) | means a circuit, or a section of a circuit, that is installed in, over or across a sensitive environmental area, for example a conservation area or an iwi territory |
| Circuit length | includes all lines and cables with the exception of services, street lighting, and private lines (and, when a pole or tower carries multiple circuits, the length of each of the circuits is to be calculated individually). |
| Circuit length by operating line voltage (at year end) | means the total length of all circuits operating at the prescribed voltage(s) |
| Circuit peak demand | means the peak demand on the circuit during the disclosure year measured in MVA (apparent power expressed in million volt-amps) |
| Circuit rating | means the expected maximum capacity of the circuit measured in MVA |
| Circuit within 10km of coastline and geothermal areas (where known) | means a circuit, or a section of a circuit, installed within 10 km of any coastline or in any geothermal area, where this information is known to the EDB |
| Class A (planned interruptions by Transpower:) | a planned interruption by Transpower |
| Class B (planned interruptions on the network) | a planned interruption by the principal disclosing entity (other than Transpower) |
| Class C interruptions restored in… | means the number of Class C interruptions that were restored within the specified time periods of less than or equal to 3 hours and greater than 3 hours |
| Class D (unplanned interruptions by Transpower) | an unplanned interruption originating within the works of Transpower, where those works are used for carrying out line business activities. |
| Class E (unplanned interruptions of EDB owned generation) | an unplanned interruption originating within works used, by the principal disclosing entity, for the generation of electricity. |
| Class F (unplanned interruptions of generation owned by others ) | an unplanned interruption originating within works used, by persons other than the principal disclosing entity, for the generation of electricity. |
| Class G (unplanned interruptions caused by another disclosing entity) | an unplanned interruption caused by another disclosing entity: |
| Class H (planned interruptions caused by another disclosing entity) | a planned interruption caused by another disclosing entity |
| Class I (interruptions caused by parties not included above) | an interruption not referred to in any of classes A-H above |
| Closing deferred tax | has the meaning set out in clause 2.3.7(2) of the IM determination |
| Closing RAB (tax value) | means the sum of regulatory tax asset value for assets that have a value included in total closing RAB value |
| Closing RAB value under 'non-standard' depreciation | means the closing RAB value or sum of closing RAB values as determined in accordance with Part 2 subpart 2 of the IM determination for the relevant asset or assets with non-standard depreciation |
| Closing RAB value under 'standard' depreciation | means:  (a) in relation to assets or groups of assets where depreciation is included in depreciation - no standard life asset, 'not applicable'  (b) in relation to assets or groups of assets where depreciation is included in depreciation - modified life assets or depreciation - alternative depreciation determined in accordance with CPP, the sum of closing RAB values as determined in accordance with the IM determination as if the closing RAB value and all proceeding closing RAB values had been calculated in accordance with clause 2.1.1 of the IM determination applying a physical asset life determined in accordance with either clause 2.2.8(e)(iii) or (f) of the IM determination  for the relevant asset or assets with non-standard depreciation |
| Closing RIV | means total closing RAB values less adjustment resulting from cost allocation less lost and found assets adjustment plus closing deferred tax |
| Closing tax losses | has the meaning given to that term in clause 2.3.2(4) of the IM determination |
| Closing unamortised initial differences in asset values | means closing unamortised initial differences in asset values determined in accordance with clause 2.3.5(5) of the IM determination |
| Control rights | has the meaning set out in the Electricity Industry Act 2010 |
| Corporate tax rate | has the meaning set out in the IM determination |
| Correct asset register errors for 2004 ODV assets | means the value of corrections to the 2004 ODV asset values determined in accordance with clause 2.2.1(1)(b) of the IM determination |
| Correct asset register errors for 2005 – 2009 assets | means the value of corrections to assets that were commissioned in 2005 – 2009 determined in accordance with clause 2.2.1(2)(b) of the IM determination |
| Cost of debt assumption | means the sum of the risk free rate and debt premium estimates as published by the Commission in accordance with clauses 5.3.22 to 5.3.32 of the IM determination for each disclosure year |
| Cost of executing an interest rate swap | has the meaning set out in the IM determination |
| Coupon rate | means:  (a) where the information is available publicly, the nominal coupon rate of interest of a qualifying debt on the issue date;  (b) where the nominal coupon rate of interest of a qualifying debt on the issue date is not available publicly, either the nominal coupon rate of interest or the basis for determining the nominal coupon rate of interest of a qualifying debt on the issue date |
| CPI4 | has the meaning set out in clause 2.2.9(4) of the IM determination |
| CPI4-4 | has the meaning set out in clause 2.2.9(4) of the IM determination |
| Current Peak Load | means the maximum total load measured as being supplied by the existing zone substation at any time in the disclosure year, expressed in units of MVA |
| Current period tax losses | has the meaning given to that term in clause 2.3.2(5) of the IM determination |
| Current Utilisation of Installed Firm Capacity | means the current peak load expressed as a percentage of the installed firm capacity. |
| Customer connection | in relation to expenditure, means gross capital expenditure where the primary driver is the connection of new connection points to the network or alterations to the connection of existing connection points where the expenditure relates to connection assets. This includes distribution transformer and connections for distributed generators |
| Customer minutes lost | for each interruption, the customers impacted multiplied by the duration |
| Customer types defined by EDB | means categories of customers that are defined by the EDB based on particular customer attributes. |
| Customers impacted | the number of customers affected by the interruption |
| Data Accuracy 1–4 | means the EDB’s assessment of the accuracy of the data provided, using one of the following options:  1 – means that good quality data is not available for any of the assets in the category and estimates are likely to contain significant error  2 – means that good quality data is available for some assets but not for others and the data provided includes estimates of uncounted assets within the category  3 – means that data is available for all assets but includes a level of estimation where there is understood to be some poor quality data for some of the assets within the category  4 – means that good quality data is available for all of the assets in the category |
| Date end | the date on which supply was restored to all ICPs affected by the interruption |
| Date start | the date on which the interruption commenced |
| Debt issue cost readjustment | has the meaning set out in clause 2.4.11(4) of the IM determination |
| Dedicated street lighting circuit length | means the length in kilometres of circuit that only provides electricity to street lighting |
| Defective equipment | To capture all unplanned customer interruptions resulting from equipment failure, both mechanical and or electrical. |
| Deferred tax balance relating to assets acquired in the disclosure year | has the meaning set out in clause 2.3.7(3) of the IM determination |
| Deferred tax balance relating to assets disposed in the disclosure year | means the amount of deferred tax associated with the assets disposed of by the EDB |
| Deferred tax cost allocation adjustment | means cost allocation adjustments as defined in clause 2.3.7(5) of the IM determination |
| Depreciation - alternative depreciation in accordance with CPP | means:  (a) in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.6 of the IM determination;  (b) in relation to the RAB, depreciation calculated in accordance with clause 2.2.6 or 2.2.8(4) of the IM determination |
| Depreciation - modified life assets | means:   1. in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.5(1) of the IM determination; 2. in relation to the RAB, depreciation calculated in accordance with clause 2.2.5(2) of the IM determination;   of assets with a physical asset life determined in accordance with clauses 2.2.8(1)(b or 2.2.8(2) of the IM determination or where clauses 2.2.8(1)(d) and 2.2.8(1)(e)(iv) of the IM determination apply with reference to assets with a physical asset life determined in accordance with clauses 2.2.8(1)(b) or 2.2.8(2) of the IM determination |
| Depreciation - no standard life assets | means:   1. in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.5(1) of the IM determination; 2. in relation to the RAB, depreciation calculated in accordance with clause 2.2.5(2) of the IM determination;   of assets with a physical asset life determined in accordance with clauses 2.2.8(1)(a) or 2.2.8(1)(d) or 2.2.8(1)(e)(iv)-(v) or 2.2.8(1)(g) of the IM determination or where clauses 2.2.8(1)(d) and 2.2.8(1)(e)(iv) of the IM determination apply with reference to assets with a physical asset life determined in accordance with clauses 2.2.8(1)(a) or 2.2.8(1)(d) or 2.2.8(1)(e)(iv)-(v) or 2.2.8(1)(g) of the IM determination |
| Depreciation - standard | means:   1. in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.5(1) of the IM determination; 2. in relation to the RAB, depreciation calculated in accordance with clause 2.2.5(2) of the IM determination;   excluding depreciation - alternative depreciation in accordance with CPP, depreciation - modified life assets, and depreciation - no standard life assets |
| Depreciation charge for the period (RAB) | means the depreciation or sum of depreciation as determined in accordance with the IM determination for the relevant asset or assets with non-standard depreciation |
| Description of transaction | means a brief description of the transaction with a related party, including the goods or services provided to or by the EDB as part of that transaction |
| Distributed generation – Number of connections | Distributed generation has the meaning defined in the Electricity Industry Participation Code.  Number of connections means the number of distributed generation connections added to the EDB’s network in the disclosure year. |
| Distribution line charge revenue | means line charge revenue that is not transmission line charge revenue |
| Distribution transformer capacity (EDB owned) | means the sum of the capacities of all distribution transformers that are part of, or supplied by, the network and owned by the EDB, expressed in MVA |
| Distribution transformer capacity (non-EDB owned, estimated) | means the sum of the capacities of all distribution transformers that are part of, or supplied by, the network and not owned by the EDB, expressed in MVA |
| Duration (Min) | the number of minutes between the start and end of the interruption |
| Easement land | has the meaning set out in the IM determination |
| EDB customer type | means a category based on the type of customer, as defined by the EDB |
| Electricity exports to GXPs | means the total volume of electricity exported from the EDBs network through every GXP to which the network is connected, measured in GWh. |
| Electricity losses (loss ratio) | means (for electricity losses) electricity entering system for supply to customers' connection points less electricity supplied to customers' connection points and (for the loss ratio) is electricity losses divided by electricity entering system for supply to customers' connection, expressed as a percentage. Non-metered energy supplied should be estimated.  *(Note: the resulting loss ratio will comprise both technical and non-technical losses)* |
| Electricity supplied from embedded generators | means the net volume of electricity supplied into the EDB’s network from all embedded generation connected to the network, measured in GWh |
| Electricity supplied from GXPs | means the total volume of electricity supplied into the EDB’s network through every GXP to which the network is connected, measured in GWh |
| Electricity supplied to customers' connection points | the volume of electricity supplied through the EDB’s network to connection points, as measured at connection points |
| Electricity volumes carried | means the volume of electricity measured at the specified location within the power system in the specified year |
| Embedded generation – Capacity installed (MVA) | Capacity installed means the total capacity of all distributed generation connections added to the EDB’s network in the disclosure year |
| Embedded generation output at HV and above | means the total rate of power output of all embedded generation that is connected to the network at a voltage of HV and higher, measured in MW |
| Embedded network | means a system of lines, substations and other works used primarily for the conveyance of electricity between two points (point A and point B), where—  (a) point A is a point of connection between a local network or another embedded network; and  (b) point B is a point of connection between a consumer, an embedded generating station, or both; and  (c) the electricity flow at point A is quantified by a metering installation in accordance with Part 10  Where:  local network means the lines, equipment and plant that are used to convey electricity between the grid and 1 of the following:  (a) an embedded generator:  (b) an embedded network:  (c) an ICP |
| Embedded networks outside their main supply area | For the purpose of ID, disclosure should be for those EDBs that own 1 or more embedded networks located outside of their main supply area. |
| End-consumer type | The type of consumer who consumes electricity for their own use |
| Energy efficiency, demand side management and reducing energy losses | in relation to expenditure, means gross capital expenditure or operational expenditure where the primary driver for the expenditure is to improve the efficient provision of electricity line services by:   * encouraging efficient consumption of electricity by consumers, including by managing their rate, duration and/or time of consumption; or * implementing initiatives that optimise distribution losses (such distribution losses being the difference between the quantity of electricity delivered to a point of connection and the electricity required to be injected into one or more network supply points in order to supply the quantity of delivered electricity) and the timing of investment in additional network capacity |
| Equity return rights | has the meaning set out in the Electricity Industry Act 2010 |
| Estimated controlled load shed at time of maximum system demand | means an estimate, to be determined by the EDB based on controlled load analysis and records of dispatch instructions for load control, of the amount (in MW) of load that was shed at the time of the maximum system demand |
| Existing Zone substations | means the identifier of an existing zone substation |
| Expenditure or loss deductible but not in regulatory profit / (loss) before tax | means expenditure or loss deductible but not in regulatory profit / (loss) before tax as determined in accordance with clause 2.3.3(4)(b) of the IM determination |
| Expenditure or loss in regulatory profit / (loss) before tax but not deductible | means expenditure or loss in regulatory profit / (loss) before tax but not deductible as determined in accordance with clause 2.3.3(2)(b) of the IM determination |
| Explanation | means a description of additional information relevant to the information provided in respect of the existing zone substation that provides additional context or clarification |
| Fault Rate | means the number of faults experienced on the relevant category of prescribed voltage electric lines within the disclosure year as a fraction of the number of units of the same asset in the same period of time |
| FDC allowance of 2.45% | means the increase in value in assets resulting from assets being multiplied by 1.0245 in accordance with clause 2.2.3 of the IM determination |
| Finance during construction | means the cost of financing incurred by an EDB and accumulated during the construction phase of a project that creates a new network asset, determined in accordance with clause 2.2.11(2) of the IM determination |
| Five-year system maximum demand growth forecast | means the most recent geometric yearly average projected growth rate for maximum system demand for the next 5 years (this projection is to be consistent with the AMP) |
| Forecast Installed Firm Capacity +5 years | means the installed firm capacity forecast by the EBD to be installed at the end of the year that is 5 years after the disclosure year |
| Forecast Utilisation of Installed Firm Capacity +5 years | means the utilisation of installed firm capacity forecast by the EBD at the end of the year that is 5 years after the disclosure year |
| Gains / (losses) on asset sales | means, in respect of:  (a) assets disposals to a related party, nil;  (b) assets disposals to a regulated supplier, nil;  (c) asset disposals (other), the values determined in accordance with:  sale price of an asset - assets disposals (other)  where each component has the value allocated to electricity distribution services in accordance with clause 2.1.1 of the IM determination |
| Grade 1 | End of serviceable life, immediate intervention required |
| Grade 2 | Material deterioration but asset condition still within serviceable life parameters. Intervention likely to be required within 12 months. |
| Grade 3 | Deterioration requires assessment and ongoing monitoring |
| Grade 4 | Good or as new condition |
| Grade unknown | Condition unknown or not yet assessed |
| Gross capital expenditure on distribution network | means the sum of:  customer connection plus system growth plus quality of supply plus asset replacement and renewal plus asset relocations plus legislative and regulatory |
| Gross term credit spread differential | means the sum of term credit spread difference, cost of executing an interest rate swap and debt issue cost readjustment for qualifying debt |
| GXP | means grid exit point |
| GXP demand | means the total demand measured and summed for each of the EDB’s GXPs, measured in MW |
| GXP demand not supplied at subtransmission level | means the same as GXP demand, but applies only to supplies from those transmission GXPs that are not considered to be at the EDB’s subtransmission level (*for the avoidance of doubt this means demand supplied from GXPs at voltage lower than 33kV)* |
| High voltage (HV) | means, a nominal AC voltage of 1000 volts and more, or the assets of the EDB that are directly associated with the transport or delivery of electricity at those voltages |
| Highest rate of capitalised finance applied | means the highest rate of finance used as the cost of financing capitalised in works under construction |
| Human error | To capture all unplanned customer interruptions resulting from Contractors or Staff, commissioning errors, incorrect protection settings, SCADA problems, switching errors, Dig-In and Overhead Contact. |
| ID No. | a unique identification number assigned by the EDB for each interruption |
| Include load control relays | means the value of load control relay asset of ‘included’ type as determined in accordance with clause 2.2.1(2)(a) of the IM determination |
| Income included in regulatory profit / (loss) before tax but not taxable | means income included in regulatory profit / (loss) before tax but not taxable as determined in accordance with clause 2.3.3(4)(a) of the IM determination |
| Income not included in regulatory profit / (loss) before tax but taxable | means income not included in regulatory profit / (loss) before tax that is taxable as determined in accordance with clause 2.3.3(2)(a) of the IM determination |
| Increase/(decrease) in value from adjusting the asset adjustment to 31 March 2009 | means the adjustment to the value of included or value modified assets resulting from applying clauses 2.2.1(4)(c) and (5)(c) of the IM determination. Included and value modified have the meanings as set out in clause 2.2.1 of the IM determination |
| Incremental gain/(loss) in year | means the incremental change or incremental adjustment term for the disclosure year determined in accordance with clause 3.3.1 of the IM determination |
| Input methodology claw-back | means a cost specified in clause 3.1.3(1)(g) of the IM determination |
| Installed Firm Capacity | means the total of the transformer capacities of the transformers installed in the existing zone substation as at the last day of the disclosure year, minus the transformer capacity of the largest transformer, expressed in units of MVA |
| Installed firm capacity constraint +5 years | means the cause of any capacity constraint that is forecast by the EDB to impact the existing zone substation at the end of the year that is 5 years after the disclosure year. The cause must be selected from the following options:   * sub-transmission circuit * transformer * ancillary equipment * Transpower * other * no constraint forecast within 5 years |
| Interruption | Relating to the supply of electricity to an electricity consumer by means of a prescribed voltage electric line, the cessation of supply of electricity to that electricity consumer for a period of 1 minute or longer, other than by reason of disconnection of that electricity consumer for breach of the contract under which the electricity is supplied. |
| IRR | means internal rate of return |
| Issue date | means the day on which a qualifying debt or non-qualifying debt is issued |
| Items at end of year (quantity) | means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year, expressed in the prescribed unit |
| Items at start of year (quantity) | means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year, expressed in the prescribed unit |
| Leverage | has the meaning set out in the IM determination |
| Levies | means a cost specified in clause 3.1.2(2)(b) of the IM determination |
| Lightning | To capture all unplanned customer interruptions as the direct action of a lightning strike, resulting in insulation breakdown and or flashovers. Typically protection is the only observable operation. |
| Line charge revenue | * means revenue from prices |
| Line item | has the meaning set out in the IM determination |
| Load factor | means  *a*  *b* x *c*  where  *a =* electricity entering the system for supply to customers’ connection points  *b* = demand on the system for supply to customers’ connection points  *c* = number of hours in the disclosure year |
| Location | Physical location of the embedded network |
| Lost and found assets adjustment | means:   1. in relation to the unallocated RAB, the value of found assets as determined in accordance with clause 2.2.12 of the IM determination, less the value of lost assets. The value of a lost asset is the unallocated opening RAB value of the asset less regulatory depreciation as determined in accordance with the IM determination; 2. in relation to the RAB, the value of the asset (as determined in accordance with paragraph (a)) which is allocated to electricity distribution services in accordance with clause 2.1.1 of the IM determination |
| Low voltage (< 1kV) | means a circuit operating at a nominal voltage of less than 1 kV |
| Maintenance and service delivery levels | means, in relation to electricity lines services, the scope of maintenance and service levels provided to consumers in that consumer group by an EDB |
| Market value of asset disposals | means the market value of disposed assets sold or transferred to a related party |
| Material influence | has the meaning set out in the Electricity Industry Act 2010 |
| Material projects and programmes | Projects or programmes with actual or forecast total expenditure greater than the materiality threshold that is developed and applied by the EDB |
| Maximum coincident system demand | means the demand at the specified location within the power system that is measured at the same time that the maximum demand was recorded for the whole power system in the specified year. |
| Maximum coincident system demand | means the simultaneous demand of a group of assets or customers taken as a whole, which may be determined by direct measurement or by the addition of the load curves of the individual assets or connection points in the group. *(Note this is sometimes referred to as “diversified demand”)* The maximum coincident system demand is the simultaneous demand at the time of the maximum system demand |
| Maximum distribution transformer demand | means the GXP demand less (plus) net transfers to (from) other distribution businesses at HV and above plus embedded generation output at HV and above less subtransmission customers' connection point demand, where values are taken at the time of the maximum system demand and represent the average such demand over the half-hour in which the maximum system demand occurs |
| Maximum system demand | means the aggregate peak demand for the EDB’s network, being the coincident maximum sum of GXP demand and embedded generation output at HV and above, measured in kilowatts (kW) |
| Merger and acquisition expenses | means expenditure related to merger and acquisition activities irrespective of the outcome of the merger or acquisition, but proportionate to the extent the benefits of the merger or acquisition would relate to electricity distribution services, where the expected benefits to electricity distribution services from the merger or acquisition have been disclosed |
| Mid-point estimate of post tax WACC | means the mid-point estimate of post tax WACC for the 5 year period commencing on the first day of the disclosure year determined by the Commission in accordance with subpart 4 of part 2 of the IM determination |
| Mid-point estimate of vanilla WACC | means the mid-point estimate of vanilla WACC for the 5 year period commencing on the first day of the disclosure year determined by the Commission in accordance with subpart 4 of part 2 of the IM determination |
| Name of related party | means either the legal name of the related party that has entered into a transaction with the EDB or 'inter-company' where the transaction is between the regulated and un-regulated parts of the EDB |
| Net electricity supplied to (from) other EDBs | means the volume of electricity supplied from (to) the disclosing EDB's network to (from) other EDBs. *(Note that where electricity is "carried through" the disclosing EDB's network to another EDB's network, then these transfers will offset (except for losses))* |
| Net incremental rolling incentive scheme | means the sum of previous years’ incremental gain/(loss) from the 5 disclosure years preceding the current disclosure year |
| Net recoverable costs allowed under incremental rolling incentive scheme | means, where:  (a) net incremental rolling incentive scheme is positive, net incremental rolling incentive scheme;  (b) net incremental rolling incentive scheme is nil or negative, nil |
| Net transfers to (from) other EDBs at HV and above | means the total rate of power transfer to (from) other EDB’s networks to which the EDB’s network is connected, measured in MW |
| Net transfers to (from) other EDBs at sub-transmission level only | means the net transfer (at time of system peak) to (positive sign) or from (negative sign) another EDB, in MW, where these transfers occur through the subtransmission system of the EDB  *(for the avoidance of doubt, this amount is included in the disclosure of embedded generation output at HV and above)* |
| Network drivers | means measures that can be used by interested persons to assess required expenditure by reflecting gaps between the consumer or mandated requirements of the network and the actual performance of the network |
| New allocation | means the operating costs or regulated service asset value allocated to electricity distribution services in accordance with the new allocator and line items for each of the relevant disclosure years |
| New allocator or line item | means the allocator or line items that are used subsequent to the change in allocator or line items |
| No. with default dates | means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year where the original installation year is unknown and that have accordingly been allocated to a default installation year, expressed in the prescribed unit |
| Non-coincident sum of maximum demands | means the sum of the anytime maximum demands (that is, the diversified demands) of a group of assets or connection points which may be determined by adding directly measured system metered demands and connection point metered demands at different times |
| Non-electricity distribution services | means services of the EDB that are not electricity distribution services |
| Non-exempt EDB electricity lines service charge payable to Transpower | means a cost specified in clause 3.1.3(b) of the IM determination |
| Non-qualifying debt | means interest bearing debt that is not a qualifying debt |
| Non-standard consumer | means any consumer that is not a standard consumer |
| Notional interest tax shield | means the product of notional deductable interest and the corporate tax rate applicable to the current disclosure year |
| Notional net cash flows | means, in relation to the:   1. ROI, operating surplus / (deficit) less regulatory tax allowance less assets commissioned plus asset disposals 2. alternative ROI, revenue less expenses less tax less assets commissioned plus asset disposals |
| Notional revenue foregone | means, for the purposes of Schedule 8a, the revenue anticipated from posted discounts had they not been applied |
| Number of assets at end of disclosure year by installation date | means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year that were first installed in the prescribed year, expressed in the prescribed unit |
| Number of connection points (Number of ICPs connected in year by customer group) | means the number of metered and unmetered connection points, as represented by unique ICPs |
| Number of Faults | Means the number of unplanned events that causes any prescribed voltage electric line to cease to convey electricity for a period of more than 1 minute, regardless of whether or not an interruption occurs, but does not include any event that originates in a transformer or a capacitor. |
| Number of ICPs served (schedule 9d) | Number of ICPs served by the embedded network |
| Number of Units | means the number of prescribed voltage electric lines within the relevant category |
| Opening deferred tax | has the meaning set out in the IM determination |
| Opening RAB (tax value) | means the sum of regulatory tax asset value for assets included in total opening RAB values |
| Opening RIV | means the sum of total opening RAB values plus opening deferred tax |
| Opening tax losses | has the meaning given to that term in clause 2.3.2(3) of the IM determination |
| Opening unamortised initial differences in asset values | means closing unamortised initial differences in asset values for the preceding disclosure year |
| Opening value of fully depreciated, disposed and lost assets | means   1. in relation to the unallocated RAB, the sum of unallocated RAB included in the total opening RAB values, values of assets that are fully depreciated during the disclosure year, asset disposals and lost assets included in lost and found assets adjustment; 2. in relation to the RAB, the sum of RAB opening RAB values of assets that are fully depreciated during the disclosure year, asset disposals and lost assets included in the lost and found assets adjustment |
| Operating surplus / (deficit) | means total regulatory income less operational expenditure less pass through and recoverable costs |
| Operational expenditure on distribution network | means the sum of service interruptions, incidents and emergencies plus vegetation management plus routine and corrective maintenance and inspection plus system operations plus network support |
| Original allocation | means the operating costs or regulated service asset values allocated to electricity distribution services in accordance with the original allocator and line items for each of the relevant disclosure years |
| Original allocator or line items | means the allocator or line items used prior to the change in allocator or line items |
| Original tenor | means:   1. where the qualifying debt or non-qualifying debt is not issued to a related party, the term of a qualifying debt or non-qualifying debt at the issue date; 2. where the qualifying debt or non-qualifying debt is issued to a related party, the shorter of the-    1. the tenor of the qualifying debt; or    2. the period from the qualifying debt's issue date to the earliest date on which its repayment is or may be required |
| Other adjustments to the RAB tax value | means  =   * where: * = closing RAB (tax value)   = opening RAB (tax value)  = regulatory tax asset value of assets commissioned  = regulatory tax asset value of asset disposals  = tax depreciation |
| Other regulated income | has the meaning set out in the IM determination; |
| Other related party transactions | means the value of related party transactions that are not disclosed as total regulatory income, operational expenditure, capital expenditure or market value of asset disposals |
| Other reliability, safety and environment | in relation to expenditure, means gross capital expenditure where the primary driver is to improve network reliability or safety or to mitigate the environmental impacts of the network, but is not included in either of the quality of supply or legislative and regulatory categories. For example, this category may include gross capital expenditure where the primary driver is to ensure staff safety or meet the EDB’s environmental policies. |
| Other specified pass-through costs | means costs identified in clause 3.1.2(1)(b) of the IM determination |
| Outage | [TBC – technical consultation] |
| Outage in SAIDI assessed value | is given the value 'Yes' if the EDB is subject to price-quality regulation and the fault described gave cause to an interruption that contributed to the EDB's SAIDI assessed value for the assessment period in which the fault occurred; otherwise 'No' |
| OVABAA allocation increase | has the meaning set out in the IM determination |
| Overhead | means the total length of all circuits installed as overhead lines, expressed in kilometres |
| Overhead circuit length by terrain (at year end) | means the total length of all circuits operating within the prescribed terrain type |
| Overhead circuit requiring vegetation management | means a circuit, or a section of a circuit, installed in an area that will require ongoing vegetation management due to its proximity with adjacent vegetation that may interfere with the safe and/or secure operation of the circuit |
| Overhead to underground conversion | in relation to expenditure, means gross capital expenditure incurred in developing underground network assets in circumstances where these primarily replace equivalent existing aboveground network assets. |
| Pass-through and recoverable costs | means a cost specified in clause 3.1.2 or 3.1.3 of the IM determination |
| Posted Discounts | Has the meaning set out in the IM Determination |
| Pricing date | means the day on which a qualifying debt is priced |
| Previous years’ incremental gain/(loss) | means the incremental change or incremental adjustment term for the disclosure year in question determined in accordance with clause 3.3.1 of the IM determination |
| Previous years’ incremental gain/(loss) adjusted for inflation | means the previous years’ incremental gain/(loss) carried forward by applying the inflation rate in accordance with clause 3.3.2(1) of the IM determination |
| Price category code | Means the relevant code in the schedule published by the EDB that is used to unambiguously define the line charges for an ICP |
| Pricing schedule | Means the list of prices by price category code for the provision of electricity lines services that is publicly disclosed |
| Qualifying debt | has the meaning set out in paragraph (a) of the defined term in clause 1.1.4(2) in the IM determination |
| Rates | means a cost specified in clause 3.1.2(2)(a) of the IM determination |
| Rationale for change | means the rationale for changing the allocator or line items, including whether the change occurred because of change in circumstance or another reason |
| Re-apply a modified multiplier to 2004 ODV assets | means the change in value of assets after applying clause 2.2.1(2)(d) of the IM determination |
| Re-apply an existing multiplier to 2004 ODV assets | means the change in value of assets after applying clause 2.2.1(2)(c) of the IM determination |
| Re-apply optimisation of EV tests to 2004 ODV assets | means the change in value of assets after applying clause 2.2.1(2)(e) of the IM determination |
| Reason for non-standard depreciation | means:   * + - 1. in relation to assets or groups of assets where depreciation is included in depreciation - no standard life asset, 'no standard life';       2. in relation to assets or groups of assets where depreciation is included in depreciation - modified life assets, 'modified life';       3. in relation to assets or groups of assets where depreciation is included in depreciation - alternative depreciation determined in accordance with CPP, 'CPP amendment' |
| Recoverable costs | has the meaning set out in the IM determination |
| Recoverable customised price-quality path costs | means a cost specified in clause 3.1.3(1)(h),(i),(j),(k) or (l) of the IM determination |
| Regulated supplier | has the meaning set out in the IM determination |
| Regulatory net taxable income | has the meaning specified in clause 2.3.1(2) of the IM determination |
| Regulatory profit / (loss) | means the regulatory profit / (loss) before tax less the regulatory tax allowance |
| Regulatory profit / (loss) before tax | means the value of calculated using the following formula:   =  where:  = operating surplus / (deficit)  = total depreciation  = total CPI revaluations |
| Regulatory tax allowance | has the meaning set out in clause 2.3.1 of the IM determination |
| Regulatory tax asset value | has the meaning set out in the IM determination |
| Regulatory tax asset value of asset disposals | means the sum of regulatory tax asset values for assets that have a value in asset disposals |
| Regulatory tax asset value of assets commissioned | means the sum of regulatory tax asset values for assets that have a value in assets commissioned |
| Regulatory taxable income | has the meaning set out in the IM determination |
| Remote | means a circuit, or a section of a circuit, installed in a remote area |
| Research and development | in relation to expenditure, means gross capital expenditure or operational expenditure where the primary driver for the expenditure relates to increasing the the efficient provision of electricity lines services through:   * implementing an original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge or understanding; or * applying research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. |
| Revaluation rate | has the meaning set out in the IM determination |
| Revenue related working capital | means for the opening RIV and closing RIV, the revenue for the last month of the disclosure year |
| ROI | means return on investment |
| ROI comparable to a post-tax WACC | means the ROI comparable to the vanilla WACC less the product of the cost of debt (%), the leverage and the corporate tax rate |
| ROI comparable to a vanilla WACC | means:  *q = (1 + half-yearly IRR)2 – 1*  where:  *half-yearly IRR* = IRR (3 half-yearly amounts)  where the 3 half-yearly amounts are:   * the negative of opening RIV (year-start) * notional net cash flows (mid-year) * the closing RIV less term credit spread differential allowance (year-end). |
| Rugged | means a circuit, or a section of a circuit, installed in a rugged area |
| Rural | means a circuit, or a section of a circuit, installed in a rural area |
| Secondary assets | means system fixed assets, including ripple injection systems, SCADA, protection and telecommunications systems, that do not carry the energy that is distributed to consumers |
| Security of Supply Classification | means the classification of the existing zone substation on the basis of the ability to supply the current peak load without curtailment or interruption if 1 or more zone substation transformers installed at the existing zone substation are not operating. Valid classification types are:   * N, means that the current peak load may only be supplied without curtailment or interruption if all zone substation transformers are operating; * N minus 1 (or N-1), means that the current peak load may be supplied without curtailment or interruption including if the largest zone substation transformer is not operating; * N minus 2 (or N-2), means that the current peak load may be supplied without curtailment or interruption including if the largest 2 zone substation transformers are not operating; * N minus 1 switched (or N-1 switched), means that the current peak load may be supplied following a brief interruption during which switching is carried out to re-establish supply following an unexpected outage of the largest zone substation transformer; |
| Self-insurance allowance | means any self-insurance allowance allowed by the Commission through a CPP |
| Standard consumer | means a consumer of the EDB that has a standard contract with that EDB for the provision of electricity lines services |
| Sub transmission cables | means sub-transmission electric cables. |
| Sub transmission lines | means sub-transmission electric lines. |
| Sub transmission overhead lines | Any of the electric lines, cables, plant and equipment operated at the sub transmission voltages (110kV, 66kV, 33kV and 22kV) that are not installed in zone substations. The assets include associated pilot and communication cables, switches and surge arrestors or other overhead lines and cable components installed outside the zone substations. Sub transmission assets exclude all extra high voltage (EHV) transformers, circuit breakers and switches and associated protection, monitoring and control equipment installed in zone substations. |
| Sub transmission underground cables | Any of the electric lines, cables, plant and equipment operated at the sub transmission voltages (110kV, 66kV, 33kV and 22kV) that are not installed in zone substations. The assets include associated pilot and communication cables, switches and surge arrestors or other overhead lines and cable components installed outside the zone substations. Sub transmission assets exclude all extra high voltage (EHV) transformers, circuit breakers and switches and associated protection, monitoring and control equipment installed in zone substations. |
| Subtransmission customers' Connection Point demand | means the numerical maximum sum (demand), measured in megawatts (MW), of all supplies to connection points directly connected to the subtransmission system of EDB's network |
| Subtransmission other | Any of the electric lines, cables, plant and equipment operated at the sub transmission voltages (110kV, 66kV, 33kV and 22kV) that are not installed in zone substations. The assets include associated pilot and communication cables, switches and surge arrestors or other overhead lines and cable components installed outside the zone substations. Sub transmission assets exclude all extra high voltage (EHV) transformers, circuit breakers and switches and associated protection, monitoring and control equipment installed in zone substations. |
| SWER (all SWER voltages) | means a single wire earth return circuit operating at any nominal voltage |
| System operator services | means a cost specified in clause 3.1.3(1)(d) of the IM determination |
| Tax depreciation | has the meaning set out in clause 2.3.8(3) of the IM determination |
| Tax effect | has the meaning set out in the IM determination |
| Tax effect of adjusted depreciation | means the tax effect of adjusted depreciation |
| Tax effect of amortisation of initial differences in asset values | means the tax effect of amortisation of initial differences in asset values |
| Tax effect of other temporary differences | means the tax effect of positive temporary differences less negative temporary differences. Positive temporary differences and negative temporary differences have the meanings set out in clause 2.3.8(4) and (5) of the IM determination |
| Tax effect of total tax depreciation | means the tax effect of tax depreciation |
| Tax payments | means regulatory tax allowance recognised proportionally to how the EDB has paid (or would have paid tax) over the tax year preceding the end of the disclosure year |
| Term credit spread difference | has the meaning set out in the IM determination |
| Term credit spread differential allowance | has the same meaning as the 'term credit spread differential' as set out in clause 2.4.11(3) of the IM determination |
| Third party interference | To capture all unplanned customer interruptions resulting from external contractors or members of the public, includes Dig-In, Overhead Contact, Vandalism, and Vehicle Damage. |
| Time end | the time at which supply was restored to all ICPs affected by the interruption |
| Time start | the time at which the interruption commenced |
| Total attributable to regulated service | means the sum of directly attributable and not directly attributable that is attributable to electricity distribution services |
| Total book value of interest bearing debt | means the sum of book value of qualifying debt and non-qualifying debt at the date of the latest general purpose financial statements |
| Total closing RAB values | means:  (a) in relation to the unallocated RAB, the sum of unallocated closing RAB values as determined in accordance with the IM determination;  (b) in relation to the RAB, the sum of closing RAB values as determined in accordance with the IM determination |
| Total CPI revaluations | means:  (a) in relation to the unallocated RAB, the sum of unallocated revaluation as determined in accordance with the IM determin;  (b) in relation to the RAB or regulatory profit, the sum of revaluations as determined in accordance with the IM determination |
| Total customers on network | the total number of customers supplied by the EDB on the network |
| Total depreciation | means:  (a) in relation to the unallocated RAB, the sum of unallocated depreciation as determined in accordance with the IM determination;  (b) in relation to the RAB or regulatory profit, the sum of depreciation as determined in accordance with the IM determination |
| Total distribution transformer capacity | means the sum of the distribution transformer capacity (EDB owned) and the distribution transformer capacity (Non-EDB owned), expressed in MVA |
| Total distribution transformer capacity | means the sum of distribution transformer capacity (EDB-owned) and distribution transformer capacity (non-EDB owned, estimated) |
| Total expenditure on distribution network | means the sum of gross capital expenditure on distribution network and operational expenditure on distribution network |
| Total expenditure on distribution network business | means the sum of non-system fixed assets plus business support plus direct billing |
| Total opening RAB values subject to revaluations | means:   * + - * 1. in relation to the unallocated RAB, total opening RAB values - unallocated RAB less opening value of fully depreciated, disposed and lost assets - unallocated RAB;         2. in relation to the RAB, total opening RAB values - RAB less opening value of fully depreciated, disposed and lost assets – RAB |
| Total revenue | Total line charge revenue collected from the embedded network |
| Transfer capacity | means the additional capacity that is available to augment the capacity of the existing zone substation by switching circuits that may supply the existing zone substation from other zone substations, expressed in units of MVA |
| Transformer capacity | in relation to a system, means the total capacity (in kilovolt amperes) of the following transformers within the system:  (a) Those transformers with secondary voltages of 230 volts or 400 volts (using the lower continuous rating if a dual rating is applied); and  (b) Any other transformers operating at voltages higher than those specified in paragraph (a) and through which electricity consumers are directly supplied with electricity (using the lower continuous rating if a dual rating is applied) |
| Transmission line charge revenue | means line charge revenue relating to transmission charges |
| Transmission revenue | Means revenue from transmission charges |
| Transpower | has the meaning as defined in s 54B of the Act |
| Transpower new investment contract charges | means a cost specified in clause 3.1.3(1)(c) of the IM determination |
| Unallocated initial RAB value | means the values of assets as determined in accordance with clause 2.2.3(1) of the IM determination |
| Unallocated overhead lines | means a circuit, or a section of a circuit, installed in an area that is not an urban, rural, remote or rugged area |
| Underground | means the total length of all circuits that are installed as underground cables, expressed in kilometres |
| Unknown | To capture all unplanned interruptions where the cause is not known |
| Unregulated service | has the meaning set out in the IM determination |
| Urban | means a circuit, or a section of a circuit, installed in an urban area |
| Utilised tax losses | has the meaning set out in paragraph (a) of the defined term in the IM determination |
| Value of Commissioned assets | has the meaning set out in the IM determination. |
| Value of transaction | means the value of the related party transaction as determined in accordance with clause of section 2.3 of this determination |
| Vegetation | To capture all unplanned customer interruptions resulting from vegetation contact, includes debris, grass and tree contact. |
| Weighted average expected total asset life | means the weighted average expected total asset life of assets calculated by using the opening RAB values as weights where opening RAB value has the meaning set out in the IM determination |
| Weighted average remaining asset life | means the weighted average remaining asset life of assets calculated by using the opening RAB values as weights where remaining asset life and opening RAB values has the meaning set out in the IM determination |
| Weighted average remaining useful life of relevant assets (years) | means the weighted average remaining useful life of assets included in opening unamortised initial differences in asset values calculated by using the opening unamortised initial difference in asset values as weights |
| Wildlife | To capture all unplanned customer interruptions resulting from wildlife contact -  includes birds, possums, vermin, cats etc. |
| Year change made | means:  (a) in relation to assets or groups of assets where depreciation is included in depreciation - no standard life asset, the year the asset was acquired;  (b) in relation to assets or groups of assets where depreciation is included in depreciation - modified life assets, the year the asset life was modified;  (c) in relation to assets or groups of assets where depreciation is included in depreciation - alternative depreciation determined in accordance with CPP, the start of the CPP period |
| Zone substation transformer capacity | means the sum of the capacities of all zone substation transformers that are part of the network |

# Schedule 17 Certification for Year-beginning Disclosures

Clause 2.9.1 of section 2.9

We, [insert full names], being directors of [name of EDB] certify that, having made all reasonable enquiry, to the best of our knowledge:

1. the following attached information of [name of EDB] prepared for the purposes of clause 2.4.1 of section 2.4 and clause 2.6.1 and subclauses 2.6.3(2) and 2.6.5(2) of section 2.6 of the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012 in all material respects complies with that determination.
2. The prospective financial or non-financial information included the attached information has been measured on a basis consistent with regulatory requirements or recognised industry standards.

[Signatures of 2 directors]

[Date]

# Schedule 18 Certification for Year-end Disclosures

Clause 2.9.2 of section 2.9

We, [insert full names], being directors of [name of EDB] certify that, having made all reasonable enquiry, to the best of our knowledge, the information prepared for the purposes of clauses 2.3.1 and 2.3.2 of section 2.3; and clauses 2.4.19 and 2.4.20 of section 2.4, and clauses 2.5.1 and 2.5.2 of section 2.5 of the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012 in all material respects complies with that determination.

\*[In respect of related party costs and revenues recorded in accordance with clauses 2.3.6(1), 2.3.6(2)(f) and 2.3.7(2)(b), we certify that, having made all reasonable enquiry, including enquiries of our related parties, we are satisfied that to the best of our knowledge and belief the costs and revenues recorded for related party transactions reasonably reflect the price or prices that would have been paid or received had these transactions been at arm’s-length.]

\* Delete if inapplicable

[Signatures of 2 directors]

[Date]

# Schedule 19 Certification for Transitional Disclosures

Clause 2.9.3 of section 2.9

We, [insert full names], being directors of [name of EDB] certify that, having made all reasonable enquiry, to the best of our knowledge, the information prepared for the purpose of clause 2.12.1 section 2.12 of the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012 in all material respects complies with that determination.

[Signatures of 2 directors]

[Date]