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[Draft] Transpower Individual Price-Quality Path Determination 2025

[2024] NZCC XX

The Commission: Vhari McWha
Dr Derek Johnston
Bryan Chapple
Nathan Strong

Date of decision: [day] [month] 2024

[signature]

[name], Commissioner

Dated at Wellington this [day] of [month] 2024

COMMERCE COMMISSION

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Pursuant to Part 4 of the Commerce Act 1986, the **Commission** makes the following determination:

Part 1: General provisions

1. Title

   1.1 This determination is the Transpower Individual Price-Quality Path Determination 2025.

2. Commencement

   2.1 This determination takes effect on 1 April 2025.

3. Application

   3.1 This determination applies to **Transpower** in relation to the supply of **electricity lines services** during **RCP4**.

4. Interpretation

   4.1 Unless the context otherwise requires—

      4.1.1 terms appearing in bold type (except for headings) in this determination are defined terms;

      4.1.2 terms used in this determination that are defined in the **IMs**, but not in this determination, have the meaning given in the **IMs**;

      4.1.3 terms used in this determination that are defined in the **Act**, but not in this determination, or in the **IMs**, have the meaning given in the **Act**;

      4.1.4 any reference to a period of time is interpreted in accordance with section 54 of the Legislation Act 2019;

      4.1.5 for the avoidance of doubt, references to terms from legislation in this determination have the meaning given in the applicable legislation at the time they are applied;

      4.1.6 financial items must be measured and disclosed in accordance with **GAAP** at the time it is applied, unless otherwise required by this determination or the **IMs**;

      4.1.7 non-financial items must be measured and disclosed in accordance with standard industry practice unless otherwise required in this determination, or the **IMs**;

      4.1.8 an obligation to do something is deemed to include an obligation to cause that thing to be done; ~~and~~

      4.1.9 a word which denotes the singular also denotes the plural and vice versa; and

4.1.10 materials incorporated by reference into this determination, including standards promulgated by other bodies, are incorporated in accordance with Schedule 5 of the **Act**.

4.2 If there is any inconsistency between the main body of this determination and any attachment or schedule to this determination, the main body of this determination prevails.

5. Individual price-quality path and information disclosures

5.1 **Transpower** must comply with the individual price-quality path, which consists of:

5.1.1 the price path in Part 3; and

5.1.2 the quality standards in clauses 14~~14~~, 16~~16~~, 18~~18.1~~, 19~~19.1~~, and 22~~22~~.

5.2 **Transpower** must comply with the requirements to provide compliance statements and information disclosures in Parts 3, 4 and 5.

6. Applicable input methodologies

6.1 **Transpower** must apply the requirements set out in the following **IMs** where applicable when complying with this determination:

6.1.1 the **Transpower IM**; and

6.1.2 the **Capex IM**.

Part 2: Defined terms

7. Defined terms

7.1 In this determination, unless the context otherwise requires:

	A
Act	means the Commerce Act 1986;
actual opex	has the meaning given in the **Transpower IM**;
actual transmission revenue	means the revenue (net of rebates) received by **Transpower** in a **pricing year** from **customers** for **electricity transmission services**, excluding: (a) revenue received by **Transpower** for **electricity transmission services** performed by **Transpower** as **system operator**; and

(b) revenue received by **Transpower** from **new investment contracts**;

AHI means **Transpower's** asset health assessment index for the relative health of an asset in the range between 0.5~~1~~ and 10, where an index of ~~1~~0.5 denotes best condition and an index of 10 denotes worst condition;

Commented [A2]: New assets are initially assigned a value of 0.5.

annual compliance statement means a written statement made by **Transpower** under clause 25 and associated information;

asset health measure means the percentage of assets in an **asset health measure asset class** with an **AHI** of 8 or more;

asset health measure asset class means an asset class that is subject to the asset health quality standard~~s~~ and is one of the following:

(a) conductors;

(b) insulators;

(c) power transformers;

(d) outdoor circuit breakers;

(e) protection relays;

(f) tower grillage foundations;

(g) tower protective coatings;

asset performance measure has the meaning given in the **Capex IM** and, for the purposes of this determination, means:

(a) the **revenue-linked grid output measures** specified in clause 13~~13~~; and

(b) the non-revenue linked **grid output measures** described in clause ~~27.1.1~~27.1.1 to ~~27.1.4~~27.1.4;

asset refurbishment has the meaning given in the **Capex IM**;

asset replacement has the meaning given in the **Capex IM**;

assurance auditor means a person who:

(a) is qualified for appointment as auditor of a company under the Companies Act 1993;

(b) complies with Professional and Ethical Standard 1 (PES 1) issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board in December 2018, under s 12(b) of the Financial Reporting Act 2013; and

(c) for the avoidance of doubt:

(i) has no input into ~~either **Transpower's** proposed updated **forecast MAR** and **forecast SMAR** calculations for a **pricing year** of **RCP4** or~~ an **annual compliance statement** for a **disclosure year** of **RCP4** (other than in relation to **independent assurance reports**); and

(ii) is not associated with or directed by any person who has provided any such input;

Commented [A3]: This section is no longer needed given the CC decision for no specific assurance over this procedure

B

base capex	has the meaning given in the **Capex IM**;
base capex allowance	has the meaning given in the **Capex IM**;
base capex expenditure adjustment	has the meaning given in the **Capex IM**;
base capex incentive rates	means the **base capex low incentive rate** and **base capex standard incentive rate**;
base capex low incentive rate	has the meaning given in the **Capex IM**;
base capex programme	has the meaning given in the **Capex IM**;
base capex project	has the meaning given in the **Capex IM**;
base capex standard incentive rate	has the meaning given in the **Capex IM**;

C

cap	has the meaning given in the **Capex IM** and, for the purposes of this determination, values are specified in Tables 4.2 and 4.3;
Capex IM	means the *Transpower Capital Expenditure Input Methodology Determination* [2012] NZCC 2, including, for the avoidance of doubt, any amendment applicable to **RCP4**;
capital expenditure or **capex**	has the meaning given in the **Capex IM**;
catastrophic event	has the meaning specified in clause 3.7.4 of the **Transpower IM**;
civil commotion	means riots or similar civil disturbance;
code	has the meaning given in the **Transpower IM**;
collar	has the meaning given in the **Capex IM** and, for the purposes of this determination, values are specified in Tables 4.2 and 4.3;
Commission	has the meaning given in the **Act**;
commissioned	has the meaning given in the **Transpower IM**;
commodity instrument that is not an effective hedge	means an instrument acquired by or entered into by **Transpower** in accordance with its policy on **capital expenditure** hedging in respect of an exposure to commodity prices, and the instrument does not qualify for hedge accounting in accordance with **GAAP** at the date of being entered into or acquired and that results in a gain or loss being incorporated into its Statement of Comprehensive Income or equivalent audited statement of income and expenses for financial accounting purposes;
contamination	means radioactive contamination, toxic contamination, dangerous biological contamination or chemical contamination;
corporate tax rate	has the meaning given in the **Transpower IM**;

CPI	has the meaning given in the **Transpower IM**;
customer	has the meaning given in the **Transpower IM**;
customer ~~service~~ satisfaction measure	means a reporting measure for disclosure of the ~~timeliness of communications and information provided to affected~~ customers satisfaction with **Transpower's** engagement and consultation, and responsiveness to new and enhanced grid connections ~~after an interruption event~~;

D

delivery risk adjustment	has the meaning given in the **Transpower IM**;
depreciation	has the meaning given in the **Transpower IM**;
director	has the meaning given in the **Capex IM**;
disclosure year	has the meaning given in the **Transpower IM** and, in relation to a **pricing year**, is the year commencing 1 July immediately following the start of that **pricing year**;
disposed asset	has the meaning given in the **Transpower IM**;
duration	means the elapsed time of an **unplanned interruption** (in minutes, rounded to the nearest whole minute) from the start of that **unplanned interruption** until the earlier of: (a) **restoration**; or (b) seven days after that **unplanned interruption** commenced;

E

Electricity Authority	has the meaning given in the **Transpower IM**;
electricity lines services	has the meaning given in section 54C of the **Act**;
electricity transmission services	has the meaning given in the **Capex IM**;
EV account	has the meaning given in the **Transpower IM**;

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EV account entry	means, for a **disclosure year**, a memorandum entry to record for that **disclosure year**: (a) an **ex-post economic gain or loss**; (b) an after-tax **gain or loss on capital expenditure commitments**; (c) an after-tax economic gain or loss calculated for a **base capex expenditure adjustment, grid output adjustment**, or **major capex expenditure and output adjustment**; (d) an after-tax economic gain or loss calculated for a **major capex sunk costs adjustment**; (e) an **ex-post economic gain or loss** calculated in accordance with clause 34.1.3(a)~~34.1.3(a)~~; (f) an after-tax gain or loss calculated in accordance with clauses ~~34.1.3(b)~~34.1.3(b) and 34.1.3(c)~~34.1.3(c)~~; (g) an **RCP4 HVDC transitional adjustment**; or (h) an adjustment offsetting an **RCP4 HVDC transitional adjustment** under clause 11.3~~11.3~~;
ex-post economic gain or loss	means, for a **disclosure year**, the after tax difference (expressed as a positive or negative amount) between the capital charge and the net operating profit/(loss) after tax for that **disclosure year**, as calculated in accordance with clause 32.1;
	F
forecast CPI	has the meaning given in the **Transpower IM**;

forecast EV adjustment	has the meaning given in the **Transpower IM** and, where the **Commission** determines that **Transpower's IPP** should be amended in accordance with clause 3.7.11 of the **Transpower IM** because of a **large buildup in EV account balance**, is the amount calculated for each **pricing year** determined in accordance with the **Transpower IM**;
forecast FX rate	has the meaning given in the **Capex IM**;
forecast MAR	has the meaning given in the **Transpower IM** and for each **pricing year**, is: (a) the amount set out in Column 8 in Schedule A~~Schedule A~~; or (b) where the **Commission** reconsiders and determines that **Transpower's IPP** should be amended in accordance with the **Transpower IM**, the amount as determined in accordance with the **Transpower IM**;
forecast opex	has the meaning given in the **Transpower IM**;
forecast SMAR	has the meaning given in the **Transpower IM** and, for each **pricing year**, is: (a) the amount set out in Column 9 in Schedule A~~Schedule A~~; or (b) where the **Commission** reconsiders and determines that **Transpower's IPP** should be amended in accordance with the **Transpower IM**, the amount as determined in accordance with the **Transpower IM**;
found asset	has the meaning given in the **Transpower IM**;
	G
GAAP	has the meaning given in the **Transpower IM**;
gain or loss on capital expenditure commitments	means a gain or loss required under **GAAP** to be recognised in profit or loss in **Transpower's** Statement of Comprehensive Income in respect of:

	(a) foreign currency **capital expenditure** commitments and associated designated hedges; and (b) commodity hedge instruments;
good electricity industry practice	has the meaning given in Part 1 of the **code**;
grid	has the meaning given in the **Capex IM**;
grid output	has the meaning given in the **Capex IM**;
grid output adjustment	has the meaning given in the **Capex IM**;
grid output incentive rate	has the meaning given in the **Capex IM** and, for the purposes of this determination, the rates for **revenue-linked grid output measures** are specified in Tables 4.2 and 4.3;
grid output measure	has the meaning given in the **Capex IM**;
grid output target	has the meaning given in the **Capex IM** and, for the purposes of this determination, the targets for **revenue-linked grid output measures** are specified in Tables 4.2 and 4.3;
	H
HVAC	means high voltage alternating current;
HVDC	means high voltage direct current;
HVDC pole	means an **HVDC** system circuit between Benmore and Haywards comprising the converter stations at Benmore and Haywards and the **HVDC** transmission circuit between them, carried on **HVDC** overhead line and undersea cable, connecting the converter stations;
HVDC resilience project	means a **project** undertaken for the primary purpose of improving the resilience of **HVDC** towers against wind and flood damage
	I
ID determination	has the meaning given in the **Transpower IM**;

IMs	means the **Transpower IM** and the **Capex IM** taken together;
incremental rolling incentive scheme (or **IRIS**)	means the incentive scheme specified in Part 3, subpart 6 of the **Transpower IM**;
independent assurance report	means a report issued by an **assurance auditor** on an **annual compliance statement** in accordance with clause 37;
instrument that ceases to be an effective hedge	means a financial instrument entered into or acquired by **Transpower** in accordance with its policy on **capital expenditure** hedging that qualifies as an effective hedge at the date of entering into or acquiring the instrument, but that ceases during the **disclosure year** to qualify for hedge accounting in accordance with **GAAP**, and such ceasing to qualify results in a gain or loss being incorporated into its Statement of Comprehensive Income or equivalent audited statement of income and expenses for financial accounting purposes;
interruption	means the temporary cessation of conveyance of electricity between **grid** assets owned by **Transpower** and the assets owned or operated by a **customer** at a **point of service** to the **grid**;
IPP	has the meaning given in the **Transpower IM**;
IPP revenue growth rate	means the maximum allowable annual percentage growth in **forecast SMAR** for each **pricing year** as set out in clause ~~8.3~~8.3;
	L
large buildup in EV account balance	has the meaning given in the **Transpower IM**;
listed project	has the meaning given in the **Capex IM**;
lost asset	has the meaning given in the **Transpower IM**;
low incentive rate base capex allowance	has the meaning given in the **Capex IM**;

M

major capex	has the meaning given in the **Capex IM**;
major capex expenditure and output adjustment	has the meaning given in the **Capex IM**;
major capex incentive rate	has the meaning given in the **Capex IM**;
major capex project	has the meaning given in the **Capex IM**;
major capex proposal	has the meaning given in the **Capex IM**;
major capex sunk costs adjustment	has the meaning given in the **Capex IM**;
measure of grid performance	has the meaning given in the **Capex IM** and, for the purposes of this determination, the measures for **revenue-linked grid output measures** are specified in clause 13.1~~13.1.1~~;

N

natural disaster	means an event caused by forces beyond human control, including without limitation: (a) earthquakes; (b) landslips; (c) floods; (d) severe weather events, including lightning, storms, wind and rain; (e) tsunamis; and (f) volcanic and hydrothermal activity;
new investment contract	has the meaning given in the **Transpower IM**;
normalisation event	has the meaning specified in clause ~~21.2~~21.2;

O

opening RAB value	has the meaning given in the **Transpower IM**;
operating cost	has the meaning given in the **Transpower IM**;

operating expenditure or **opex**	has the meaning given in the **Transpower IM**;
opex allowance	means, for each **disclosure year**, the amount of **operating expenditure** specified by the **Commission** for the purposes of: (a) calculating the **forecast MAR**; or (b) calculating the **ex-post economic gain or loss**;
opex incentive amount	has the meaning given in the **Transpower IM**;
other regulated income	means income received by **Transpower**, associated with the supply of **electricity transmission services**, excluding: (a) **actual transmission revenue;** (b) income associated with **electricity transmission services** performed by **Transpower** as **system operator**; (c) income associated with **new investment contracts**; and (d) investment-related income;
outage	has the meaning set out in clause 12.130 of the **code**, as amended from time to time, other than as specified in **code** subclauses 12.130(2)~~(c)~~ and 12.130(2)(d)**,** and excludes those that are: (a) of less than one minute in duration; (b) at the request of, or caused by, a **customer**; and (c) due to correct operation of **Transpower's** assets, caused by events in a **customer's** assets;
P	
pass-through costs	has the meaning given in the **Transpower IM**;

point of service means a point of service (within the meaning of Part 1 of the **code**) that is specified in Schedule F~~Schedule F~~;

point of service sub-category means a group of **points of service** identified by reference to a characteristic of service, as set out in Table 4.2 and Schedule F~~Schedule F~~, and is one of the following:

(b) in relation to **measure of grid performance** GP1:

(i) GP1A: "N-1 security high economic consequence";

(ii) GP1B: "N-1 security material economic consequence";

(iii) GP1C: "N security high economic consequence";

(iv) GP1D: "N security material economic consequence";

(v) GP1E: "N-1 security generator"; and

(vi) GP1F: "N security generator";

(c) in relation to **measure of grid performance** GP2:

(i) GP2A: "N-1 security high economic consequence";

(ii) GP2B: "N-1 security material economic consequence";

(iii) GP2C: "N security high economic consequence";

(iv) GP2D: "N security material economic consequence";

(v) GP2E: "N-1 security generator"; and

(vi) GP2F: "N security generator";

Pole 2	means the **HVDC pole** owned by **Transpower** and known as 'Pole 2';
Pole 3	means the **HVDC pole** owned by **Transpower** and known as 'Pole 3';
pricing compliance statement	means a written statement made by **Transpower** under clause 24;
pricing year	has the meaning given in the **Transpower IM**;
programme	has the meaning given in the **Capex IM**;
project	has the meaning given in the **Capex IM**;
project k	means the **Pole 2** life-extension **project** planned by **Transpower** in **RCP4**;
project l	means the combined Thyristor control unit and Human Machine Interface software upgrade **project** planned by **Transpower** in **RCP4**;
Project m	means the **project** for testing and maintenance of Cook Strait subsea cables (and consequential work) planned by **Transpower** in **RCP4**;
publicly disclose (or **public disclosure**)	means to make available to the public on **Transpower's** website and to notify the **Commission** that it has been made available;
	R
RCP2	means the **regulatory period** prior to **RCP3**, being the period from 1 April 2015 to 31 March 2020, provided that references to the final **disclosure year** in **RCP2** means the **disclosure year** ending on 30 June 2020;
RCP3	means the **regulatory period** from 1 April 2020 to 31 March 2025, provided that references to the final **disclosure year** in **RCP3** means the **disclosure year** ending on 30 June 2025;
RCP4	means the **regulatory period** from 1 April 2025 to 31 March 2030, provided that references to the

	final **disclosure year** in **RCP4** means the **disclosure year** ending on 30 June 2030;
RCP4 HVDC transitional adjustment	means an **EV account entry** that the **Commission** has determined is an **RCP4 HVDC transitional adjustment** under clause 11.2 ~~11.2~~;
recoverable cost	has the meaning given in the **Transpower IM**;
regulatory period	means a period determined by the **Commission** under the **Act**, during which a particular individual price-quality path determination applies to **Transpower**, including but not limited to **RCP2**, **RCP3**, or **RCP4**;
regulatory tax allowance	means the tax allowance determined in accordance with clause 3.4.1 of the **Transpower IM**;
related party	has the meaning given in the **Transpower IM**;
relevant pricing year	in relation to a **disclosure year**, means the **pricing year** commencing on 1 April immediately before the start of that **disclosure year**;
reopener event	has the meaning given in the **Transpower IM**;
restoration	to a **customer**, means the earliest of: (a) for generators: (i) when the generator circuit breaker is closed; or (ii) the generator is notified that **Transpower equipment** has been returned to service and is available for generation to be reconnected; or (iii) operational control for connecting the **Transpower** assets is returned to the generator; and (b) for **customers** other than generators:

Commented [A5]: New policy for HVDC deposit

(i) when the first feeder is closed, if feeder circuit breakers have been opened; or

(ii) when the supply bus is relivened, if feeder circuit breakers have remained closed after the **interruption**; or

(iii) when 75% of the load is returned to service by way of a backfeed within the **customer's** system or by generators; or

(iv) when **Transpower** has readied all of its **Transpower equipment** and has made reasonable efforts to advise the **customer** that the **Transpower equipment** can be returned to service;

revaluation	has the meaning given in the **Transpower IM**;
revenue-linked grid output measure	has the meaning given in the **Capex IM**;
	S
standard incentive rate base capex allowance	has the meaning given in the **Capex IM**;
system operator	has the meaning given in the **Transpower IM**;
	T
tax rules	has the meaning given in the **Transpower IM**;
term credit spread differential allowance	has the meaning given in the **Transpower IM**;
terrorist act	has the meaning given in section 5 of the Terrorism Suppression Act 2002;

third party	means not a **related party** and excludes, for the avoidance of doubt, an employee or party: (a) contracted by **Transpower** to provide **electricity lines services**; or (b) contracted by a **related party** to provide **electricity lines services** for **Transpower**;
TPM	has the meaning given in the **Transpower IM**;
Transpower	has the meaning given in the **Act**;
Transpower equipment	means equipment that **Transpower** owns, leases, borrows or hires for the purposes of maintaining supply of **electricity transmission services**, where **Transpower** has performed technical due diligence on that equipment to ensure it was fit for its intended purpose;
Transpower IM	means the *Transpower Input Methodologies Determination* [2012] NZCC 17, including, for the avoidance of doubt, any amendment applicable to **RCP4**;

U

unplanned interruption	means any **interruption** for a period of one minute or longer in respect of which less than 24 hours' notice, or no notice, was given, either to the public or to **customers** affected by the **interruption** and excludes: (a) any unplanned **interruptions** originating on another party's system and where the **Transpower grid** operated correctly; (b) any unplanned **interruptions** to the auxiliary load used by electricity generator assets; and (c) for all **point of service sub-categories** other than GP1E, GP1F, GP2E, and GP2F: a. load restrictions achieved completely by the use of controllable load, interruptible load or demand-response; b. automatic under-frequency load-shedding; and c. unplanned interruptions for which all load is supplied by a backfeed or by embedded generation;

V

value of commissioned asset	has the meaning given in the **Transpower IM**;
value of found asset	has the meaning given in the **Transpower IM**;

W

WACC	means, for the purpose of calculating-
	(a) a **forecast MAR**, an update of a **forecast MAR** or an **ex-post economic gain or loss**, the ~~65~~65th percentile for the vanilla mid-point estimate of weighted average cost of capital determined by the **Commission** in accordance with clause 3.5.5(1) of the **Transpower IM**; and
	(b) a **forecast SMAR**, or an update of a **forecast SMAR**, the ~~65~~65th percentile for the post-tax mid-point estimate of weighted average cost of capital determined by the **Commission** in accordance with clause 3.5.5(2) of the **Transpower IM**;
work stoppage	means a temporary cessation of work as a form of protest, including without limitation a strike or lockout;
working day	has the meaning given in the **Act**; and
works under construction	has the meaning given in the **Transpower IM**.

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Part 3: Price path

8. Maximum revenues

8.1 The maximum revenue that **Transpower** may recover for **electricity transmission services** for each **pricing year** is the **forecast SMAR** for that **pricing year**.

8.2 The forecast revenue for **electricity transmission services** that **Transpower** uses for setting transmission charges under the **TPM** for each **pricing year** must not exceed the **forecast SMAR** for that **pricing year**.

8.3 The **IPP revenue growth rate** for:

8.3.1 the first and second **pricing years** of **RCP4** is 15.43%; and

8.3.2 the third, fourth, and fifth **pricing years** of **RCP4** is 5.00%.

8.4 If the **Commission** or **Transpower** nominates a **reopener event** under clause 3.7.2 of the **Transpower IM**, or the **Commission** advises **Transpower** that it is reconsidering the **IPP** under 3.7.12 of the **Transpower IM**, **Transpower** must provide to the **Commission** and **publicly disclose**, no later than 80 **working days** after the end of the most recent **disclosure year**, for each of the remaining complete **pricing years** of **RCP4**:

8.4.1 a proposed updated **forecast MAR** calculated in accordance with clause ~~30~~33;

8.4.2 a proposed updated **forecast SMAR** calculated in accordance with clause 33~~30~~; and

8.4.3 where applicable, the updated **forecast EV adjustment** amounts calculated in accordance with clauses ~~32.2~~Schedule C8 and ~~32.3~~32.3 and Schedule D~~Schedule D~~, Formula I (Forecast EV adjustment).

8.5 For the purposes of clause 8.4:

8.5.1 if the **reopener event** is **Transpower** becoming eligible for a **delivery risk adjustment**, Schedule EA~~Schedule EA~~ applies in respect of any increase to the **base capex allowance** or to the **opex allowance**;

8.5.2 **Transpower** must apply the calculations required in clause 33 and Schedule D~~Schedule D~~, and must include supporting information for its calculations; and

8.5.3 the reference in clause 8.4~~8.4~~ to 'most recent **disclosure year**' refers to the **disclosure year** before the first **pricing year** to which the updated **forecast SMAR** applies.

9. Wash-up calculation

9.1 For each **disclosure year**, **Transpower** must calculate an **ex-post economic gain or loss** in accordance with clause 32.1~~29~~.

9.2 For the purposes of calculating an **ex-post economic gain or loss**, **Transpower** must convert the **actual transmission revenue** from a **pricing year** value to a **disclosure year** value in Schedule E~~Schedule E~~, Formula H by applying the cash flow timing factor applicable for Schedule E~~Schedule E~~, Formula H as specified in 'Column 4' of Schedule E~~Schedule E~~.

10. Listed projects

10.1 The **projects** or **programmes** identified as **listed projects** for **RCP4** are set out in Schedule I~~Schedule I~~.

10.2 If at any time during **RCP4** a **project** or **programme** identified in Schedule I~~Schedule I~~ ceases to be a **base capex project** or **base capex programme**, it is no longer a **listed project** for **RCP4**.

11. RCP4 HVDC transitional adjustment

11.1 Clause ~~11.2~~11.2 applies to an **EV account entry** that corresponds to a **base capex adjustment** in respect of expenditure by **Transpower** in **RCP3** that:

11.1.1 is the payment of a deposit by **Transpower** to a supplier to replace one or more ~~an~~ undersea cable(s) for **HVDC pole(s)**; and

11.1.2 was not approved in **RCP3** as **base capex** by the **Commission**.

11.2 The **Commission** may determine, by notice in writing to **Transpower**, that an **EV account entry** is an **RCP4 HVDC transitional adjustment**.

11.3 An **RCP4 HVDC transitional adjustment** must be offset with an **EV account entry** in the amount of any **base capex adjustment** related to the **capex** incurred.

Commented [A6]: Should this refer to base capex expenditure adjustment as defined in the Capex IM? Does it need to be defined in the IPP as well (by referencing the Capex IM)?

Commented [A7]: "an HVDC pole" (is it a deposit for a singular pole or is "poles")

Commented [A8]: Would be helpful to say 'in the first year of RCP4'.

Part 4: Quality standards and performance measures

12. Overview of quality standards and performance measures

12.1 Table 4.1:

12.1.1 provides an overview of the performance measures that apply to **Transpower** in the supply of **electricity transmission services**; and

12.1.2 indicates clause references for the performance measures and for any associated quality standards.

Table 4.1: Overview of quality standards and performance measures

Measure	Summary description	Performance measure	Quality standard
	Measures of grid performance		
GP1	measures the total number of **unplanned interruptions** for each **point of service sub-category** during a **disclosure year**	cl 14-15	cl 14
GP2	measures the average **duration** of **unplanned interruptions** for each **point of service sub-category** during a **disclosure year**	cl 16-17	cl 16
GP4	measures the amount of energy demand that is not supplied due to a transmission interruption to supply during a **disclosure year**	cl 27.1.3	—
	Asset performance measures		
AP1	measures **HVDC** energy availability of **Pole 2** and **Pole 3** as a percentage of annual capacity during a **disclosure year**	cl 18	cl 18
AP1.2	which measures **HVDC** ~~energy availability of all assets affecting the HVDC~~ link's operational capacity during a disclosure year	cl 27.1.4	—
AP2	measures the percentage of time that the **HVAC** assets listed in Schedule G~~Schedule G~~ are available during a **disclosure year**	cl 19	cl 19
AP3	measures the extent to which **Transpower** meets planned return to service times for planned outages of certain **HVAC** assets during a **disclosure year**	cl 27.1.1	—
AP4	measures the extent to which **Transpower** communicates delays to affected parties of planned **outage** return to service times of certain **HVAC** assets during a **disclosure year**	cl 27.1.2	—
	Asset health measure		
AH	the assessed value for each **asset health measure asset class**	cl 22-23	cl 22
	Customer satisfaction measure		
CS1	measures customers' satisfaction with **Transpower's** engagement and consultation	cl 27.1.5	—
CS2	measures **Transpower's** responsiveness in relation to new and enhanced grid connections	cl 27.1.6	—

Commented [A9]: See proposed revised drafting for this measure

13. Revenue-linked performance measures

13.1 The following performance measures are **revenue-linked grid output measures**:

13.1.1 GP1 and GP2, which are **measures of grid performance**; and

13.1.2 AP1 and AP2, which are **asset performance measures**.

14. GP1 quality standard

14.1 **Transpower** complies with the GP1 quality standard for a **disclosure year**:

14.1.1 if it complies with the **measure of grid performance** GP1 assessment for that **disclosure year**; or

14.1.2 if it complied with the **measure of grid performance** GP1 assessment for each of the 2 preceding **disclosure years**.

15. Measure of grid performance GP1 assessment

15.1 For **Transpower** to comply with the **measure of grid performance** GP1 assessment for a **disclosure year**, the assessed value for 4 or more **point of service sub-categories** must not exceed the quality limit specified for the **disclosure year** for the **point of service sub-category** in Table 4.2.

15.2 For each **disclosure year**, **Transpower** must calculate an assessed value for each **point of service sub-category**.

15.3 The assessed value for a **point of service sub-category** for a **disclosure year** is the sum of **unplanned interruptions** that commenced in the **disclosure year** for the **point of service sub-category**.

15.4 For the purposes of clause 14.1.2~~14.1.2~~, **Transpower** has complied with the **measure of grid performance** GP1 assessment for a **disclosure year** in **RCP3** if it complied with the assessment for that **disclosure year** in accordance with Part 4 of the **RCP3 IPP**.

16. GP2 quality standard

16.1 **Transpower** complies with the GP2 quality standard for a **disclosure year**:

16.1.1 if it complies with the **measure of grid performance** GP2 assessment for that **disclosure year**; or

16.1.2 if it complied with the **measure of grid performance** GP2 assessment for each of the 2 preceding **disclosure years**.

17. Measure of grid performance GP2 assessment

17.1 For **Transpower** to comply with the **measure of grid performance** GP2 assessment for a **disclosure year**, the assessed value for 4 or more **point of service sub-categories** must not exceed the quality limit specified for the **disclosure year** for the **point of service sub-category** in Table 4.2.

17.2 For each **disclosure year**, **Transpower** must calculate an assessed value for each **point of service sub-category**.

17.3 The assessed value for a **point of service sub-category** for a disclosure year is the sum of **unplanned interruptions** that commenced in the **disclosure year** for the **point of service sub-category**.

17.4 For the purposes of clause 16.1.2~~16.1.2~~, **Transpower** has complied with the **measure of grid performance** GP2 assessment for a **disclosure year** in **RCP3** if it complied with the assessment for that **disclosure year** in accordance with Part 4 of the **RCP3 IPP**.

18. AP1 quality standard

18.1 To comply with the **asset performance measure** AP1 quality standard for a **disclosure year**, the **HVDC** energy availability for **Pole 2** and **Pole 3** for that **disclosure year** must be higher than the AP1 quality standard value in Table 4.3.

18.2 For the purposes of clause 18.1~~18.1~~, the **HVDC** energy availability for **Pole 2** and **Pole 3** for the **disclosure year** is calculated as a percentage term in accordance with the formula:

$$100 - \frac{100 \sum_{j}^{N} (a_j - b_j) \times (c_j - d_j)}{\mathrm{e} \times \mathrm{f}} + k + l + m\ \%$$

where:

j is any **outage** that reduced capacity of the **HVDC pole(s)** in the disclosure year

N is number of **outages** associated with the **HVDC pole(s)**

a is the reduction in capacity due to the **outage**

b is the reduction in capacity due to the **outage** that was planned and due to a **listed project**, **new investment contract** related work, an **enhancement and development project**, a **major capex project**, or a **HVDC resilience project**

c is the duration in hours of the **outage**

d is the duration in hours of the **outage** that was planned and due to a **listed project**, **new investment contract** related work, an **enhancement and development project**, a **major capex project**, or a **HVDC resilience project**

e is the maximum capacity of the **HVDC poles**

f is total number of hours in the **disclosure year**

k is the amount of adjustment k under clause 18.3~~18.3~~ and 18.4~~18.4~~

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l is the amount of adjustment l under clause 18.3 and 18.4~~18.3 and 18.4~~

m is the amount of adjustment m under clause 18.3 and 18.4~~18.3 and 18.4~~.

18.3 Subject to clause 18.4~~18.4~~, an adjustment k, l, or m (for **project k**, **project l**, or **project m**, respectively) for a **disclosure year** is calculated in accordance with the following formula:

$$\frac{g \times h}{e \times f} \times 100\%$$

where:

g is reduction in capacity due to **outages** that reduce capacity of the **HVDC pole(s)** in the **disclosure year**, and that were the result of the **project**

h is the duration in hours of **outages** that reduce capacity of the **HVDC pole(s)** in the disclosure year and that were the result of the **project**

e is the maximum capacity of the **HVDC poles**

f is total number of hours in the **disclosure year**.

18.4 An adjustment calculated under clause 18.3~~18.3~~ must be modified to the extent necessary to meet the following requirements:

18.4.1 adjustment k must not be greater than 1.26% in any **disclosure year**;

18.4.2 if adjustment k is greater than 0% in a disclosure year (DY_n):

(a) in the following **disclosure year** (DY_{n+1}), adjustment k must not be more than 1.26% less the amount of adjustment k in the previous **disclosure year** (DY_n); and

(b) in each subsequent **disclosure year** (DY_{n+2} etc), **adjustment k** must be 0%;

18.4.3 adjustment l must not be greater than 3.84% in a **disclosure year**;

18.4.4 if adjustment l is greater than 0% in a **disclosure year** (DY_n), in each subsequent **disclosure year** (DY_{n+1} etc), adjustment l must be 0%; and

18.4.5 adjustment m must not be greater than 0.8% in any **disclosure year**.

19. AP2 quality standard

19.1 To comply with the **asset performance measure** AP2 quality standard for a **disclosure year**, the percentage of the time that the **HVAC** assets listed in Schedule G~~Schedule G~~ are available during that **disclosure year** must be higher than the AP2 quality standard value in Table 4.3.

19.2 For the purposes of clause 19.1, the percentage of the time that the **HVAC** assets are available during the **disclosure year** is calculated as a percentage term in accordance with the formula:

$$100 - \frac{100\sum_{j}^{N}(c_j - d_j)}{\mathrm{n} \times \mathrm{f}}\,\%$$

where:

j is any **outage** on **HVAC** assets listed in Schedule G~~Schedule G~~

c is the duration in hours of the **outage**

d is the duration in hours of the **outage** that was planned and due to a **listed project**, an **enhancement and development project**, a **major capex project**, or a ~~customer funded~~**New Investment Contract** (customer funded) project

n is the number of **HVAC** assets listed in Schedule G~~Schedule G~~

f is the total number of hours in the **disclosure year**.

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Commented [A10]: Note, the Commission's definition resilience workstreams means they are classified as E&D projects. This means that resilience work will be excluded as well. This matches Table 2.2 attachment D of the Commission's draft decision. This differs from our proposal, which had included resilience workstreams in the AP2 target.

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Table 4.2: Measures of grid performance for grid output targets, caps, collars, quality limits and grid output incentive rates for revenue-linked grid output measures

Point of service sub-category	Cap	Grid output target	Collar	Quality limit	Grid output Incentive rate (amount that Transpower may recover or must bear)
GP1: number of interruptions (per annum)					$ per **interruption**
GP1A: N-1 security high economic consequence	0	4	8	8	789,666
GP1B: N-1 security material economic consequence	4	21	38	38	170,537
GP1C: N security high economic consequence	0	2	4	4	185,592
GP1D: N security material economic consequence	4	15	26	26	57,795
GP1E: N-1 security generator	4	9	14	14	50,000
GP1F: N security generator	4	7	10	10	83,333
GP2: average duration of interruption (min)					$ per minute
GP2A: N-1 security high economic consequence	23	73	123	123	63,173
GP2B: N-1 security material economic consequence	27	74	121	121	61,683
GP2C: N security high economic consequence	15	66	117	117	7,278
GP2D: N security material economic consequence	0	104	208	208	6,113
GP2E: N-1 security generator	30	225	420	420	1,282
GP2F: N security generator	0	123	246	246	2,033

Table 4.3: Asset performance measures grid output targets, caps, collars, quality standards and grid output incentive rates for revenue-linked grid output measures

Asset performance measure	Cap	Grid output target	Collar	Quality standard	Grid output Incentive rate (amount that Transpower may recover or must bear)
AP1: HVDC availability (%)					$ per 1%
HVDC availability	99.00	98.00	97.00	96.00	1,000,000
AP2: HVAC availability (%)					$ per 1%
HVAC availability (Schedule G~~Schedule G~~ assets)	98.62	98.25	97.87	~~97.00~~97.45	5,320,564

Commented [A11]: Value is different from our proposal and draft decision - should be 97.45%

20. The grid output adjustment

20.1 **Transpower** must calculate the **grid output adjustment** for each **disclosure year** for the **revenue-linked grid output measures**.

20.2 For **measures of grid performance** GP1 and GP2 and **asset performance measures** AP1 and AP2, the **grid output target**, **cap**, **collar**, and **grid output incentive rate** in Tables 4.2 and 4.3 apply.

20.3 For the purposes of calculating the **grid output adjustment**, the output achieved is:

20.3.1 for each of the **point of service sub-categories** GP1A, GP1B, GP1C, GP1D, GP1E and GP1F, the sub-category's assessed value under clause 15.3;

20.3.2 for each of the **point of service sub-categories** GP2A, GP2B, GP2C, GP2D, GP2E and GP2F, the sub-category's assessed value under clause 17.3;

20.3.3 for **asset performance measure** AP1, the percentage of **HVDC** energy availability as calculated under clause 18.2~~18.2~~; and

20.3.4 for **asset performance measure** AP2, the percentage of time that the **HVAC** assets listed in Schedule G~~Schedule G~~ are available as calculated under clause 19.2~~19.2~~.

21. Normalisation

21.1 An **interruption** or **outage** must be excluded from the calculations made under clauses 15.3~~15.3~~, 17.3~~17.3~~, 18.2~~18.2~~, and 19.2~~19.2~~ if the **Commission** decides under clause 20.4 that a **normalisation event** in respect of that **interruption** or **outage** has occurred in a **disclosure year**.

21.2 A 'normalisation event' means an **interruption** or **outage** that the **Commission** has decided is a normalisation event in accordance with clause 21.4~~21.4~~ that–

21.2.1 was beyond the reasonable control of **Transpower**;

21.2.2 was not caused, or materially contributed to, by any failure of **Transpower** to exercise **good electricity industry practice**;

21.2.3 had a duration of 24 hours or more, in circumstances where that duration was–

(a) beyond the reasonable control of **Transpower**; and

(b) not caused, or materially contributed to, by any failure of **Transpower** to exercise **good electricity industry practice**; and

21.2.4 was the result of:

(a) **natural disaster**;

(b) fire not caused by **Transpower equipment** failure;

(c) explosion not caused by **Transpower equipment** failure;

(d) **civil commotion**;

(e) a **terrorist act**;

(f) malicious damage;

(g) war (declared or undeclared);

(h) revolution;

(i) **contamination**;

(j) action or inaction by a court or government agency (including denial, refusal or failure to grant any authorisation, despite timely best endeavour to obtain an authorisation);

(k) a **work stoppage**;

(l) a dispute between an employer and employees;

(m) work bans; or

(n) acts or omissions (other than failure to pay money) of a **third party** that affect the ability of **Transpower** to prevent or minimise the **interruption** or **outage**.

21.3 **Transpower** may make a written application to the **Commission** for each **interruption** or **outage** in that **disclosure year** that **Transpower** considers is a **normalisation event**, where that written application must:

21.3.1 be made no later than 42 **working days** after the end of the **disclosure year**;

21.3.2 include reasons for why **Transpower** considers a **normalisation event** has occurred, including why it considers:

(a) the **interruption** or **outage** was beyond **Transpower's** reasonable control;

(b) the effect of the **interruption** or **outage** on the **grid**, including managing to a shorter duration than that which actually occurred, was beyond **Transpower's** reasonable control; and

(c) it exercised **good electricity industry practice** in relation to the cause and effects of the **interruption** or **outage**;

21.3.3 include supporting evidence for the reasons provided in accordance with clause 20.3.2~~20.3.2~~, including, without limitation, information on the relevant design standards of any **Transpower equipment** involved in the **interruption** or **outage**;

21.3.4 include proposed reassessed values of any calculations made under clauses 15.3, 17.3, 18.2, and 19.2~~15.3, 17.3, 18.2, and 19.2~~ that are relevant to **Transpower's** written application, reassessed as if the **interruption** or **outage** was excluded from those measures in accordance with clause 21.1~~21.1~~; and

21.3.5 include any other information that **Transpower** considers is relevant to its application.

21.4 Where the **Commission** receives a written application from **Transpower** in accordance with clause 21.3, the **Commission** must decide whether each **interruption** or **outage** that is the subject of that written application is a **normalisation event**, using the criteria in clause 21.2~~21.2~~ and:

21.4.1 publish its decision on the Commission's website, which describes:

(a) any **interruption** or **outage** that it has decided is a **normalisation event**;

(b) reasons for why the **Commission** has reached that decision, based on the criteria in clause 21.2~~21.2~~; and

(c) which calculations made under clauses 15.3, 17.3, 18.2, and 19.2~~15.3, 17.3, 18.2, and 19.2~~ the **Commission** has decided are affected as a result of its decision that the **interruption** or **outage** is a **normalisation event**; and

21.4.2 give, or post notice of, its decision to **Transpower**.

22. AH quality standard

22.1 **Transpower** complies with the AH quality standard for the **disclosure year** beginning on 1 July 2026:

22.1.1 if it complies with the AH assessment for that **disclosure year**; or

22.1.2 if it complied with the AH assessment for the **disclosure year** beginning on 1 July 2025.

22.2 **Transpower** complies with the AH quality standard for a **disclosure year** beginning on or after 1 July 2027:

22.2.1 if it complies with the AH assessment for that **disclosure year**; or

22.2.2 if it complied with the AH assessment for each of the 2 preceding **disclosure years**.

23. AH assessment

23.1 For **Transpower** to comply with the AH assessment for a **disclosure year**, the assessed value for 4 or more **asset health measure asset classes** must not exceed the quality limit specified for the **disclosure year** for those **asset health measure asset classes** in Table 4.4.

23.2 For each **disclosure year**, **Transpower** must calculate an assessed value:

23.2.1 for the conductors **asset health measure asset class** in accordance with the formula:

$$\frac{w}{x} \times 100\%$$

where:

w is the total length in circuit km of transmission line conductors with an AHI of 8 or higher

x is the total length in circuit km of all transmission line conductors; and

23.2.2 for every other **asset health measure asset class** in accordance with the formula:

$$\frac{y}{z} \times 100\%$$

where:

y is the sum of the assets in the asset class with an AHI of 8 or higher

z is the sum of the assets in the asset class.

Table 4.4: Quality limits for asset health measure asset classes by disclosure year

Asset health measure asset class	2025/2026 (%)	2026/2027 (%)	2027/2028 (%)	2028/2029 (%)	2029/2030 (%)
Conductors	1.76	1.97	2.18	2.37	2.61
Insulators	2.79	3.14	3.85	4.76	5.98
Power transformers	5.17	9.15	11.53	12.18	13.35
Outdoor circuit breakers	1.24	1.45	2.46	3.19	4.27
Protection relays	7.56	6.92	6.37	8.12	8.61
Tower grillage foundations	4.26	3.51	3.90	4.04	3.99
Tower protective coatings	13.98	15.89	17.79	20.02	22.09

Commented [A12]: For clarity, propose each class in its own row? i.e. a line is between all of them

Commented [A13]: These quality limits appear based on the 'criticality weighted' targets for the 4 asset classes where we proposed this (Conductors, Insulators, Power Transformers, Outdoor Circuit Breakers), however the IPP draft decision is not explicit about whether this measure is criticality weighted or not. If the CC decision is that some classes are not meant to be criticality weighted, then the quality limits will need to be restated for those 4 asset classes.

Part 5: Compliance and information reporting

24. Pricing compliance statement

24.1 No later than five **working days** after **Transpower** announces, or amends, its forecast revenue for the purpose of setting or resetting charges under the **TPM** for a **pricing year**, **Transpower** must:

24.1.1 provide to the **Commission** a written statement (the **pricing compliance statement**); and

24.1.2 **publicly disclose** the **pricing compliance statement**.

24.2 The **pricing compliance statement** must:

24.2.1 state whether or not **Transpower** has complied with the price path in Part 3 for the **pricing year**;

24.2.2 include any information reasonably necessary to demonstrate whether **Transpower** has complied with the price path in Part 3 for the **pricing year**, including but not limited to a summary of forecast total revenues applied in the **TPM** for the **pricing year**;

24.2.3 if **Transpower** has not complied with the price path in Part 3 for the **pricing year**, disclose:

(a) each requirement in Part 3 that is not complied with; and

(b) the reasons for non-compliance in each case;

24.2.4 state the date on which the **pricing compliance statement** was prepared; and

24.2.5 include a certificate in the form set out in Schedule J~~Schedule J~~ signed by at least two **directors** of **Transpower**.

25. Annual compliance statement

25.1 No later than 105 **working days** after the end of each **disclosure year**, **Transpower** must:

25.1.1 provide to the **Commission** a written statement (the **annual compliance statement**); and

25.1.2 **publicly disclose** the **annual compliance statement** and accompanying **independent assurance report**.

25.2 The **annual compliance statement** must:

25.2.1 state whether or not **Transpower** has:

(a) complied with the quality standards in clauses 14~~14~~, 16~~16~~, 18~~18~~, 19~~19~~, and 22~~22~~;

(b) complied with the requirement to publicly disclose, in accordance with the **ID determination**, its annual **grid output adjustment** calculation for the **disclosure year**, including the values for '*m*' calculated in accordance with Schedule B~~Schedule B~~, clause B2(1) of the **Capex IM**;

(c) complied with requirements related to **grid output adjustment** calculations and **public disclosure**; and

(d) complied with requirements related to wash-up calculations and **public disclosure**;

25.2.2 provide the information reasonably necessary to demonstrate compliance with the quality standards;

25.2.3 if **Transpower** has not complied with any quality standards, disclose:

(a) each quality standard that has not been complied with; and

(b) the reasons for non-compliance in each case;

25.2.4 include the following performance information:

(a) for **measure of grid performance** GP1: assessed values for the **disclosure year** of each **point of service sub-category** against the **caps**, **grid output targets**, **collars** and quality limits in Table 4.2 and the quality standard in clause 1414 for that **disclosure year**;

(b) for **measure of grid performance** GP2: assessed values for the **disclosure year** of each **point of service sub-category** against the **caps**, **grid output targets**, **collars** and quality limits in Table 4.2 and the quality standard in clause 1616 for that **disclosure year**;

(c) for **asset performance measure** AP1: assessed values for the **disclosure year** against the **cap**, **grid output target** and **collar** in Table 4.3, and the quality standard in clause 1818;

(d) for **asset performance measure** AP2: assessed values for the **disclosure year** against the **cap**, **grid output target** and **collar** in Table 4.3, and the quality standard in clause 1919; and

(e) for **asset health measure** AH: assessed values for the **disclosure year** of each **asset health measure asset class** in Table 4.4 against the quality standard in clause 2222 for that **disclosure year**;

25.2.5 state the date on which the **annual compliance statement** was prepared;

25.2.6 include a certificate in the form set out in Schedule KSchedule K, signed by at least two **directors** of **Transpower**; and

25.2.7 be accompanied by an **independent assurance report** procured and prepared in accordance with clause 3737.

26. Annual compliance statement – information required

26.1 The **annual compliance statement** for a **disclosure year** must include:

26.1.1 the **ex-post economic gain or loss** for the **disclosure year**, calculated in accordance with clause 32.132.1 and Schedule ESchedule E, including any supporting information;

26.1.2 the forecast revenue for **electricity transmission services** that **Transpower** used for setting charges under the **TPM** for the **relevant pricing year**;

26.1.3 the **actual transmission revenue** for the **relevant pricing year**;

26.1.4 a description and explanation of any voluntary revenue reduction **Transpower** has made in calculating the **ex-post economic gain or loss** for the **disclosure year**;

26.1.5 an updated summary of the **EV account** as set out in Schedule BSchedule B and an updated forecast **EV account** balance at the end of **RCP4**, where these are supported by the further information required in clause 34.134.1, and where the **EV account entries** are calculated in accordance with clause 34.234.2;

26.1.6 a summary of **pass-through costs** and **recoverable costs** for the **disclosure year** as set out in Schedule HSchedule H, including:

(a) a description and explanation of any **operating costs** incurred as part of a **major capex project**; and

(b) a summary of any prudent net additional **operating costs** incurred in responding to a **catastrophic event**, as determined by the **Commission**;

26.1.7 an explanation for the difference between the **forecast opex** and **actual opex**, including in each forecast amount and actual amount, the operating lease payments otherwise capitalised in accordance with the **Transpower IM**;

26.1.8 updated summaries of the approved **base capex** as set out in Schedules Schedule C1, Schedule C2, Schedule C3C1 to and Schedule C4C4;

26.1.9 details of any changes to **Transpower's** policy of hedging **capital expenditure** during the **disclosure year**; and

26.1.10 where a **normalisation event** is excluded from a calculation made for a **revenue-linked grid output measure** in accordance with clause 21.121.1 for a **disclosure year**, a description of the adjustment to the **EV account** to reflect the effect on the **grid output adjustment** for that **disclosure year**.

27. Information to accompany the annual compliance statement

27.1 **Transpower** must **publicly disclose** the following additional information for each **disclosure year** at the same time as its **annual compliance statement** for the following performance measures:

27.1.1 for **asset performance measure** AP3, which measures the extent to which **Transpower** meets planned return to service times for planned **outages** of the **HVAC** assets set out in Schedule GSchedule G, those assets in Schedule GSchedule G that are returned to service two or more hours after **Transpower's** planned return to service time, including:

(a) when this has occurred;

(b) the known or estimated impact on affected parties, if applicable; and

(c) the steps **Transpower** took to inform affected parties and the market;

27.1.2 for **asset performance measure** AP4, which measures the extent to which **Transpower** communicates delays to affected parties of planned **outage** return to service times of the **HVAC** assets set out in Schedule G~~Schedule G~~, the percentage of **outages** that **Transpower** gives 1.5 hours or less notice to the market in the event assets are going to be returned to service later than:

(a) the original planned return to service time; or

(b) the extended return to service time;

27.1.3 for **measure of grid performance** GP4, which measures the extent to which energy demand is not supplied due to interruptions~~outages~~, the percentage of total energy demand that was not supplied due to interruptions~~outages~~ in the **disclosure year**. GP4 is calculated by dividing the amount (in MWh) of energy not served due to interruption by the amount (in MWh) of total energy demand (being the sum of the amount of energy served and the amount of energy not served due to interruption) in relation to each of the following **point of service sub-categories**:

(a) GP1A: "N-1 security high economic consequence";

(b) GP1B: "N-1 security material economic consequence";

(c) GP1C: "N security high economic consequence"; and

(d) GP1D: "N security material economic consequence";

27.1.4 for **asset performance measure** AP1.2, which measures the ~~**HVDC** energy availability of all assets affecting the~~ **HVDC** link's operational capacity limit during the **disclosure year**, calculated as the percentage available operating capacity limit against the maximum capacity of the HVDC link. Where the operational capacity limit is calculated in line with Transpower's policies and reflects the HVDC operational capacity information provided to the market via the Wholesale Market Trading Information (WITs); ~~the percentage term calculated using the formula in clause 18.2 modified as necessary, including so that each reference to **HVDC poles** in the formula is treated as a reference to all assets that, in the case of an **outage**, would affect the **HVDC** link's operational capacity; and~~

Commented [A14]: Interruptions, not outages, because an outage may or may not cause loss of supply

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Commented [A15]: Interruptions

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Commented [A16]: We are proposing that this measure should use the a summary for the disclosure year of the WITS: HVDC | WITS (electricityinfo.co.nz). This is the information provided to the market of the operational capacity limit of the HVDC link.

27.1.5 for performance measure CS1, which measures customers' satisfaction with **Transpower's** engagement and consultation. CS1 quantifies the level of satisfaction with the way **Transpower** engages and consults with customers, and meets their expectations, as indicated in the annual survey of Transpower's customers. ~~is the percentage of **Transpower's** customers responders who indicate in a survey that they are satisfied with the way **Transpower** engages and consults with them, and meets their expectations; ;~~ and

Commented [A17]: We consider that this wording better reflects how surveys are conducted.

27.1.6 for performance measure CS2, which measures **Transpower's** responsiveness in relation to new and enhanced grid connections. The information to be disclosed for CS2 is:

(a) the following information relating to enquiries received for new and enhanced grid connections in the **disclosure year**:

(i) number of connection enquiries; and

(ii) average time, minimum time, and maximum time in days taken to start investigation of connections or to formally decline to investigate;

(b) the following information relating to investigations of new and enhanced grid connections started in the **disclosure year**:

(i) number of investigations started;

(ii) average time in days to deliver concept assessment; and

(iii) number and percentage of investigations that were delivered within the contracted time; and

(c) the following information relating to commissioning of new and enhanced grid connections in the **disclosure year**:

(i) number of connections **commissioned**;

(ii) total value in dollars of connections **commissioned**;

(iii) for all load connections, median time and mean time in days from the date of entering a Transpower Works Agreement to the date the connection is **commissioned**;

(iv) for all generation (including storage) connections, median time and mean time in days from the date of entering a Transpower Works Agreement to the date the connection is **commissioned**;

(v) number and percentage of connections delivered within the contracted time;

(vi) average ~~average~~ ratio of ~~percentage overrun of~~final commissioned cost compared to initial budget; and

~~(vii) number and percentage of projects that commence on or before the agreed date; and~~

(vii) ~~average rating of~~ a measure of customers' ~~overall~~ satisfaction with the connection process as indicated via ~~expressed~~ an annual survey ~~as a percentage, as recorded in exit surveys~~.

~~(viii)~~(d) Transpower is not required to publicly disclose any information that is commercially sensitive.

28. ~~Performance Periodic e~~Event driven reporting ~~for performance events~~

28.1 For each **unplanned interruption** during a **disclosure year** which lasts 12 hours or more, **Transpower** must **publicly disclose** within 42 **working days** of the **unplanned interruption**:

28.1.1 the cause of the **unplanned interruption**;

28.1.2 the start date and time of the **unplanned interruption**;

28.1.3 the end date and time of the **unplanned interruption**;

28.1.4 the megawatts affected by the **unplanned interruption**;

28.1.5 the **grid** exit point(s) and **grid** injection point(s) affected by the **unplanned interruption**;

28.1.6 actions **Transpower** took to minimise the effect of the **unplanned interruption**; and

28.1.7 a description of steps that **Transpower** proposes to take to mitigate the risk of future **unplanned interruptions** of this type.

28.2 For each **unplanned interruption** during a **disclosure year** over one system minute, **Transpower** must **publicly disclose** within 42 **working days** of the **unplanned interruption**:

28.2.1 the cause of the **unplanned interruption**;

28.2.2 the start date and time of the **unplanned interruption**;

28.2.3 the end date and time of the **unplanned interruption**;

28.2.4 the megawatts affected by the **unplanned interruption**;

28.2.5 the **grid** exit point(s) and **grid** injection point(s) affected by the **unplanned interruption**;

Commented [A18]: Projects can be delivered less than budgeted.

Commented [A19]: 'Agreed date' is subject to change for several reasons include a request by the connecting party. We do not consider that this metric provides value. We consider (v) provides a more appropriate metric of delivery performance.

Commented [A20]: We do not do exit surveys, our annual survey is the established mechanism for feedback. The survey has a section about level of satisfaction with delivery and works, for both contract (TWA) and TPM processes.

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Commented [A21]: If there is a small number of connections, we should be able to redact this information to avoid breach confidentiality requirements (i.e., avoiding identifying individual project costs).

28.2.6 actions **Transpower** took to minimise the effect of the **unplanned interruption**; and

28.2.7 a description of steps that **Transpower** proposes to take to mitigate the risk of future **unplanned interruptions** of this type.

29. Extension of time limits

29.1 For the purposes of clauses 21.3~~21.3~~, 25.1~~25.1~~, and 28~~28~~, the **Commission**, on application from **Transpower**, may grant an extension to the time limits set out in those clauses if –

29.1.1 the **Commission** concludes that an extension is reasonably justified having regard to the circumstances; and

29.1.2 the application for extension is made to the **Commission** no later than 15 **working days** before the time limit set out in those clauses is due to expire.

29.2 For the purposes of clause 29.1~~29.1~~:

29.2.1 any extension given by the **Commission** must be effected by giving or posting notice of the extension to **Transpower**;

29.2.2 the notice must specify the period of the extension and the reasons for the extension; and

29.2.3 the notice will be published by the **Commission**.

30. Annual reporting for performance events

30.1 **Transpower** must **publicly disclose** at the same time as its **annual compliance statement**:

30.1.1 a summary of all reports **publicly disclosed** under clause 28.1~~28.1~~ for the **disclosure year**; and

30.1.2 a summary of all reports **publicly disclosed** under clause 28.2~~28.2~~ for the **disclosure year**.

30.2 Where **asset performance measure** AP1, as calculated in accordance with clause 18.2~~18.2~~, is outside of the **collar** value specified in Table 4.3, **Transpower** must **publicly disclose** at the same time as its **annual compliance statement**:

30.2.1 reasons, including whether the reasons are unknown, for **asset performance measure** AP1 going outside of the **collar**, and including any significant impact on the market (for example, the effect on market price or grid congestion);

30.2.2 actions **Transpower** has taken to minimise the effect of the events described in clause 30.2.1~~30.2.1~~; and

Commented [A22]: This would better sit under: 1. clause 27 Information to accompany the annual compliance statement as it currently implies that these requirements are all related to 'periodic reporting for performance events', this is only the case for 30.1

30.2.3 a description of steps that **Transpower** proposes to take to mitigate the risk of going outside of the **collar** in the future.

30.3 Where **asset performance measure** AP2, as calculated in accordance with clause 19.2~~19.2~~, is outside of the **collar** value specified in Table 4.3, **Transpower** must **publicly disclose** at the same time as its **annual compliance statement**:

30.3.1 the events that caused **asset performance measure** AP2 to go below the **collar**;

30.3.2 reasons, including whether the reasons are unknown, for **asset performance measure** AP2 going below the **collar**;

30.3.3 actions **Transpower** has taken to minimise the effect of the events described in clause 30.3.1~~30.3.1~~; and

30.3.4 a description of steps that **Transpower** proposes to take to mitigate the risk of going below the **collar** in the future.

30.4 Where **Transpower** has not complied with the **asset health measure** AH quality standard for an **asset health measure asset class**, as specified in clause 22~~22~~, it must **publicly disclose** at the same time as its **annual compliance statement**:

30.4.1 reasons for not meeting the quality standard, and supporting evidence for those reasons; and

30.4.2 steps that have been put in place by **Transpower** to prevent future non-compliance with the quality standard.

31. Annual delivery report

31.1 **Transpower** must **publicly disclose**, by the Friday of the third complete week of October after the end of each **disclosure year**, the following information for each asset class specified in clause 31.2~~31.2~~:

Commented [A23]: Should this be aligned with the usual IPP annual compliance reporting wording: "No later than 105 **working days** ". This would align better with the expenditure and service measure reporting of the IPP

31.1.1 the actual number and the forecast number of assets that have undergone **asset replacement**;

31.1.2 the actual sum and the forecast sum of expenditure on **asset replacement**;

31.1.3 the actual number and the forecast number of assets that have undergone **asset refurbishment**;

31.1.4 the actual sum and the forecast sum of expenditure on **asset refurbishment**; and

31.1.5 for each variance between the actual and forecast numbers or between the actual and forecast sums referred to in clause 31.1.1~~31.1.1~~ to 31.1.4~~31.1.4~~:

(a) the size of the variance (in asset numbers or in dollars, as applicable); and

(b) an explanation, with supporting analysis, for the variance.

31.2 The asset classes are:

31.2.1 outdoor to indoor switchyard conversion (ODID);

31.2.2 power transformers;

31.2.3 circuit breakers;

31.2.4 instrument transformers;

31.2.5 indoor switch-gear;

31.2.6 low voltage alternating current (LVAC) switchboard replacements;

31.2.7 tower painting;

31.2.8 grillage - concrete over ground;

31.2.9 grillage - cathodic protection;

31.2.10 insulators;

31.2.11 towers;

31.2.12 poles;

31.2.13 line protection;

31.2.14 transformer protection;

31.2.15 bus zone protection;

31.2.16 batteries and direct current (DC);

31.2.17 substation management systems;

31.2.18 feeder protection; and

31.2.19 reactive protection.

32. Wash-up building blocks calculation

32.1 For the purposes of annually calculating the **ex-post economic gain or loss**, **Transpower** must use:

32.1.1 the approach and formulae specified in Schedule E~~Schedule E~~;

32.1.2 the **opening RAB value**;

32.1.3 the actual amounts by month of **commissioning** in the **disclosure year** for **value of commissioned asset** of approved **base capex** and **major capex**;

32.1.4 the **WACC**;

32.1.5 **depreciation,** including any capitalised interest **depreciation** adjustments required to align **Transpower's** cost of financing on its **works under construction** with the requirements of clause 2.2.10(2)(a) of the **Transpower IM**;

Commented [A24]: As noted in our IPP RFI, the adjustment itself is unrelated to depreciation (it reflects the difference between our actual interest during construction and allowed interest during construction). It is just prudent wash it through depreciation. Recommend changing to just 'capitalised interest adjustment'.

32.1.6 actual **revaluation**, treated as income in accordance with clause 2.2.9 of the **Transpower IM**;

32.1.7 the **opex allowance**, excluding operating lease payments capitalised in accordance with the **Transpower IM**, ~~being~~as specified in Schedule C5~~:~~;

~~(a) for the **disclosure year** from 1 July 2025 to 30 June 2026, $411.7 million;~~

~~(b) for the **disclosure year** from 1 July 2026 to 30 June 2027, $421.2 million;~~

~~(c) for the **disclosure year** from 1 July 2027 to 30 June 2028, $442.7 million;~~

~~(d) for the **disclosure year** from 1 July 2028 to 30 June 2029, $446.7 million; and~~

~~(e) for the **disclosure year** from 1 July 2029 to 30 June 2030, $439.3 million;~~

32.1.8 the **corporate tax rate**;

32.1.9 the **regulatory tax allowance** calculated:

(a) by applying the **tax rules** and **corporate tax rate** to the regulatory profit/(loss) before tax in accordance with Part 2, Subpart 3 of the **Transpower IM**;

(b) using the **term credit spread differential allowance** calculated in accordance with Part 2, Subpart 4 of the **Transpower IM**; and

(c) using as the amount of regulatory profit/(loss) before tax for the purpose of this calculation, the sum of:

(i) the regulatory profit/(loss) before tax disclosed by **Transpower** for the **disclosure year** in accordance with the **ID determination**; and

(ii) the **term credit spread differential allowance** calculated in subclause (b);

32.1.10 the **term credit spread differential allowance**;

32.1.11 for actual revenues received by **Transpower**:

(a) the **actual transmission revenue** received in the **pricing year**, as converted to a **disclosure year** value in accordance with clause 9.2~~9.2~~; and

(b) the sum of **other regulated income** received in the **disclosure year**;

32.1.12 the amount of the **forecast EV adjustment** included in the **forecast MAR**;

32.1.13 the actual **pass-through costs** and **recoverable costs** calculated in accordance with Schedule H~~Schedule H~~; and

32.1.14 any voluntary reduction in **actual transmission revenue** made by **Transpower** for the **pricing year**.

32.2 For the purposes of any disparity adjustments for calculating the **ex-post economic gain or loss** in clause 32.1, and for any disparity adjustments for calculating the **opex incentive amount** in clause ~~Schedule C6~~36~~36.1 36.2~~, the **forecast CPI** that applied when the **opex allowance** and **forecast opex** were determined is set out in Schedule C8~~;s~~:

~~32.2.1 for the **disclosure year** from 1 July 2025 to 30 June 2026, 2.00%;~~

~~32.2.2 for the **disclosure year** from 1 July 2026 to 30 June 2027, 2.00%;~~

~~32.2.3 for the **disclosure year** from 1 July 2027 to 30 June 2028, 2.00%;~~

~~32.2.4 for the **disclosure year** from 1 July 2028 to 30 June 2029, 2.00%; and~~

~~32.2.5 for the **disclosure year** from 1 July 2029 to 30 June 2030, 2.00%.~~

32.3 For the purposes of the CPI disparity adjustment on ~~the total capital charge~~cost of capital for the calculation in clause ~~32.1~~32.1, apply the formula:

$$\left(\frac{\textit{~~total capital charge~~} \times (1 + \boldsymbol{WACC}\textit{~~actual CPI change~~})}{(1 + \textit{forecast CPI change})} * (1 + \textit{actual CPI change})\right) - \boldsymbol{WACC}$$
$$\textit{~~- total capital charge~~}$$

where:

'*actual CPI change*' means the derived change in the **CPI** for the **disclosure year**;

'*forecast CPI change*' means the derived change in the **forecast CPI** for the **disclosure year**; and

'*total capital charge*' means the sum of wash-up values for formulae B to F that are set out in Schedule E~~Schedule E~~.

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33. Transpower to propose update of forecast SMAR

33.1 **Transpower** must provide the following information when proposing an update of a **forecast MAR** and **forecast SMAR** for the purposes of clause 8.4~~8.4~~ and ~~8.5~~8.5:

33.1.1 an update of a **forecast MAR** and **forecast SMAR** for each remaining complete **pricing year** in **RCP4**, calculated in a manner consistent with the approach for calculating the **forecast SMAR** for the full period of **RCP4**, including, where applicable, to take account of the incremental revenue effect of:

(a) forecast **major capex** approved by the **Commission** in the most recently completed **disclosure year**;

(b) **base capex** approved by the **Commission** in the most recently completed **disclosure year** relating to one or more of the **listed projects** in Schedule I~~Schedule I~~; and

(c) an updated **forecast EV adjustment** calculated for the **forecast MAR** in accordance with clause 35~~35~~;

33.1.2 a description and explanation of any voluntary revenue reductions that **Transpower** seeks to apply when setting charges under the **TPM** for any future **pricing year**;

33.1.3 where applicable, a proposed updated summary of the **forecast MAR** and the **forecast SMAR** as set out in Schedule A~~Schedule A~~; and

33.1.4 a certificate accompanying the proposal in the form set out in Schedule L~~Schedule L~~, signed by the chief executive officer of **Transpower**.

33.2 For the purposes of clause 33.1.1~~33.1.1~~, the calculation of the update of a **forecast MAR** used in calculating the update of the **forecast SMAR** must, where applicable, use:

33.2.1 the approach and formulae specified in Schedule D~~Schedule D~~;

33.2.2 the forecast **opening RAB value**;

33.2.3 the forecast amounts by month of **commissioning** in the **disclosure year** for **value of commissioned asset** of approved **base capex** and **major capex**;

33.2.4 the **low incentive rate base capex allowance** in accordance with Schedule C1~~Schedule C1~~, Column 7;

33.2.5 the **standard incentive rate base capex allowance** in accordance with Schedule C2~~Schedule C2~~, Column 7;

33.2.6 the **WACC**;

33.2.7 forecast **depreciation**;

33.2.8 forecast **revaluation** for the **disclosure year** treated as income in accordance with clause 2.2.9 of the **Transpower IM**;

33.2.9 the forecast **regulatory tax allowance** calculated:

(a) by applying the **tax rules** and **corporate tax rate** to the forecast regulatory profit/(loss) before tax in accordance with Part 2, Subpart ~~-~~ 3 of the **Transpower IM**;

(b) using the **term credit spread differential allowance** calculated in accordance with Part 3, Subpart 5 of the **Transpower IM**; and

(c) using as the amount of forecast regulatory profit/(loss) before tax for the purpose of this calculation, the sum of:

(A) the forecast of the regulatory profit/(loss) before tax calculated using the calculation basis required for disclosure under the **ID determination**; and

(B) the forecast of the **term credit spread differential allowance** calculated in accordance with Part 3, Subpart 5 of the **Transpower IM**;

33.2.10 the **forecast EV adjustment** amounts specified in clause 35.1.1 to 35.1.5, adjusted, where applicable, in accordance with clause 35.2~~35.2~~ and 35.3~~35.3~~;

~~33.2.11 the forecast **pass-through costs**, being:~~

~~(a) for the **disclosure year** from 1 July 2025 to 30 June 2026, $21.7 million;~~

~~(b) for the **disclosure year** from 1 July 2026 to 30 June 2027, $22.2 million;~~

~~(c) for the **disclosure year** from 1 July 2027 to 30 June 2028, $22.6 million;~~

~~(d) for the **disclosure year** from 1 July 2028 to 30 June 2029, $23.0 million; and~~

~~(e)~~33.2.11 ~~for the **disclosure year** from 1 July 2029 to 30 June 2030, $23.5 million;~~as specified in Schedule C7; and

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~~33.2.12 the forecast **recoverable costs**, being:~~

~~(a) for the **disclosure year** from 1 July 2025 to 30 June 2026, $ 18.5 million;~~

~~(b) for the **disclosure year** from 1 July 2026 to 30 June 2027, $ 20.8 million;~~

~~(c) for the **disclosure year** from 1 July 2027 to 30 June 2028, $-25.0 million;~~

~~(d) for the **disclosure year** from 1 July 2028 to 30 June 2029, $-0.3 million; and~~

~~(e)~~33.2.12 ~~for the **disclosure year** from 1 July 2029 to 30 June 2030, $11.5 million; and~~as specified in Schedule C7;

33.2.13 the **opex allowance** set out in ~~clause 32.1.7~~Schedule C5.

33.3 The calculation of an update of the **forecast SMAR**, must, where applicable, use:

33.3.1 the update of the **forecast MAR** calculated in accordance with clauses 33.1~~33.1~~ and 33.2;

33.3.2 the conversion of the updated **forecast MAR** for each remaining complete **pricing year** in **RCP4** to **forecast SMAR** calculated by –

(a) inputting building block values for each **disclosure year** of the **regulatory period** into Schedule D~~Schedule D~~;

(b) converting the **forecast MAR** building blocks to **pricing year** values by applying the cash flow timing factors in 'Column 4' of Schedule D~~Schedule D~~; and

(c) converting the **forecast MAR** to the **forecast SMAR** for each **pricing year** using the methodology set out in clause 3.1.1(3)(b)-(d) of the **Transpower IM**;

33.3.3 for the purposes of clause 33.3.2~~33.3.2~~, the updated present value of the incremental **forecast SMAR** for the remaining complete **pricing years** in **RCP4** must equal the present value of the updated incremental **forecast MAR** for the remaining complete **pricing years** in **RCP4**; and

33.3.4 the **IPP revenue growth rate** for each **pricing year** of **RCP4** as specified in clause 8.3~~8.3~~.

33.4 For the purposes of determining the revenue impact of **major capex** approved by the **Commission** or of **base capex** approved by the **Commission** relating to **listed projects**, **Transpower** must:

33.4.1 identify each **major capex project** approved by the **Commission** in the **disclosure year** if **project** assets are forecast to be **commissioned** during the period from 1 July 2025 to 30 June 2030;

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33.4.2 identify each **listed project** for which **base capex** is approved by the **Commission** in the **disclosure year** if **project** assets are forecast to be **commissioned** during the period from 1 July 2025 to 30 June 2030; and

33.4.3 for each **project** identified in accordance with clauses 33.4.1 and 33.4.2, separately detail:

(a) the forecast date, or dates, that **project** assets are forecast to be **commissioned**; and

(b) the incremental revenue impact of the forecast **commissioning** of **project** assets on each applicable future **forecast SMAR** and **forecast MAR**.

34. EV account summary

34.1 For the purposes of providing the information specified in clause 26.1.5~~26.1.5~~ for the **disclosure year**, the updated summary of the **EV account** must show:

34.1.1 a reconciliation of the opening and closing balances of the **EV account** that takes into account:

(a) the opening balance of the **EV account**;

(b) the calculation of interest at the post-tax estimate corresponding to **WACC** on the opening balance of the **EV account**;

(c) **EV account entries**; and

(d) post-tax amounts included in calculating the **forecast EV adjustments** in respect of the closing **EV account** balance for the final **disclosure year** of **RCP3**;

34.1.2 the forecast **EV account** balance at the end of **RCP4**, taking into account **forecast EV adjustments** and interest at the post-tax estimate corresponding to **WACC** on the forecast opening **EV account** balance for each **disclosure year**;

34.1.3 the source of calculation of the **EV account entries** referred to in clause -34.1.1(c) for:

(a) the **ex-post economic gain or loss** calculated for the final **disclosure year** of **RCP3**;

(b) the after-tax gain or loss in respect of an **instrument that ceases to be an effective hedge** for the final **disclosure year** of **RCP3**;

(c) the after-tax gain or loss in respect of a **commodity instrument that is not an effective hedge** for the final **disclosure year** of **RCP3**;

(d) the **ex-post economic gain or loss** for the **disclosure year**;

(e) the after-tax **gain or loss on capital expenditure commitments**;

(f) the after-tax economic gain or loss of a **grid output adjustment**, calculated in accordance with Schedule BSchedule B, clause B2(1) of the **Capex IM**;

(g) the after-tax economic gain or loss of a **base capex expenditure adjustment**, calculated in accordance with Schedule BSchedule B, clause B1(1) of the **Capex IM**;

(h) the after-tax economic gain or loss of a **major capex expenditure and output adjustment**, calculated in accordance with Schedule BSchedule B, clause B3(1) of the **Capex IM**;

(i) the after-tax amount of a **major capex sunk costs adjustment**, calculated in accordance with clause 3.3.7 of the **Capex IM**;

(j) any **RCP4 HVDC transitional adjustment**; and

(k) any adjustment offsetting a **RCP4 HVDC transitional adjustment** under clause 11.311.3.

34.2 For the purposes of calculating **EV account entries**, **Transpower** must use:

34.2.1 the **major capex incentive rate**;

34.2.2 the **base capex standard incentive rate**;

34.2.3 the **base capex low incentive rate**;

34.2.4 the **low incentive rate base capex allowance** in accordance with Schedule C3Schedule C3, Column 7;

34.2.5 the **standard incentive rate base capex allowance** in accordance with Schedule C4Schedule C4, Column 7;

34.2.6 the **forecast CPI** used to determine the **low incentive rate base capex allowance** and the **standard incentive rate base capex allowance** in Schedule C3Schedule C3, Column 7 and Schedule C4Schedule C4, Column 7, beingas set out in Schedule C8:

(a) for the **disclosure year** from 1 July 2025 to 30 June 2026, 2.00%;

(b) for the **disclosure year** from 1 July 2026 to 30 June 2027, 2.00%;

(c) for the **disclosure year** from 1 July 2027 to 30 June 2028, 2.00%;

(d) for the **disclosure year** from 1 July 2028 to 30 June 2029, 2.00%; and

(e)34.2.6 for the **disclosure year** from 1 July 2029 to 30 June 2030, 2.00%;

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~~34.2.7 the **forecast FX rate** used to determine the **low incentive rate base capex allowance** and the **standard incentive rate base capex allowance** in Schedule C3Schedule C3, Column 7 and Schedule C4Schedule C4, Column 7, for the conversion of US dollars to NZ dollars, being:~~

~~(a) for the **disclosure year** from 1 July 2025 to 30 June 2026, 0.61;~~

~~(b) for the **disclosure year** from 1 July 2026 to 30 June 2027, 0.61;~~

~~(c) for the **disclosure year** from 1 July 2027 to 30 June 2028, 0.61;~~

~~(d) for the **disclosure year** from 1 July 2028 to 30 June 2029, 0.61; and~~

~~(e) for the **disclosure year** from 1 July 2029 to 30 June 2030, 0.61;~~

Commented [A25]: This US-NZ info could be in the list below as it does not vary annually

~~34.2.8~~34.2.7 the **forecast FX rate** used to determine the **low incentive rate base capex allowance** and the **standard incentive rate base capex allowance** in Schedule C3~~Schedule C3~~, Column 7 and Schedule C4~~Schedule C4~~Schedule C4~~Schedule C4~~~~Schedule C4~~~~Schedule C4~~, Column 7 for the conversion of the following currencies to NZ- dollars:

(a) US dollar: for each **disclosure year** in **RCP4**, 0.61;

~~(a)~~(b) Euro: for each **disclosure year** in **RCP4**, 0.54;

~~(b)~~(c) British pound: for each **disclosure year** in **RCP4**, 0.49;

~~(c)~~(d) Australian dollar: for each **disclosure year** in **RCP4**, 0.90;

~~(d)~~(e) Japanese yen: for each **disclosure year** in **RCP4**, 87.85;

~~(e)~~(f) Swedish kronor: for each **disclosure year** in **RCP4**, 6.37; and

~~(f)~~(g) Canadian dollar: for each **disclosure year** in **RCP4**, 0.80; and

~~34.2.9~~34.2.8 the amount of the **standard incentive rate base capex allowance** in Schedule C4~~Schedule C4~~, Column 7 to which the **forecast FX rate** applies, which is set out in Table 5.1:

Table 5.1: Amount of the standard incentive rate base capex allowance (NZD million) to which the forecast FX rate applies

Currency	2025/26	2026/27	2027/28	2028/29	2029/30
USD/NZD	8.6	10.6	6.8	16.3	24.0
EUR/NZD	3.7	5.8	3.8	2.4	3.2
GBP/NZD	0.0	0.0	0.0	0.0	0.0
AUD/NZD	4.7	2.2	1.7	1.0	1.9
JPY/NZD	0.0	0.1	0.0	0.1	0.0
SEK/NZD	1.7	1.5	1.3	2.1	1.9
CAD/NZD	0.0	0.0	0.0	0.0	0.0

35. Forecast EV adjustment

35.1 For the purposes of calculating an update of the **forecast MAR** for a **pricing year**, and subject to clause 35.2, the **forecast EV adjustment** amounts applied in calculating the initial **forecast MAR**, in respect of the closing **EV account** balance for the final **disclosure year** of **RCP3**, are:

35.1.1 for the **disclosure year** from 1 July 2025 to 30 June 2026, after-tax $35.5 million;

35.1.2 for the **disclosure year** from 1 July 2026 to 30 June 2027, after-tax $35.5 million;

35.1.3 for the **disclosure year** from 1 July 2027 to 30 June 2028, after-tax $35.5 million;

35.1.4 for the **disclosure year** from 1 July 2028 to 30 June 2029, after-tax $35.5 million;

35.1.5 for the **disclosure year** from 1 July 2029 to 30 June 2030, after tax $35.5 million; and

35.1.6 a tax gross-up amount calculated at the **corporate tax rate**, and applying the **tax rules** where applicable, in respect of all after-tax amounts calculated in clauses 35.1.1 to 35.1.5 in order to express the **forecast EV adjustment** amounts on a pre-tax basis in the **forecast MAR** building block inputs

Commented [A26]: This gross-up only applies to the forecast EV adjustment ex-ante because the ID determination's definition of regulatory profit / loss before tax does not include it as an entry (this is because the ID is ex-post and the EV adjustment is implicit in the allowed revenue ex-post). It might be helpful to update the ID determination's definition of regulatory profit to refer to a forecast EV entry if being determined ex-ante, so that there is no separate carve-out for this.

35.2 For the purpose of calculating an update of the **forecast MAR** after a reconsideration of the price path under clause 3.7.10 of the **Transpower IM** to account for a **large buildup in EV account balance**, the **forecast EV adjustment** amounts in clause 35.1 are to be adjusted for each remaining complete **pricing year** of **RCP4** so that, taking into account interest, if interest was accrued at the **RCP4 WACC** rate:

35.2.1 if there is more than 1 remaining complete **pricing year** of **RCP4**, the amounts of each **forecast EV adjustment** for those **pricing years** are equal; and

35.2.2 where the same annual **forecast EV adjustment** amount as in clause ~~32.2.1~~ 35.1 was applied for each of the five **pricing years** following the end of **RCP4**, the forecast balance of the **EV account** would be zero at the end of that period.

35.3 For the purposes of clause 35.2, where **forecast EV adjustments** are updated, a tax gross-up amount is calculated, consistent with clause 35.1.6.

36. Forecast opex for the incremental rolling incentive scheme (IRIS)

36.1 For the calculation of the **opex incentive amount**, the amount of **forecast opex** specified by the **Commission** for **IRIS** calculations is specified in ~~clause 36.2~~Schedule C6, as adjusted for any disparity between the **forecast CPI** that applied when the **forecast opex** was initially determined and the **CPI**.

~~36.2 For the purposes of the calculation of the **opex incentive amount**, the amount of **forecast opex**, including operating lease payments otherwise capitalised in accordance with the **Transpower IM**, specified by the **Commission** is, for a **disclosure year**, as follows:~~

~~36.2.1 for the **disclosure year** from 1 July 2025 to 30 June 2026, $423.1 million;~~

~~36.2.2 for the **disclosure year** from 1 July 2026 to 30 June 2027, $434.1 million;~~

~~36.2.3 for the **disclosure year** from 1 July 2027 to 30 June 2028, $462.1 million;~~

~~36.2.4 for the **disclosure year** from 1 July 2028 to 30 June 2029, $458.7 million; and~~

~~36.2.5 for the **disclosure year** from 1 July 2029 to 30 June 2030, $450.5 million.~~

~~36.3~~36.2 For the purposes of clause ~~36.1~~36.1 and any disparity adjustments in calculating the **opex incentive amount**, the **forecast CPI** that applied when the **forecast opex** was determined is the same as that set out in ~~clause 32.2~~Schedule C8.

Commented [A27]: Our interpretation is that this application can only be made in the period of 80 days following the end of the third year. At which point, you can only apply the adjustment to the final year, and so this clause is redundant as you cannot smooth over one year.

37. Independent assurance report

37.1 **Transpower** must procure an **independent assurance report** by an **assurance auditor** in respect of the **annual compliance statement** that:

37.1.1 is prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE3100 (Revised)) and International Standard on Assurance Engagements 3000 (ISAE(NZ)3000 (Revised)) or their successor standards, signed by the **assurance auditor**, either in his or her own name or that of his or her firm; and

37.1.2 is addressed to the **directors** of **Transpower** as the intended user of the assurance report.

37.2 The **independent assurance report** must state:

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

37.2.2 the work done by the **assurance auditor**;

37.2.3 the scope and limitations of the assurance engagement;

37.2.4 the existence of any relationship (other than that of auditor) which the **assurance auditor** has with, or any interests which the **assurance auditor** has in, **Transpower** or any of its subsidiaries;

37.2.5 whether the **assurance auditor** has obtained sufficient recorded information and explanations that it required and, if not, the information and explanations not obtained;

37.2.6 whether, in the **assurance auditor's** opinion, as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the **annual compliance statement** or the proposal to update a **forecast MAR** and **forecast SMAR** have been kept by **Transpower** and, if not, the records not so kept;

37.2.7 whether in the **assurance auditor's** opinion, as far as appears from the examination, the information used in the preparation of the **annual compliance statement** or the proposal to update a **forecast MAR** and **forecast SMAR** has, where applicable, been properly extracted from **Transpower's** accounting and other records, sourced from its financial and non-financial systems; and

37.2.8 whether in the **assurance auditor's** opinion, **Transpower** has complied, in all material respects, with this determination in preparing the **annual compliance statement** or the proposal to update a **forecast MAR** and **forecast SMAR** and, if not, the respects in which it has not done so.

38. Exemptions

38.1 The **Commission** may at any time, by way of written notice to **Transpower**:

38.1.1 exempt **Transpower** from any of the requirements contained in clauses 35.2.1~~25.2.1~~(b)-(d), 26~~26~~, 27, 28, and 30.1~~30.1~~ of this determination, for a period and on such terms and conditions as the **Commission** specifies in the notice; and

38.1.2 amend or revoke any such exemption.

Schedule A ~~Schedule A:~~ Summary of forecast MAR and forecast SMAR

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Forecast MAR applied to pricing years in RCP4 ending	**Forecast MAR is calculated based on building block values for the disclosure year ending**	**Initial determined value of forecast MAR for pricing year**	**Incremental update to forecast MAR determined in 2025**	**Incremental update to forecast MAR determined in 2026**	**Incremental update to forecast MAR determined in 2027**	**Incremental update to forecast MAR determined in 2028**	**Total forecast MAR applicable to the pricing year (sum of amounts in columns 3 to 7)**	**Forecast SMAR applicable to the pricing years in RCP4**
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]	[Column 8]	[Column 9]
31 March 2026 (Year 1)	30 June 2026	$1,054.0 million	N/A	N/A	N/A	N/A	$1,054.0 million	$969.8 million
31 March 2027 (Year 2)	30 June 2027	$1,095.4 million	$X.X million	N/A	N/A	N/A	$1,095.4 million	$1,119.4 million
31 March 2028 (Year 3)	30 June 2028	$1,146.1 million	$X.X million	$X.X million	N/A	N/A	$1,146.1 million	$1,175.4 million
31 March 2029 (Year 4)	30 June 2029	$1,216.8 million	$X.X million	$X.X million	$X.X million	N/A	$1,216.8 million	$1,234.2 million
31 March 2030 (Year 5)	30 June 2030	$1,267.9 million	$X.X million	$X.X million	$X.X million	$X.X million	$1,267.9 million	$1,295.9 million

Schedule B ~~Schedule B:~~ EV account summary

Item	Formula	Description
[Column 1]	[Column 2]	[Column 3]
Opening **EV account** balance	A	Closing balance in the **EV account** for the previous **disclosure year**
Post-tax **WACC**	B	The post-tax estimate corresponding to **WACC**
Interest on opening **EV account** balance	**C = A x B**	Opening **EV account** balance multiplied by the post-tax estimate corresponding to **WACC**
EV account entries	D	The **EV account entries** calculated in accordance with clause 31.2
Post-tax amount included in calculating the **forecast EV adjustment** for the **disclosure year** in respect of the closing **EV account** balance for the final **disclosure year** of **RCP3**	E	Amount for the **disclosure year** in **RCP4** in respect of the forecast closing post-tax **EV account** balance for the final **disclosure year** of **RCP3**, as set out in clause 35.1
Closing **EV account** balance	**F = A + C + D - E**	Opening **EV account** balance plus interest on opening **EV account** balance, plus **EV account entries**, minus **forecast EV adjustment**

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Schedule C1 ~~Schedule C1:~~ Low incentive rate base capex summary – commissioned basis (including capitalised operating leases)

Disclosure year ending	Low incentive rate base capex allowance as determined [date] 2024	Incremental low incentive rate base capex allowance determined in 2025	Incremental low incentive rate base capex allowance determined in 2026	Incremental low incentive rate base capex allowance determined in 2027	Incremental low incentive rate base capex allowance determined in 2028	Low incentive rate base capex allowance for purposes of forecast MAR in the disclosure year (sum of columns 2 to 6)
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]
30 June 2026	$0 million	N/A	N/A	N/A	N/A	$0 million
30 June 2027	$0 million	$XX.X million	N/A	N/A	N/A	$0 million
30 June 2028	$0 million	$XX.X million	$XX.X million	N/A	N/A	$0 million
30 June 2029	$0 million	$XX.X million	$XX.X million	$XX.X million	N/A	$0 million
30 June 2030	$0 million	$XX.X million	$XX.X million	$XX.X million	$XX.X million	$0 million

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Schedule C2 ~~Schedule C2:~~ Standard incentive rate base capex summary – commissioned basis (including capitalised operating leases)

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Disclosure year ending	Standard incentive rate base capex allowance as determined [date] 2024	Incremental standard incentive rate base capex allowance determined in 2025	Incremental standard incentive rate base capex allowance determined in 2026	Incremental standard incentive rate base capex allowance determined in 2027	Incremental standard incentive rate base capex allowance determined in 2028	Standard incentive rate base capex allowance for purposes of forecast MAR in the disclosure year (sum of columns 2 to 6)
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]
30 June 2026	$485.5 million	N/A	N/A	N/A	N/A	$485.5 million
30 June 2027	$510.9 million	$XX.X million	N/A	N/A	N/A	$510.9 million
30 June 2028	$451.3 million	$XX.X million	$XX.X million	N/A	N/A	$451.3 million
30 June 2029	$452.9 million	$XX.X million	$XX.X million	$XX.X million	N/A	$452.9 million
30 June 2030	$468.5 million	$XX.X million	$XX.X million	$XX.X million	$XX.X million	$468.5 million

Schedule C3 ~~Schedule C3:~~ Low incentive rate base capex summary – expenditure basis

(excluding capitalised operating leases)

Disclosure year ending	Low incentive rate base capex allowance as determined [date] 2024	Incremental low incentive rate base capex allowance determined in 2025	Incremental low incentive rate base capex allowance determined in 2026	Incremental low incentive rate base capex allowance determined in 2027	Incremental low incentive rate base capex allowance determined in 2028	Low incentive rate base capex allowance for purposes of base capex expenditure adjustments in the disclosure year (sum of columns 2 to 6)
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]
30 June 2026	$0 million	N/A	N/A	N/A	N/A	$0 million
30 June 2027	$0 million	$XX.X million	N/A	N/A	N/A	$0 million
30 June 2028	$0 million	$XX.X million	$XX.X million	N/A	N/A	$0 million
30 June 2029	$0 million	$XX.X million	$XX.X million	$XX.X million	N/A	$0 million
30 June 2030	$0 million	$XX.X million	$XX.X million	$XX.X million	$XX.X million	$0 million

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Schedule C4 ~~Schedule C4:~~ Standard incentive rate base capex summary - expenditure basis

(excluding capitalised operating leases)

Disclosure year ending	Standard incentive rate base capex allowance as determined [date] 2024	Incremental standard incentive rate base capex allowance determined in 2025	Incremental standard incentive rate base capex allowance determined in 2026	Incremental standard incentive rate base capex allowance determined in 2027	Incremental standard incentive rate base capex allowance determined in 2028	Standard incentive rate base capex allowance for purposes of base capex expenditure adjustments in the disclosure year (sum of columns 2 to 6)
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]
30 June 2026	$485.1 million	N/A	N/A	N/A	N/A	$485.1 million
30 June 2027	$509.8 million	$XX.X million	N/A	N/A	N/A	$509.8 million
30 June 2028	$445.7 million	$XX.X million	$XX.X million	N/A	N/A	$445.7 million
30 June 2029	$441.9 million	$XX.X million	$XX.X million	$XX.X million	N/A	$441.9 million
30 June 2030	$458.9 million	$XX.X million	$XX.X million	$XX.X million	$XX.X million	$458.9 million

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Schedule C5 Base opex summary

(excluding capitalised operating leases)

Disclosure year ending	Base opex allowance as determined [date] 2024	Incremental base opex allowance determined in 2025	Incremental base opex allowance determined in 2026	Incremental base opex allowance determined in 2027	Incremental base opex allowance determined in 2028	Base opex allowance for purposes of forecast MAR in the disclosure year (sum of columns 2 to 6)
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]
30 June 2026	$411.7 million	N/A	N/A	N/A	N/A	$0 million
30 June 2027	$421.2 million	$XX.X million	N/A	N/A	N/A	$0 million
30 June 2028	$442.7 million	$XX.X million	$XX.X million	N/A	N/A	$0 million
30 June 2029	$446.7 million	$XX.X million	$XX.X million	$XX.X million	N/A	$0 million
30 June 2030	$439.3 million	$XX.X million	$XX.X million	$XX.X million	$XX.X million	$0 million

Schedule C6 Base opex summary – including capitalised operating leases

Disclosure year ending	Base opex allowance as determined [date] 2024	Incremental base opex allowance determined in 2025	Incremental base opex allowance determined in 2026	Incremental base opex allowance determined in 2027	Incremental base opex allowance determined in 2028	Base opex allowance for purposes of the IRIS calculations (sum of columns 2 to 6)
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]	[Column 6]	[Column 7]
30 June 2026	$423.1 million	N/A	N/A	N/A	N/A	$0 million
30 June 2027	$434.1 million	$XX.X million	N/A	N/A	N/A	$0 million
30 June 2028	$462.1 million	$XX.X million	$XX.X million	N/A	N/A	$0 million
30 June 2029	$458.7 million	$XX.X million	$XX.X million	$XX.X million	N/A	$0 million
30 June 2030	$450.5 million	$XX.X million	$XX.X million	$XX.X million	$XX.X million	$0 million

Schedule C7 Pass-through and recoverable costs

Disclosure year ending	Pass through costs	Recoverable costs
[Column 1]	[Column 2]	[Column 3]
30 June 2026	$21.7 million	$-18.5 million
30 June 2027	$22.2 million	$-20.8 million
30 June 2028	$22.6 million	$-25.0 million
30 June 2029	$23.0 million	$0.3 million
30 June 2030	$23.5 million	$11.5 million

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Schedule C8 Forecast CPI

Disclosure year ending	Forecast CPI
[Column 1]	[Column 2]
30 June 2026	2.00%
30 June 2027	2.00%
30 June 2028	2.00%
30 June 2029	2.00%
30 June 2030	2.00%

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~~Schedule A~~Schedule D Forecast MAR building blocks calculation

FORECAST MAR BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR FORECAST INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO FORECAST NOMINAL VALUE INPUT	FORECAST MAR BUILDING BLOCK VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
WACC	**WACC**	A1	WACC = A1	
~~WACC return~~Return on forecast opening RAB value	Forecast sum of **opening RAB value** for the **disclosure year**~~natura~~	B	$A1 / (1 + A1)^{163/365}$	$B \times A1 / (1 + A1)^{163/365}$
~~WACC return~~Return on forecast VCA_{JUL}	Forecast sum of **value of commissioned asset** for the month in the **disclosure year**	C1	$((1 + A1)^{349.5/365} - 1) / (1 + A1)^{163/365}$	$C1 \times ((1 + A1)^{349.5/365} - 1) / (1 + A1)^{163/365}$
~~WACC return~~Return on forecast VCA_{AUG}		C2	$((1 + A1)^{318.5/365} - 1) / (1 + A1)^{163/365}$	$C2 \times ((1 + A1)^{318.5/365} - 1) / (1 + A1)^{163/365}$
~~WACC return~~Return on forecast VCA_{SEP}		C3	$((1 + A1)^{288/365} - 1) / (1 + A1)^{163/365}$	$C3 \times ((1 + A1)^{288/365} - 1) / (1 + A1)^{163/365}$
~~WACC return~~Return on forecast VCA_{OCT}		C4	$((1 + A1)^{257.5/365} - 1) / (1 + A1)^{163/365}$	$C4 \times ((1 + A1)^{257.5/365} - 1) / (1 + A1)^{163/365}$
~~WACC return~~Return on forecast VCA_{NOV}		C5	$((1 + A1)^{227/365} - 1) / (1 + A1)^{163/365}$	$C5 \times ((1 + A1)^{227/365} - 1) / (1 + A1)^{163/365}$

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FORECAST MAR BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR FORECAST INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO FORECAST NOMINAL VALUE INPUT	FORECAST MAR BUILDING BLOCK VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
~~WACC~~ ~~return~~Return on forecast VCA_{DEC}		C6	$((1 + A1)^{196.5/365} - 1) / (1 + A1)^{163/365}$	C6 x $((1 + A1)^{196.5/365} - 1) / (1 + A1)^{163/365}$
~~WACC~~ ~~return~~Return on forecast VCA_{JAN}		C7	$((1 + A1)^{165.5/365} - 1) / (1 + A1)^{163/365}$	C7 x $((1 + A1)^{165.5/365} - 1) / (1 + A1)^{163/365}$
~~WACC~~ ~~return~~Return on forecast VCA_{FEB}	Forecast sum of **value of commissioned asset** for the month in the **disclosure year**	C8	$((1 + A1)^{136/365} - 1) / (1 + A1)^{163/365}$	C8 x $((1 + A1)^{136/365} - 1) / (1 + A1)^{163/365}$
~~WACC~~ ~~return~~Return on forecast VCA_{MAR}		C9	$((1 + A1)^{106.5/365} - 1) / (1 + A1)^{163/365}$	C9 x $((1 + A1)^{106.5/365} - 1) / (1 + A1)^{163/365}$
~~WACC~~ ~~return~~Return on forecast VCA_{APL}		C10	$((1 + A1)^{76/365} - 1) / (1 + A1)^{163/365}$	C10 x $((1 + A1)^{76/365} - 1) / (1 + A1)^{163/365}$
~~WACC~~ ~~return~~Return on forecast VCA_{MAY}		C11	$((1 + A1)^{45.5/365} - 1) / (1 + A1)^{163/365}$	C11 x $((1 + A1)^{45.5/365} - 1) / (1 + A1)^{163/365}$
~~WACC~~ ~~return~~Return on forecast VCA_{JUN}		C12	$((1 + A1)^{15/365} - 1) / (1 + A1)^{163/365}$	C12 x $((1 + A1)^{15/365} - 1) / (1 + A1)^{163/365}$

FORECAST MAR BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR FORECAST INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO FORECAST NOMINAL VALUE INPUT	FORECAST MAR BUILDING BLOCK VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
Total forecast capital charge	Sum of **forecast MAR** building block values for formulae B to C12			Sum D = Sum of **forecast MAR** building block values B to C12

FORECAST MAR BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR FORECAST INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO FORECAST NOMINAL VALUE INPUT	FORECAST MAR BUILDING BLOCK VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
Forecast revaluation	Forecast **revaluation**, recognised consistent with the cash flow timing of the forecast **depreciation**, and treated as income in accordance with clause 2.2.9 of the **Transpower IM**	E1	$1 / (1 + A1)^{163/365}$	$E1 / (1 + A1)^{163/365}$
Forecast depreciation	Forecast **depreciation**	E2	$1 / (1 + A1)^{163/365}$	$E2 / (1 + A1)^{163/365}$
Operating expenditure	**Opex allowance** as specified in ~~clause 32.1.7~~Schedule C5.	F	$(1 + A1)^{19/365}$	$F \times (1 + A1)^{19/365}$
Forecast tax	Forecast **regulatory tax allowance**, calculated in accordance with clause 33.2.9	G	$(1 + A1)^{19/365}$	$G \times (1 + A1)^{19/365}$
Forecast TCSD	Forecast **term credit spread differential allowance**, calculated in accordance with Part 3, Subpart 5 of the **Transpower IM**	H	$(1 + A1)^{19/365}$	$H \times (1 + A1)^{19/365}$

FORECAST MAR BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR FORECAST INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO FORECAST NOMINAL VALUE INPUT	FORECAST MAR BUILDING BLOCK VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
Forecast EV adjustment	**Forecast EV adjustment**, as specified in clause 35.1.1, including a tax gross up calculated at the **corporate tax rate**	I	$1 / (1 + A1)^{163/365}$	$I / (1 + A1)^{163/365}$
Forecast pass-through costs	Forecast **pass-through costs** in accordance with Part 3, Subpart 1 of the **Transpower IM**, as specified in clause Schedule C7~~33.2.11~~	J	$(1 + A1)^{19/365}$	$J \times (1 + A1)^{19/365}$
Forecast recoverable costs	Forecast **recoverable costs** in accordance with Part 3, Subpart 1 of the **Transpower IM**, as specified in Schedule C7~~clauses 33.2.12~~	K	$(1 + A1)^{19/365}$	$K \times (1 + A1)^{19/365}$
TOTAL FORECAST MAR INCLUSIVE OF FORECAST PASS-THROUGH COSTS AND FORECAST	Sum of **forecast MAR** building block values			Sum L = Sum D plus sum of **forecast MAR** building block values E2 to K, less **forecast MAR** building block value E1

FORECAST MAR BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR FORECAST INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO FORECAST NOMINAL VALUE INPUT	FORECAST MAR BUILDING BLOCK VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
RECOVERABLE COSTS				

Schedule E ~~Schedule E:~~ Wash-up building blocks calculation

WASH-UP BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO NOMINAL VALUE INPUT	WASH-UP VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
WACC	**WACC**	A1	~~WACC = A1~~	
CPI disparity adjustment on cost of capital	**CPI disparity adjustment on cost of capital** calculated in accordance with clause 32.3	A*		
CPI disparity adjusted WACC	Sum of **WACC** and **CPI disparity adjustment on cost of capital**	A2		Sum A2 = A1 + A*
~~WACC return~~Return on opening RAB value	Sum of **opening RAB value** for the **disclosure year**	B	A2~~1~~	B x A2~~1~~
~~WACC return~~Return on VCA_{JUL}	Sum of **value of commissioned asset** for the month in the **disclosure year**	C1	$(1 + A2_{\sim\sim 1\sim\sim})^{349.5/365} - 1$	C1 x $((1 + A2_{\sim\sim 1\sim\sim})^{349.5/365} - 1)$
~~WACC return~~Return on VCA_{AUG}		C2	$(1 + A2_{\sim\sim 1\sim\sim})^{318.5/365} - 1$	C2 x $((1 + A2_{\sim\sim 1\sim\sim})^{318.5/365} - 1)$
~~WACC return~~Return on VCA_{SEP}		C3	$(1 + A2_{\sim\sim 1\sim\sim})^{288/365} - 1$	C3 x $((1 + A2_{\sim\sim 1\sim\sim})^{288/365} - 1)$
~~WACC return~~Return on VCA_{OCT}		C4	$(1 + A2_{\sim\sim 1\sim\sim})^{257.5/365} - 1$	C4 x $((1 + A2_{\sim\sim 1\sim\sim})^{257.5/365} - 1)$
~~WACC return~~Return on VCA_{NOV}		C5	$(1 + A2_{\sim\sim 1\sim\sim})^{227/365} - 1$	C5 x $((1 + A2_{\sim\sim 1\sim\sim})^{227/365} - 1)$
~~WACC return~~Return on VCA_{DEC}		C6	$(1 + A2_{\sim\sim 1\sim\sim})^{196.5/365} - 1$	C6 x $((1 + A2_{\sim\sim 1\sim\sim})^{196.5/365} - 1)$

Commented [A29]: We have updated Schedule E for a possible representation of our recommended wash-up approach.

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WASH-UP BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO NOMINAL VALUE INPUT	WASH-UP VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
~~WACC return~~Return on VCA_{JAN}		C7	$(1 + A2\underline{2}\sout{1})^{165.5/365} - 1$	C7 x $((1 + A\sout{1}\underline{2})^{165.5/365} - 1)$
~~WACC return~~Return on VCA_{FEB}		C8	$(1 + A2\underline{2}\sout{1})^{136/365} - 1$	C8 x $((1 + A2\underline{2}\sout{1})^{136/365} - 1)$
~~WACC return~~Return on VCA_{MAR}	Sum of **value of commissioned asset** for the month in the **disclosure year**	C9	$(1 + A2\underline{2}\sout{1})^{106.5/365} - 1$	C9 x $((1 + A2\underline{2}\sout{1})^{106.5/365} - 1)$
~~WACC return~~Return on VCA_{APL}		C10	$(1 + A2\underline{2}\sout{1})^{76/365} - 1$	C10 x $((1 + A2\underline{2}\sout{1})^{76/365} - 1)$
~~WACC return~~Return on VCA_{MAY}		C11	$(1 + A2\underline{2}\sout{1})^{45.5/365} - 1$	C11 x $((1 + A2\underline{2}\sout{1})^{45.5/365} - 1)$
~~WACC return~~Return on VCA_{JUN}		C12	$(1 + A2\underline{2}\sout{1})^{15/365} - 1$	C12 x $((1 + A2\underline{2}\sout{1})^{15/365} - 1)$
~~WACC return~~Return on lost assets	Sum of the **opening RAB value** of **lost assets** in the **disclosure year**	D	$1 - (1 + A2\underline{2}\sout{1})^{182/365}$	D x $(1 - (1 + A2\underline{2}\sout{1})^{182/365})$
~~WACC return~~Return on found assets	Sum of the **value of found asset** of **found assets** in the **disclosure year**	E	$(1 + A2\underline{2}\sout{1})^{182/365} - 1$	E x $((1 + A2\underline{2}\sout{1})^{182/365} - 1)$
~~WACC return~~Return on disposed assets	Sum of **opening RAB value** of **disposed assets** in the **disclosure year**	F	$1 - (1 + A2\underline{2}\sout{1})^{182/365}$	F x $(1 - (1 + A2\underline{2}\sout{1})^{182/365})$

WASH-UP BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO NOMINAL VALUE INPUT	WASH-UP VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
Total capital charge	Sum of wash-up values for formulae B to F			Sum G1 = sum of wash-up values B to F
~~CPI disparity on total capital charge~~	~~CPI disparity adjustment calculated in accordance with clause 32.3~~	~~G2~~		~~G2~~
~~Total capital charge CPI-adjusted~~	~~Sum of total capital charge and CPI disparity adjustment on capital charge~~			~~Sum G3 = Sum G1 + value G2~~
Transmission revenues received	Sum of **actual transmission revenue** converted to a **disclosure year** value in accordance with clause 32.1.11(a)~~32.1.11(a)~~	H	$(1 + A2\underline{2}\sout{1})^{163/365}$	$H \times (1 + A2\underline{2}\sout{1})^{163/365}$
Transpower adjustment to recognise voluntarily foregone revenues	Amount of **electricity transmission revenue** permanently foregone by **Transpower**	J	$(1 + A2\underline{2}\sout{1})^{163/365}$	$J \times (1 + A2\underline{2}\sout{1})^{163/365}$
Other regulated income	Sum of **other regulated income** in accordance with clause 32.1.11(b)~~32.1.11(b)~~	K1	$(1 + A2\underline{2}\sout{1})^{182/365}$	$K1 \times (1 + A2\underline{2}\sout{1})^{182/365}$

WASH-UP BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO NOMINAL VALUE INPUT	WASH-UP VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
Revaluation	Actual **revaluation** recognised consistent with the cash flow timing of **depreciation**, and treated as income in accordance with clause 2.2.9 of the **Transpower IM**	K2		K2
Gain/(loss) on disposal of assets	Sum of disposal proceeds less **opening RAB value** for **disposed assets**	L	$(1 + A21)^{182/365}$	$L \times (1 + A21)^{182/365}$
Total income	Sum of wash-up values for formulae H to L			Sum M = sum of wash-up values H, J, K1, K2, and L
Operating expenditure	**Opex allowance** as specified in ~~clause 32.1.7~~Schedule C5, and as adjusted for any disparity between the **forecast CPI** specified in ~~clause 32.2~~Schedule C8 and actual **CPI**	N	$(1 + A21)^{182/365}$	$N \times (1 + A21)^{182/365}$
Depreciation	Actual **depreciation** (excluding **depreciation** on **disposed assets**)	O		O

WASH-UP BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO NOMINAL VALUE INPUT	WASH-UP VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
TCSD	The **term credit spread differential allowance**, calculated in accordance with Part 3, Subpart 5 of the **Transpower IM**	P	$(1 + A21)^{182/365}$	$P \times (1 + A21)^{182/365}$
Pass-through costs and recoverable costs	Actual **pass-through costs** and **recoverable costs** as set out in Schedule H~~Schedule H~~, Formulae F and M.	Q	$(1 + A21)^{182/365}$	$Q \times (1 + A21)^{182/365}$
Net operating profit/(loss) before tax	Sum of wash-up values for Sum M and formulae N to P			Sum R = Sum M, less wash-up values N to Q
Tax	The **regulatory tax allowance** calculated in accordance with clause 33.2.9~~33.2.9~~	S	$(1 + A21)^{182/365}$	$S \times (1 + A21)^{182/365}$
Net operating profit/(loss) after tax	Sum of wash-up values for Sum R and formula S			Sum T = Sum R, less wash-up value S
AFTER-TAX EX-POST ECONOMIC GAIN OR LOSS	Difference between the total capital charge CPI-adjusted (Sum G3) and the net operating profit/(loss) after tax (Sum T)			Difference U = Sum G23~~3~~ less Sum T

WASH-UP BUILDING BLOCK	DESCRIPTION OF NOMINAL VALUE INPUT TO BE APPLIED	FORMULA FOR INCOME/ EXPENDITURE/ OTHER NOMINAL VALUES	CASH FLOW TIMING FACTOR TO APPLY TO NOMINAL VALUE INPUT	WASH-UP VALUE
[Column 1]	[Column 2]	[Column 3]	[Column 4]	[Column 5]
Forecast EV adjustment included in forecast MAR	Adjustment to recognise the **forecast EV adjustment** for the **disclosure year**, before tax gross up, as applied in setting the **forecast MAR** for the **relevant pricing year**	V		V
EV ACCOUNT ENTRY	This is the **ex-post economic gain or loss** adjusted for the **forecast EV adjustment** applied in setting the **forecast MAR** for the **relevant pricing year**, and is an **EV account entry**			Difference W = Difference U plus value V

Schedule EA ~~Schedule EA:~~ Delivery risk adjustment

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Pricing year ending:	31 March 2026	31 March 2027	31 March 2028	31 March 2029	31 March 2030
Target FTE total	1050	1055	1054	1056	
Decision FTE total	993	996	995	996	
Base capex per FTE ($)		426,357	462,834	452,440	471,906
Opex per FTE ($)		197,924	225,903	255,115	296,975
Maximum **base capex** increase ($)		25,243,138	27,277,501	27,069,849	25,067,058
Maximum **opex** increase ($)		11,718,437	13,313,775	15,263,742	15,774,934

1. For the purposes of this schedule:

    a. '**base capex** increase' means an increase in **base capex allowance** for a **pricing year** that is part of a **delivery risk adjustment** and calculated in accordance with this schedule;

    b. '**base capex** per FTE' means an amount of **base capex** specified in the table;

    c. 'FTE update' is the number of full-time equivalent employees employed by **Transpower** as at 31 August in a **pricing year**;

    d. '**opex** increase' is an increase in **opex allowance** for a **pricing year** that is part of a **delivery risk adjustment** and calculated in accordance with this schedule;

    e. '**opex** per FTE' means an amount of **opex** specified in the table;

    f. 'PY_n' is a **pricing year** and, as a subscript, indicates a value specified in the table, calculated in accordance with this schedule, or (in the case of FTE update) provided by **Transpower** for that **pricing year**; and

    g. 'PY_{n-1}' is the **pricing year** before the **pricing year** in question and, as a subscript, indicates a value specified in the table, calculated in accordance with this schedule, or (in the case of an FTE update) provided by **Transpower**, for that previous **pricing year**.

2. **Transpower** is not eligible for a **delivery risk adjustment**:

    a. in the first **pricing year**; or

    b. in respect of a **pricing year** that has commenced at the time that **Transpower** applies for the **deliverability risk adjustment**.

3. In a **pricing year** (PY_n) other than the first **pricing year**, **Transpower** is eligible for a **delivery risk adjustment**:

    a. based on **Transpower's** attainment of full-time equivalent employees as at 31 August in the previous **pricing year** (PY_{n-1}); and

    b. as calculated in accordance with clauses 4 to 7 of this schedule.

4. If, in a **pricing year** (PY_{n-1}), the FTE update is equal to or greater than the target FTE total, then, for the following **pricing year** (PY_n) and for each remaining **pricing year** in the **RCP**:

    a. the **base capex** increase equals the maximum **base capex** increase specified for that **pricing year** in the table; and

    b. the **opex** increase equals the maximum **opex** increase specified for that **pricing year** in the table.

5. Unless or until an FTE update is equal to or greater than the target FTE total, the **delivery risk adjustment** must be calculated under clauses 6 and 7 of this schedule.

6. In a **pricing year** (PY_n) other than the first **pricing year**:

    a. the **base capex** increase is calculated using the following formula:

    $$\textbf{\textit{base capex}}\ increase_{PYn} = (FTE\ update_{PYn-1} - decision\ FTE\ total_{PYn-1}) \times \textbf{\textit{base capex}}\ per\ FTE_{PYn}$$

    b. the **opex** increase is calculated using the following formula:

    $$\textbf{\textit{opex}}\ increase_{PYn} = (FTE\ update_{PYn-1} + 10 - decision\ FTE\ total_{PYn-1}) \times \textbf{\textit{opex}}\ per\ FTE_{PYn}$$

7. The amounts calculated under clause 6 must be modified as necessary to meet the following requirements:

    a. the **base capex** increase in a **pricing year** must not exceed the maximum **base capex** increase specified for that **pricing year** in the table;

    b. if, in a **pricing year** (PY_{n-1}), the FTE update less the decision FTE total is less than 10, the **opex** increase for the following **pricing year** (PY_n) is zero; and

    c. the **opex** increase in a **pricing year** must not exceed the maximum **opex** increase specified for that **pricing year** in the table.

Schedule F ~~Schedule F:~~ Point of service sub-categories – Measures of grid performance GP1 and GP2 points of service

RCP4 Sub-Category	Measure reference	Point of service	Customer
N security material economic consequence	GP1D and GP2D	ABY011_S1	ALPE
N-1 security high economic consequence	GP1A and GP2A	ALB033_S1	VECT
N security high economic consequence	GP1C and GP2C	ALB110_S1	VECT
N security material economic consequence	GP1D and GP2D	APS011_S1	ORON
N security generator	GP1F and GP2F	ARA220_I1	MRPL
N security generator	GP1F and GP2F	ARG110_I1	TRUS
N-1 security generator	GP1E and GP2E	ARI110_I1	MRPL
N security high economic consequence	GP1C and GP2C	ARI110_S2	POCO
N-1 security high economic consequence	GP1A and GP2A	ASB066_S1_S2	EASH
N-1 security material economic consequence	GP1B and GP2B	ASY011_S1	MPOW
N-1 security material economic consequence	GP1B and GP2B	~~ATI220_I1~~ ATI220_S1	MRPL
N-1 security generator	GP1E and GP2E	AVI220_I1	MERI
N-1 security material economic consequence	GP1B and GP2B	BAL033_S1	OTNT
N-1 security material economic consequence	GP1B and GP2B	BDE011_S1	RAYN
N-1 security material economic consequence	GP1B and GP2B	BDE011_S2	SENZ
N-1 security generator	GP1E and GP2E	BEN220_I1	MERI
N-1 security high economic consequence	GP1A and GP2A	BLN033_S1	MARL
N-1 security high economic consequence	GP1A and GP2A	BOB110_S1	COUP
N security high economic consequence	GP1C and GP2C	BPD110_S1	ALPE
N-1 security high economic consequence	GP1A and GP2A	BPE033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	BPE055_S1_S2	TRNZ
N security material economic consequence	GP1D and GP2D	BPT110_S1	WATA
N-1 security ~~high~~ material economic consequence	~~GP1A and GP2A~~ GP1B and GP2B	BRB033_S1	NPOW
N security high economic consequence	GP1C and GP2C	BRK033_S1	POCO
N-1 security high economic consequence	GP1A and GP2A	BRY066_S1_S2_S3	ORON
N security generator	GP1F and GP2F	BWK110_I1	TRUS

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RCP4 Sub-Category	Measure reference	Point of service	Customer
N-1 security ~~material~~ high economic consequence	GP1B and GP2B	CBG011_S1	WAIP
N security material economic consequence	GP1D and GP2D	CLH011_S1	ORON
N-1 security material economic consequence	GP1B and GP2B	CML033_S1	DUNE
N security material economic consequence	GP1D and GP2D	COL011_S1	ORON
N-1 security generator	GP1E and GP2E	COL066_I1	TRUS
N-1 security material economic consequence	GP1B and GP2B	CPK011_S1	WELL
N-1 security high economic consequence	GP1A and GP2A	CPK033_S1	WELL
N-1 security material economic consequence	GP1B and GP2B	CST033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	CUL033_S1	MPOW
N security material economic consequence	GP1D and GP2D	CUL066_S1	MPOW
N-1 security material economic consequence	GP1B and GP2B	CYD033_S1	DUNE
N-1 security generator	GP1E and GP2E	CYD220_I1	CTCT
N-1 security material economic consequence	GP1B and GP2B	DOB033_S1	WPOW
N-1 security material economic consequence	GP1B and GP2B	DVK011_S1	SCAN
N-1 security generator	GP1E and GP2E	EDG033_I2	~~Helios Energy Ltd~~ HEL3
N-1 security material economic consequence	GP1B and GP2B	EDG033_S1	HRZE
N-1 security material economic consequence	GP1B and GP2B	EDN033_S1	POWN
N-1 security ~~material~~ high economic consequence	~~GP1B and GP2B~~ GP1A and GP2A	FHL033_S1	HAWK
N-1 security material economic consequence	GP1B and GP2B	FKN033_S1	DUNE
N-1 security material economic consequence	GP1B and GP2B	FKN033_S2	~~ESLL~~ POWN
N-1 security material economic consequence	GP1B and GP2B	GFD033_S1	WELL
N security high economic consequence	~~GP1C and GP2C~~ GP1A and GP2A	GLN033_S1_S2	NZST
N security high economic consequence	GP1C and GP2C	GLN033_S3	COUP
N-1 security material economic consequence	GP1B and GP2B	GOR033_S1	POWN
N-1 security material economic consequence	GP1B and GP2B	GYM066_S1	WPOW
N-1 security material economic consequence	GP1B and GP2B	GYT033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	HAM011_S1	WELE
N-1 security high economic consequence	GP1A and GP2A	HAM033_S1	WELE

RCP4 Sub-Category	Measure reference	Point of service	Customer
N-1 security material economic consequence	GP1B and GP2B	HAM033_S2	~~Tainui Group Holdings Ltd~~ TGHL
N-1 security material economic consequence	GP1B and GP2B	HAM055_S1_S2	TRNZ
N-1 security material economic consequence	GP1B and GP2B	HAY011_S1	WELL
N-1 security material economic consequence	GP1B and GP2B	HAY033_S1	WELL
N-1 security high economic consequence	GP1A and GP2A	HEN033_S1	VECT
N-1 security high economic consequence	GP1A and GP2A	HEP033_S1	VECT
N security high economic consequence	GP1C and GP2C	HIN033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	HKK066_S1	WPOW
N-1 security material economic consequence	GP1B and GP2B	HLY033_S1_S2	WELE
N-1 security generator	GP1E and GP2E	HLY220_I1	GENE
N-1 security high economic consequence	GP1A and GP2A	HOB110_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	HOR033_S1	ORON
N-1 security material economic consequence	GP1B and GP2B	HOR066_S1	ORON
N-1 security generator	GP1E and GP2E	HRP220_I1	MERI
N-1 security material economic consequence	GP1B and GP2B	HTI033_S1	WTOM
N-1 security material economic consequence	GP1B and GP2B	HTI110_S1	WTOM
N-1 security material economic consequence	GP1B and GP2B	HUI033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	HWA033_S1	POCO
N~~-1~~ security material economic consequence	~~GP1B and GP2B~~ GP1D and GP2D	HWA033_S2	KUPE
N-1 security generator	GP1E and GP2E	HWA110_I1	KIWI
N-1 security generator	GP1E and GP2E	HWA110_I2	TRUS
N-1 security high economic consequence	GP1A and GP2A	HWB033_S1	DUNE
N-1 security material economic consequence	GP1B and GP2B	HWB033_S2	OTNT
N-1 security high economic consequence	GP1A and GP2A	INV033_S1	POWN
N-1 security high economic consequence	GP1A and GP2A	ISL033_S1	ORON
N-1 security high economic consequence	GP1A and GP2A	ISL066_S1	ORON
N security generator	GP1F and GP2F	JRD110_I1	~~TBOP~~ TGTL
N-1 security material economic consequence	GP1B and GP2B	KAI011_S1	MPOW

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RCP4 Sub-Category	Measure reference	Point of service	Customer
N-1 security material economic consequence	GP1B and GP2B	KAW011_S1	HRZE
N-1 security material economic consequence	GP1B and GP2B	KAW011_S2	~~OJI Fibre Solutions (NZ) Ltd~~ CHHE
N-1 security generator	GP1E and GP2E	KAW110_I1	~~TAPP~~ KWGL
N-1 security material economic consequence	GP1B and GP2B	KBY066_S1_S2	ORON
N security material economic consequence	GP1D and GP2D	KIK011_S1	TASM
~~N-1 security generator~~	~~GP1E and GP2E~~	~~KIN011_I2~~	~~POCO~~
N-1 security high economic consequence	GP1A and GP2A	KIN011_S1_S2	POCO
N security high economic consequence	GP1C and GP2C	KIN033_S1	POCO
N~~-1~~ security high economic consequence	~~GP1A and GP2A~~ GP1C and GP2C	KMO033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	KOE110_S1	TOPE
N security material economic consequence	GP1D and GP2D	KPA110_~~I1~~ S1	~~Nova Energy Ltd~~ TBOP
N-1 security generator	GP1E and GP2E	KPO110_I1	MRPL
N-1 security material economic consequence	GP1B and GP2B	KPU066_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	KUM066_S1	WPOW
N-1 security material economic consequence	GP1B and GP2B	KWA011_S1	WELL
N-1 security material economic consequence	GP1B and GP2B	LFD110_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	LTN033_S1	POCO
N-1 security generator	GP1E and GP2E	LTN220_I1	MRPL
N-1 security generator	GP1E and GP2E	MAN220_I1	MERI
~~N-1 security generator~~	~~GP1E and GP2E~~	~~MAT110_I1~~	~~SGGP~~
N-1 security generator	~~GP1E and GP2E~~ GP1B and GP2B	MAT110_S1	~~Southern Generation Ltd~~ SGGP
N-1 security generator	GP1E and GP2E	MAT110_I2	TRUS
N security material economic consequence	GP1D and GP2D	MCH011_S1	TASM
N-1 security material economic consequence	GP1B and GP2B	MGM033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	MHO033_S1	HORO

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RCP4 Sub-Category	Measure reference	Point of service	Customer
N security generator	GP1F and GP2F	MKE110_I1	~~TBOP~~ TGTL
N-1 security material economic consequence	GP1B and GP2B	MLG011_S1	WELL
N-1 security material economic consequence	GP1B and GP2B	MLG033_S1	WELL
N-1 security high economic consequence	GP1A and GP2A	MNG033_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	MNG110_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	MNI011_S1_S2	METH
N-1 security material economic consequence	GP1B and GP2B	MNI011_S3	~~OMV NZ Production Ltd~~ OMVP
N-1 security high economic consequence	GP1A and GP2A	MPE110_S1	NPOW
N-1 security material economic consequence	GP1B and GP2B	MST033_S1	POCO
N-1 security generator	GP1E and GP2E	MTI220_I1	MRPL
N-1 security material economic consequence	GP1B and GP2B	MTM033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	MTN033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	MTO033_S1	NPOW
N security material economic consequence	GP1D and GP2D	MTR033_S1	POCO
N-1 security generator	GP1E and GP2E	NAP220_I1	NAPA
N-1 security generator	GP1E and GP2E	NAP220_I2	NTRG
N-1 security high economic consequence	GP1A and GP2A	NMA033_S1	POWN
N security material economic consequence	GP1D and GP2D	NPK033_S1	WTOM
N-1 security ~~high~~ material economic consequence	~~GP1A and GP2A~~ GP1B and GP2B	NSY033_S1	OTNT
N-1 security material economic consequence	GP1B and GP2B	NWD066_S1	ORON
N-1 security material economic consequence	GP1B and GP2B	OAM033_S1	WATA
N-1 security generator	GP1E and GP2E	OHA220_I1	MERI
N-1 security generator	GP1E and GP2E	OHB220_I1	MERI
N-1 security generator	GP1E and GP2E	OHC220_I1	MERI
N-1 security generator	GP1E and GP2E	OHK220_I1	MRPL
N-1 security generator	GP1E and GP2E	OKI220_I1	CTCT
N security material economic consequence	GP1D and GP2D	OKN011_S1	POCO

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RCP4 Sub-Category	Measure reference	Point of service	Customer
N security material economic consequence	GP1D and GP2D	OKN011_S2	WTOM
N security material economic consequence	GP1D and GP2D	ONG033_S1	WTOM
N-1 security material economic consequence	GP1B and GP2B	OPK033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	ORO110_S1	BUEL
N-1 security material economic consequence	GP1B and GP2B	OTA022_S1	VECT
N security material economic consequence	GP1D and GP2D	OTI011_S1	WPOW
N-1 security material economic consequence	GP1B and GP2B	OWH011_S1	HAWK
N-1 security high economic consequence	GP1A and GP2A	PAK033_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	PAO110_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	PEN022_S1	VECT
N security material economic consequence	GP1D and GP2D	PEN025_S1	TRNZ
N-1 security high economic consequence	GP1A and GP2A	PEN033_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	PEN033_S2	SHPK
N-1 security high economic consequence	GP1A and GP2A	PEN110_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	PNI033_S1	WELL
N security generator	GP1F and GP2F	PPI220_I1	CTCT
N-1 security material economic consequence	GP1B and GP2B	PRM033_S1	HORO
N-1 security material economic consequence	GP1B and GP2B	RDF033_S1	HAWK
N-1 security material economic consequence	GP1B and GP2B	RFN110_S1_S2	WPOW
N-1 security material economic consequence	GP1B and GP2B	ROS022_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	ROS110_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	ROT011_S1	HAWK
N-1 security material economic consequence	GP1B and GP2B	ROT033_S1	HAWK
N-1 security generator	GP1E and GP2E	ROT110_I1	~~TRUS~~ HAWK
N-1 security generator	GP1E and GP2E	ROX110_I1	CTCT
N-1 security generator	GP1E and GP2E	ROX220_I1	CTCT
N-1 security generator	GP1E and GP2E	RPO220_I1	GENE
N-1 security material economic consequence	GP1B and GP2B	SBK066_S1	MPOW
N-1 security material economic consequence	GP1B and GP2B	SDN033_S1	DUNE

RCP4 Sub-Category	Measure reference	Point of service	Customer
N-1 security material economic consequence	GP1B and GP2B	SFD033_S1	POCO
N-1 security generator	GP1E and GP2E	SFD220_I1	CTCT
N-1 security high economic consequence	GP1A and GP2A	STK033_S1	TASM
N-1 security material economic consequence	GP1B and GP2B	STK033_S2	NELS
N-1 security material economic consequence	GP1B and GP2B	STK066_S1	TASM
N-1 security material economic consequence	GP1B and GP2B	STU011_S1	ALPE
N-1 security high economic consequence	GP1A and GP2A	SVL033_S1	VECT
N-~~1~~ security material economic consequence	~~GP1B and GP2B~~ GP1D and GP2D	SWN025_S1	TRNZ
N-1 security material economic consequence	GP1B and GP2B	TAB033_S1	HAWK
N-1 security generator	GP1E and GP2E	TAB220_I1	CTCT
N-1 security generator	GP1E and GP2E	TRU220_I1	~~Nova Energy Ltd (Te Rahui)~~ TBOP
N-1 security high economic consequence	GP1A and GP2A	TAK033_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	TGA011_S1	POCO
N-1 security high economic consequence	GP1A and GP2A	TGA033_S1	POCO
N-1 security generator	GP1E and GP2E	THI220_I1	CTCT
N-1 security high economic consequence	GP1A and GP2A	TIM011_S1	ALPE
N security generator	GP1F and GP2F	TKA011_I1	GENE
N security material economic consequence	GP1D and GP2D	TKA033_S1	ALPE
N-1 security generator	GP1E and GP2E	TKB220_I1	GENE
N-1 security high economic consequence	GP1A and GP2A	TKR033_S1	WELL
N-~~1~~ security material economic consequence	~~GP1B and GP2B~~ GP1D and GP2D	TKU033_S1	WTOM
N-1 security generator	GP1E and GP2E	TKU220_I1	GENE
N-1 security high economic consequence	GP1A and GP2A	TMI033_S1	POCO
N-1 security high economic consequence	GP1A and GP2A	TMK033_S1	ALPE
N-1 security material economic consequence	GP1B and GP2B	TMN055_S1_S2	TRNZ
N-1 security material economic consequence	GP1B and GP2B	TMU011_S1_S2	WAIP
N-1 security material economic consequence	GP1B and GP2B	TNG011_S1	WNST
N-1 security material economic consequence	GP1B and GP2B	TNG055_S1_S2	TRNZ

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RCP4 Sub-Category	Measure reference	Point of service	Customer
N security material economic consequence	GP1D and GP2D	TRK011_S1	HAWK
N-1 security generator	GP1E and GP2E	TUI110_I1	GENE
N-1 security material economic consequence	GP1B and GP2B	TUI110_S2	EAST
N security ~~generator~~material	~~GP1F and GP2F~~ - GP1D and GP2D	TWC220_S1	~~Tilt Renewables Ltd~~ WIND
N-1 security high economic consequence	GP1A and GP2A	TWH033_S1	WELE
N-1 security high economic consequence	GP1A and GP2A	TWI220_S1	NZAS
N-1 security material economic consequence	GP1B and GP2B	TWZ033_S1	ALPE
N-1 security material economic consequence	GP1B and GP2B	TWZ033_S3	WATA
N-1 security material economic consequence	GP1B and GP2B	UHT033_S1	WELL
N security material economic consequence	GP1D and GP2D	WAI011_S1	HRZE
N security generator	GP1F and GP2F	WAI033_I1	~~Lodestone Energy Ltd~~ LODE
N security generator	GP1F and GP2F	WAI033_I2	~~Far North Solar farm~~ FAR2
N security material economic consequence	GP1D and GP2D	WAI050_S1	HRZE
N-1 security material economic consequence	GP1B and GP2B	WDV011_S1	SCAN
N-1 security generator	GP1E and GP2E	WDV110_I1	~~MERI~~ MELT
N-1 security material economic consequence	GP1B and GP2B	WEL033_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	WGN033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	WHI011_S1_S2	PANP
N-1 security generator	GP1E and GP2E	WHI220_I1	CTCT
N-1 security material economic consequence	GP1B and GP2B	WHU033_S1	POCO
N-1 security material economic consequence	GP1B and GP2B	WIL033_S1	WELL
N-1 security high economic consequence	GP1A and GP2A	WIR033_S1	VECT
N-1 security generator	GP1E and GP2E	WKM220_I1	MRPL
N-1 security material economic consequence	GP1B and GP2B	WKO033_S1	POCO
N security generator	GP1F and GP2F	WPA220_I1	MRPL

RCP4 Sub-Category	Measure reference	Point of service	Customer
N security material economic consequence	GP1D and GP2D	WPR033_S1	MPOW
N-1 security material economic consequence	GP1B and GP2B	WPR066_S1	MPOW
N security high economic consequence	GP1C and GP2C	WPW011_S1	CHBP
N-1 security material economic consequence	GP1B and GP2B	WPW033_S1	CHBP
N-1 security material economic consequence	GP1B and GP2B	WRD033_S1	VECT
N-1 security material economic consequence	GP1B and GP2B	WRK033_S1	HAWK
N-1 security generator	GP1E and GP2E	WRK220_I1	CTCT
N-1 security generator	GP1E and GP2E	WTK011_I1	MERI
N-1 security material economic consequence	GP1B and GP2B	WTK011_S2	WATA
N-1 security material economic consequence	GP1B and GP2B	WTK033_S1	WATA
N-1 security high economic consequence	GP1A and GP2A	WTU033_S1	HAWK
N security material economic consequence	GP1D and GP2D	WVY011_S1	POCO
N-1 security generator	GP1E and GP2E	WVY110_I1	~~Waverley Wind Farm Ltd~~ WAV1
N-1 security generator	~~GP1F and GP2F~~ GP1E and GP2E	WWD110_I1	MELW

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Schedule G Quality standards - HVAC assets for asset performance measure AP2

Asset name	Outage Block Description ~~(circuit)~~
ARI_KIN_1	Arapuni–Kinleith Circuit 1
ARI_KIN_2	Arapuni–Kinleith Circuit 2
ASB_ISL_1	Ashburton–Islington 220 kV Circuit 1
ASB_TIM_TWZ_1	Ashburton–Timaru–Twizel 220 kV Circuit 1
ASB_TIM_TWZ_2	Ashburton–Timaru–Twizel 220 kV Circuit 2
ASB_BRY_1	Ashurton–Bromley 220 kV Circuit 1
ATI_TRK_1	Atiamuri–Tarukenga 220 kV Circuit 1
ATI_TRK_2	Atiamuri–Tarukenga 220 kV Circuit 2
ATI_WKM_1	Atiamuri–Whakamaru 220 kV Circuit 1
AVI_BEN_1	Aviemore–Benmore 220 kV Circuit 2
AVI_BEN_2	Aviemore–Benmore 220 kV Circuit 2
AVI_WTK_1	Aviemore–Waitaki 220 kV Circuit 1
BPE_BRK_1	Bunnythorpe–Brunswick 220 kV Circuit 1
BPE_BRK_2	Bunnythorpe–Brunswick 220 kV Circuit 2
BPE_TKU_1	Bunnythorpe–Tokaanu 220 kV Circuit 1
BPE_TKU_2	Bunnythorpe–Tokaanu 220 kV Circuit 2
BPE_TWC_LTN_1	Bunnythorpe–Tararua Wind Centre–Linton 220 kV Circuit 1
CYD_ROX_1	Clyde–Roxburgh 220 kV Circuit 1
CYD_ROX_2	Clyde–Roxburgh 220 kV Circuit2
EDG_KAW_3	Edgecumbe-Kawerau 220 kV Circuit 3
FHL_RDF_1	Fernhill–Redclyffe 110 kV Circuit 1
FHL_RDF_2	Fernhill–Redclyffe 110 kV Circuit 2
HAM_KPO_1	Hamilton–Karapiro 110 kV Circuit 1
HAM_KPO_2	Hamilton–Karapiro 110 kV Circuit 2
HAM_OHW_1	Hamilton–Ohinewai 220 kV Circuit 1
HAM_T6	Hamilton 220/110 kV Transformer T6
HAM_T9	Hamilton 220/110 kV Transformer T9
HAM_WKM_1	Hamilton–Whakamaru 220 kV Circuit 1
HAY_T1	Haywards 220/110/11 kV Transformer T1
HAY_T2	Haywards 220/110/11 kV Transformer T2
HAY_T5	Haywards 220/110/11 kV Transformer T5
HLY_SFD_1	Huntly–Stratford 220 kV Circuit 1
HLY_TWH_1	Huntly–Te Kowhai 220 kV Circuit 1
HWA_SFD_1	Hawera–Stratford 110 kV Circuit 1
ISL_KIK_1	Islington–Kikiwa 220 kV Circuit 1
ISL_NWD_1	Islington–Norwood 220 kV Circuit 1
ISL_TKB_1	Islington–Tekapo B 220 kV Circuit 1
ISL_WPR_CUL_KIK_2	Islington–Waipara–Culverden Kikiwa 220 kV Circuit 2
ISL_WPR_CUL_KIK_3	Islington–Waipara–Culverden Kikiwa 220 kV Circuit 3
KIN_TRK_1	Kinleith–Taurakenga 110 kV Circuit 1
KIN_TRK_2	Kinleith–Taurakenga 110 kV Circuit 2
LIV_NSY_1	Livingstone–Naseby 220 kV Circuit 1
LI~~N~~V_NWD_1	Livingstone–Norwood 220 kV Circuit 1

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Asset name	Outage Block Description ~~(circuit)~~
LIV_WTK_1	Livingstone–Waitaki 220 kV Circuit 1
MAN_220BS_A	Manapouri 220 kV Bus A
MAN_220BS_B	Manapouri 220 kV Bus B
MAN_220BS_C	Manapouri 220 kV Bus C
NSY_ROX_1	Naseby–Roxburgh 220 kV Circuit 1
OHK_WRK_1	Ohakuri–Wairakei 220 kV Circuit 1
OHW_WKM_1	Ohinewai–Whakamaru 220 kV Circuit 1
RPO_TNG_1	Rangipo– Tangiwai 220 kV Circuit 1
RPO_WRK_1	Rangipo–Wairakei 220 kV Circuit 1
SFD_T9	Stratford 220 / 110 kV Interconnecting Transformer T9
SFD_T10	Stratford 220 / 110 kV Interconnecting Transformer T10
SFD_TMN_1	Stratford–Taumarunui 220 kV Circuit 1
THI_WKM_1	Te Mihi–Whakamaru 220 kV Circuit 1
THI_WRK_1	Te Mihi–Wairakei 220 kV Circuit 1
TKB_TWZ_1	Tekapo B Twizel 220 kV Circuit 1
TKU_WKM_1	Tokaanu–Whakamaru 220 kV Circuit 1
TKU_WKM_2	Tokaanu–Whakamaru 220 kV Circuit 2
TMN_TWH_1	Taumaranui–Te Kowhai 220 kV Circuit 1
WKM_WRK_1	Whakamaru–Wairakei 220 kV Circuit 1

Commented [A30]: Could update header to "Asset (Outage Block) Description" - as this includes circuits and transformers and bus sections

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Schedule H ~~Schedule H:~~ Summary of actual pass-through costs and recoverable costs

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Item	Formula	Description
[Column 1]	[Column 2]	[Column 3]
Local authority rates	A	Rates payable to a local authority on system fixed assets in accordance with clause 3.1.2(2)(a) of the **Transpower IM**
Commerce Act levies	B	Levies payable in accordance with clause 3.1.2(2)(b)(i) of the **Transpower IM**
Electricity Authority levies	C	Levies payable in accordance with clause 3.1.2(2)(b)(ii) of the **Transpower IM**
Utilities Disputes Limited levies	D	Levies payable in accordance with clause 3.1.2(2)(b)(iii) of the **Transpower IM**
Other **pass-through costs** levies	E	Any other levies that are **pass-through costs** in accordance with clause 3.1.2(1)(b) of the **Transpower IM**
Total **pass-through costs**	**F = A + B+ C+D+E**	Sum of **pass-through costs** for the **disclosure year**
Incremental rolling incentive scheme recoverable costs	G	Sum of **recoverable costs** under the **incremental rolling incentive scheme** in accordance with clause 3.1.3(1)(a) of the **Transpower IM**
Instantaneous reserves availability charge	H	Instantaneous reserves availability charges in accordance with clause 3.1.3(1)(b) of the **Transpower IM**
Transmission alternative **operating costs**	I	Transmission alternative operating costs in accordance with clause 3.1.3(1)(c) of the **Transpower IM**
Operating costs incurred as part of a **major capex project**	J	The amount of any **operating costs** that are **recoverable costs** in accordance with clause 3.1.3(1)(d) of the **Transpower IM**
Net additional **operating costs** incurred in responding to a **reopener event**	K	The amount of **recoverable costs** in accordance with clause 3.1.3(1)(e) of the **Transpower IM**
Any levy payable to Fire and Emergency New Zealand under the Fire and Emergency New Zealand Act 2017	L	The amount of **recoverable costs** in accordance with clause 3.1.3(1)(f) of the **Transpower IM**
Total **recoverable costs**	**M = G + H + I + J + K + L**	Sum of **recoverable costs** for the **disclosure year**
Total **pass-through costs** and **recoverable costs**	**N = F + M**	Sum of total **pass-through costs** and **recoverable costs** for the **disclosure year**

Schedule I ~~Schedule I:~~ Listed projects

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Line Name (Section)	Project Estimated Cost
	RCP4 ($m)
Huntly–Ōtāhuhu A reconductoring	37.2
Haywards bus rationalisation	44.1
Rangipō gas insulated switchgear replacement	58.7
HVDC cables replacement	67.3
Ōtāhuhu–Whakamaru A and B reconductoring	55.0
Total estimated cost	262.3

Schedule J ~~Schedule J:~~ Directors' certificate – pricing compliance statement

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We, [insert full name of first director] and [insert full name of second director], being directors of Transpower New Zealand Limited, certify that, having made all reasonable enquiries, to the best of our knowledge and belief, the attached summary of forecast total revenues applied in the Transpower transmission pricing methodology under the Electricity Industry Participation Code for the period [insert pricing year] complies with the requirements of the Transpower Individual Price-Quality Path Determination 2025 *[except in the following respects].

*[insert description of non-compliance if applicable]

[Signatures of directors]
[Date]

*Delete if inapplicable.

Schedule K ~~Schedule K:~~ Directors' certificate – annual compliance statement

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We, [insert full name of first director] and [insert full name of second director], being directors of Transpower New Zealand Limited, certify that, having made all reasonable enquiries, to the best of our knowledge and belief, the Annual Compliance Statement (and any supporting documents) for the period [insert disclosure year] and dated [insert date] complies with the requirements of the Transpower Individual Price-Quality Path Determination 2025*[except in the following respects].

*[insert description of non-compliance if applicable]

[Signatures of directors]
[Date]

*Delete if inapplicable.

Schedule L ~~Schedule L:~~ Chief executive officer's certificate – proposal to update forecast MAR and forecast SMAR

I, [insert full name of chief executive officer], being the chief executive officer of Transpower New Zealand Limited, certify that, having made all reasonable enquiries, to the best of my knowledge and belief, the proposed update of the forecast MAR and the forecast SMAR for the period [insert pricing year(s)] and dated [insert date] complies with the requirements of the Transpower Individual Price-Quality Path Determination 2025*[except in the following respects].

*[insert description of non-compliance if applicable]

[Signature of chief executive officer]
[Date]

*Delete if inapplicable.

Explanatory note

The Transpower Individual Price-Quality Path Draft Determination 2025 [2024] NZCC XX (the Transpower IPP) sets an individual price-quality path for Transpower New Zealand Limited (Transpower) for the period 1 April 2025 to 31 March 2030 (referred to as 'RCP4').

The Commission has made this determination pursuant to Part 4 of the Commerce Act 1986 (the Act). It succeeds the individual price-quality path that commenced on 1 April 2020 and that expires on 31 March 2025.

The Transpower IPP sets out Transpower's price path in terms of its annual maximum allowable revenue (being the forecast smoothed maximum allowable revenue) for each pricing year in RCP4. Key input values used to calculate Transpower's annual maximum allowable revenue were determined by the Commission on [date] as required by the *Transpower Capital Expenditure Input Methodology Determination* [2012] NZCC 2.

The Transpower IPP also sets out the quality standards that Transpower must comply with for each disclosure year in RCP4. Transpower is incentivised to maintain or improve its quality of supply of electricity transmission services, as a range of quality standards are linked by formulae to Transpower's revenue.

For the purposes of monitoring compliance with Transpower's price-quality path, Transpower must provide the Commission with a pricing compliance statement for each pricing year and must provide an annual compliance statement and annual delivery report (and supporting information) following each disclosure year ending 30 June. The Transpower IPP also requires Transpower to publicly disclose those statements and other information on its website. These additional information disclosure requirements are included within the Transpower IPP (rather than the *Transpower Information Disclosure Determination 2014* [2014] NZCC 5) because they give effect to an operational feature of the price-quality path, or are linked to Transpower's development plans for RCP4, rather than being enduring disclosures.

The Commission conducted a comprehensive process of consultation before determining this Transpower IPP. The determination and a reasons paper providing detailed background to, and analysis of, this Transpower IPP can be found on our website at:

[to add]

Copies of this determination are also available for inspection free of charge at the Commission (during ordinary office hours), and they are available for purchase at a reasonable price at the Commission.