

2011 Asset Management Plan Reviews

26th August 2011

Commerce Commission



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Revision	Details	Date	Amended By
0.1	Draft version for Commission review	29 th June 2011	Neil Wembridge
0.2	Updated draft	15 th July 2011	Neil Wembridge
1.0	Final draft version	29 th July 2011	Neil Wembridge
1.1	Final	26 th August 2011	Neil Wembridge

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Contents

	Page number
Executive summary	iii
1. Introduction	1
1.1 Background	1
1.2 Project objectives	1
1.3 Methodology	2
1.3.1 Site visits	3
1.4 Scope	3
1.5 Limitations	4
2. AMP review results summary	5
2.1 Overall EDB performance	5
2.1.1 Average rating across the target assessment areas	5
2.2 Assessment area performance	7
2.2.1 Comparison with the 2009 AMP review results	8
2.2.2 EDB 2009/2011 performance	9
3. Observations	11
3.1 Service Levels	11
3.1.1 Assessment criteria 5.3a – Justification for targets	11
3.2 Network Development Planning	11
3.2.1 Assessment criteria 6.3c – Demand Forecasts	11
3.2.2 Assessment criteria 6.5a – Non-network options	12
3.2.3 Assessment criteria 6.6a – Network development plan	12
3.2.4 Assessment criteria 6.6b – Network development plan	13
3.2.5 Assessment criteria 6.6e – Network development plan	13
3.2.6 Assessment criteria 6.6f – Network development plan	14
3.3 Expenditure forecasts, reconciliations and assumptions	14
3.3.1 Assessment criteria 10c – Assumptions	14
3.3.2 Assessment criteria 10d – Assumptions	14
3.3.3 Assessment criteria 10e – Assumptions	14
3.4 Other general observations	15
3.4.1 Explicit statements	15
3.4.2 Information levels	15
3.4.3 Relevance	15
4. Recommendations	17
4.1 General	17

4.2	Specific updates to the requirements	17
4.2.1	Assessment Criteria 6.6e – Network Development Plan	17
4.2.2	Assessment Criteria 6.6c – Network Development Plan	18

List of figures

		Page number
Figure 2.1	Average EDB rating for the 3 assessment areas	5
Figure 2.2	Assessment areas compliance summary	7
Figure 2.3	Assessment area compliance 2009/2011 comparison	8
Figure 2.4	Average EDB rating 2009/2011 comparison	9

Appendices

Appendix A	2011 AMP review assessment criteria
Appendix B	Individual AMP reviews

Executive summary

Parsons Brinckerhoff has completed a review of the publicly disclosed New Zealand Electricity Distribution Business (EDB) Asset Management Plans (AMPs), which cover the planning period 01 April 2011 to 30 March 2021. This review has used a subset of criteria or requirements contained in the Information Disclosure requirements. The requirements are contained in the following documents:

- The Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements); and
- The Electricity Information Disclosure Handbook (the Handbook).

Specifically, the requirements are defined in Chapter 4 of the Handbook and Section 7 of the Requirements. Previous AMP reviews have been completed using all Information Disclosure requirements relating to AMPs. The scope of this 2011 review is limited to requirements included in 3 categories or assessment areas, which are:

- Service Levels;
- Network Development Planning; and
- Expenditure Forecasts, Reconciliation and Assumptions.

These targeted assessment areas were identified by the Commerce Commission, following a previous review completed in 2009, as overall the least compliant against requirements. The same compliance assessment criteria from the 2009 review have been used in this 2011 review.

In summary there has been an increase in average EDB compliance across the three assessment areas when compared to the previous 2009 review. The average EDB compliance rating from the 2009 review was 2.29, compared to an average rating of 2.54 for this 2011 review (the maximum rating is 3). There are 10 EDBs who have been assessed as having an average compliance rating across the three assessment areas of 2.75 or more, compared to none of the EDBs achieving this level in the 2009 review. Of the 28 EDB AMPs included in the review, 21 demonstrated an increase in average compliance across the three assessment areas.

Each of the three assessment areas shows an improvement in the average level of compliance. This improvement is primarily attributable to a reduction in the number of assessment criteria where AMPs were assessed as 'Non-compliant'.

Generally, the design of EDB AMPs aligns closely to the categorisation and format of requirements contained in the Information Disclosure requirements. PB assumes that one reason for this is to demonstrate to the Commission and other stakeholders that the AMP is compliant with the regulatory requirements. As demonstrated by the assessed improvement of compliance ratings over the last few years, the EDBs have generally lifted their understanding of the requirements and updated AMPs accordingly, although the presentation and format of the information does not always facilitate stakeholder understanding.

There are still common areas of non- or partial compliance within the AMPs which should be addressed by the EDBs. In the Service Levels assessment area, the lowest rated criterion relates to providing the appropriate justifications and basis for the setting of performance target levels for the business. Some EDBs provide a description of peer performance levels and industry standards but fail to explain why they consider their target appropriate in relation to these benchmarks. A stakeholder should be able to understand why a specified target level has been adopted by the business and why the business considers it to be appropriate. AMPs should also discuss intentions to improve (or otherwise) the target

performance level over the AMP planning period and relate these to network developments which may have an impact on the EDB's ability to achieve them.

In the Network Development Planning assessment area, the lowest rated criteria were assessed as those relating to options analysis and decision making for major network developments. EDBs should ensure that major network developments are discussed at the appropriate level in consideration of the wide ranging requirements of both internal and external stakeholders. An options analysis should provide enough information for stakeholders to understand the key characteristics and implications of each option available. Where decisions have been made, EDBs should fully explain the reasoning and where the development will impact on an EDB's ability to meet service level targets, this impact should be discussed.

There was a general improvement in compliance with the requirements relating to the discussion of material business assumptions compared to the previous 2009 review, however more work is needed. Parsons Brinckerhoff considers it important for stakeholders to understand the key assumptions upon which a business has prepared its expenditure forecasts and the sources of data upon which the assumptions have been based. This includes assumptions relating to the sources of uncertainty and how these have been reflected in the forecasts.

Given the focus of this review on the three assessment areas, Parsons Brinckerhoff would expect EDBs to address those areas of partial or non-compliance in the next version of their AMP. In many cases, the updates required are minor in terms of effort required. The process of continuous AMP improvement, which has been demonstrated by most EDBs, should be adopted as an objective by all EDBs. The focus for future iterations of AMPs should also include the clear and explicit presentation of information, the correct level of detail for network developments and ensuring content is relevant for stakeholders.

1. Introduction

1.1 Background

The Commerce Commission (the Commission) has engaged Parsons Brinckerhoff to complete reviews of the 2011 Asset Management Plans (AMPs) for New Zealand Electricity Distribution Businesses (EDBs).

The Commission sets the Information Disclosure requirements that apply to EDBs. The Commerce Act (the Act) defines the purpose of the information disclosure regime is to ensure that sufficient information is readily available to interested persons to assess whether the purpose of Part 4 of the Act is being met. Information disclosure requirements cover, for example, information on financial performance, quality, and asset management plans.

The purpose of Part 4 of the Act (the new Part 4 purpose) “is to promote the long term benefit of consumers ... by promoting outcomes that are consistent with outcomes produced in competitive markets such that suppliers of regulated goods or services –

- have incentives to innovate and to invest, including in replacement, upgraded, and new assets; and
- have incentives to improve efficiency and provide services at a quality that reflects consumer demands; and
- share with consumers the benefits of efficiency gains in the supply of the regulated goods or services, including through lower prices; and
- are limited in their ability to extract excessive profits.”

Savings provisions in s 54W of the Act specify that current information disclosure requirements continue to apply until a new determination takes effect. The current information disclosure requirements require EDBs to prepare AMPs and disclose these publicly. This includes that “the objective of the AMP disclosure requirement is to encourage the development of best practice asset management processes” and “that the AMP must contain sufficient information to make an informed judgment as to the extent that an EDB’s asset management processes meet best practice criteria.”

The Commission is currently reviewing the information disclosure requirements, including those relating to AMPs, in light of the new Part 4 purpose among other considerations. Part 4 of the Act supports a continued requirement for publicly disclosing AMPs. As the condition, suitability, and management of an EDB’s assets are critical determinants of the price and quality of services consumers receive, each EDB’s plans to develop and manage those assets will determine the long-term benefits its consumers will receive.

1.2 Project objectives

Project objectives were to complete a review of the 28 publicly disclosed EDB AMPs, which cover the planning period 01 April 2011 to 30 March 2021, against a subset of criteria or

requirements contained in the information disclosure requirements¹. The requirements are contained in the following documents:

- The Electricity Distribution (Information Disclosure) Requirements 2008² (the Requirements); and
- The Electricity Information Disclosure Handbook³ (the Handbook).

Specifically the requirements are defined in Chapter 4 of the Handbook and Section 7 of the Requirements.

Previous AMP reviews were completed against all Information Disclosure requirements relating to AMPs. The scope of this 2011 review has been limited to requirements included in 3 categories or assessment areas, which are:

- Service Levels;
- Network Development Planning; and
- Expenditure Forecasts, Reconciliations and Assumptions.

These targeted assessment areas were identified in the previous 2009 review as overall the least compliant against requirements⁴. The same assessment criteria used in the 2009 review have been used in this review and are included in Appendix A. Using the same criteria promotes consistency of review and allows the changes in AMP ratings over time to be identified.

The objective of this project is to complete the compliance review of the 28 EDB AMPs against the specified requirements and to provide a report which:

- Assesses the extent to which the EDB AMP satisfies the criteria; and
- Identifies as a result of the individual EDB assessments any gaps in the current information disclosure requirements and recommends any necessary revisions.

1.3 Methodology

Parsons Brinckerhoff has reviewed the AMPs against each of the requirements specified within the 3 assessment areas and provided a rating of:

- Compliant;
- Partially Compliant; or
- Non-compliant.

¹ Following the 22 February 2011 earthquake the Commerce Commission has exempted Orion New Zealand Limited from the requirement to disclose a 2011-2021 AMP unless required to do so at a later date.

² Commerce Commission, *Electricity Distribution (Information Disclosure) Requirements 2008*, 31 October 2008

³ Commerce Commission, *Regulation of Electricity Lines Businesses Information Disclosure Regime Electricity Information Disclosure Handbook*, 31 March 2004 (as amended 31 October 2008)

⁴ Strata Energy Consulting, *Compliance review of Electricity Distribution Business Asset Management Plans for period beginning 1 April 2009*

To enable a review of overall compliance level against the requirements, a scoring system has been used. A 'Non-compliant' rating scores 1, a 'Partially Compliant' rating scores 2 and 'Compliant' rating scores 3. This scoring system is identical to that used in the previous AMP reviews completed for the Commission.

The nature of the review involves a degree of subjectivity and interpretation by the reviewer to arrive at a view on the level of compliance. The review team considered materiality to arrive at a consensus decision when deciding the compliance level in borderline cases. If an AMP was mostly 'Compliant' in respect of a specific requirement, and the area of partial compliance was considered immaterial to understanding the efficient asset management planning of an EDB, the entire requirement would be marked at 'Compliant'. Similarly if an AMP was considered mostly 'Partially Compliant' and a minor area of non-compliance was considered immaterial, the requirement would be rated as 'Partially compliant'.

Where the AMP has been rated as 'Partially Compliant' or 'Non-compliant', Parsons Brinckerhoff has provided its opinion as to why the rating has been given and what could be done to achieve compliance. A summary comment is also provided highlighting general observations regarding the overall level of compliance of the EDB across the 3 assessment areas. The reviews have undergone a common internal peer review to ensure consistency of ratings given across different reviewers.

The individual AMP reviews are included in Appendix B of this report.

As a result of the AMP reviews, Parsons Brinckerhoff has identified gaps or inconsistencies in the current information disclosure requirements, and recommended revisions to those information disclosure requirements.

1.3.1 Site visits

As part of the project, Parsons Brinckerhoff has undertaken a site visit to two EDBs. The two main objectives for this exercise were to:

- Gather feedback from the EDB on specific AMP requirements in the targeted assessment areas which were on average rated as least compliant; and
- Gather feedback on the Information Disclosure and review process.

Information gathered during these visits has been considered when completing the 'Observations' and 'Recommendations' sections of this Report.

1.4 Scope

The scope of this review is limited to the 3 assessment areas identified in Section 1.2. The other AMP requirements **not** included in this review are categorised in the Handbook into the following areas:

- Summary of the Asset Management Plan;
- Background and Objectives;
- Assets Covered;

- Lifecycle Asset Management Planning (Maintenance and Renewal);
- Risk Management; and
- Evaluation of Performance.

1.5 Limitations

The individual reviews of the 2011 AMPs were made without reference to the company's previous AMPs or to reviews of its previous AMPs.

Parsons Brinckerhoff did have access to the compliance ratings from the 2009 review, which it used to provide an analysis of changes to overall compliance levels achieved in this latest review of the 2011 AMPs.

2. AMP review results summary

This section presents the summary results from 28 individual EDB AMP reviews across the three assessment areas. Individual EDB reviews are contained in Appendix B.

2.1 Overall EDB performance

2.1.1 Average rating across the target assessment areas

Figure 2.1 summarises the average compliance rating per EDB across all review criteria in the 3 assessment areas.

The average compliance rating has been calculated as follows:

- Each criterion is rated as either 'Compliant' (3), 'Partially Compliant' (2), or 'Non-compliant' (1).
- An average was then calculated across all criteria in each of the 3 assessment areas.
- The average compliance rating is the average of the scores across the 3 assessment areas.

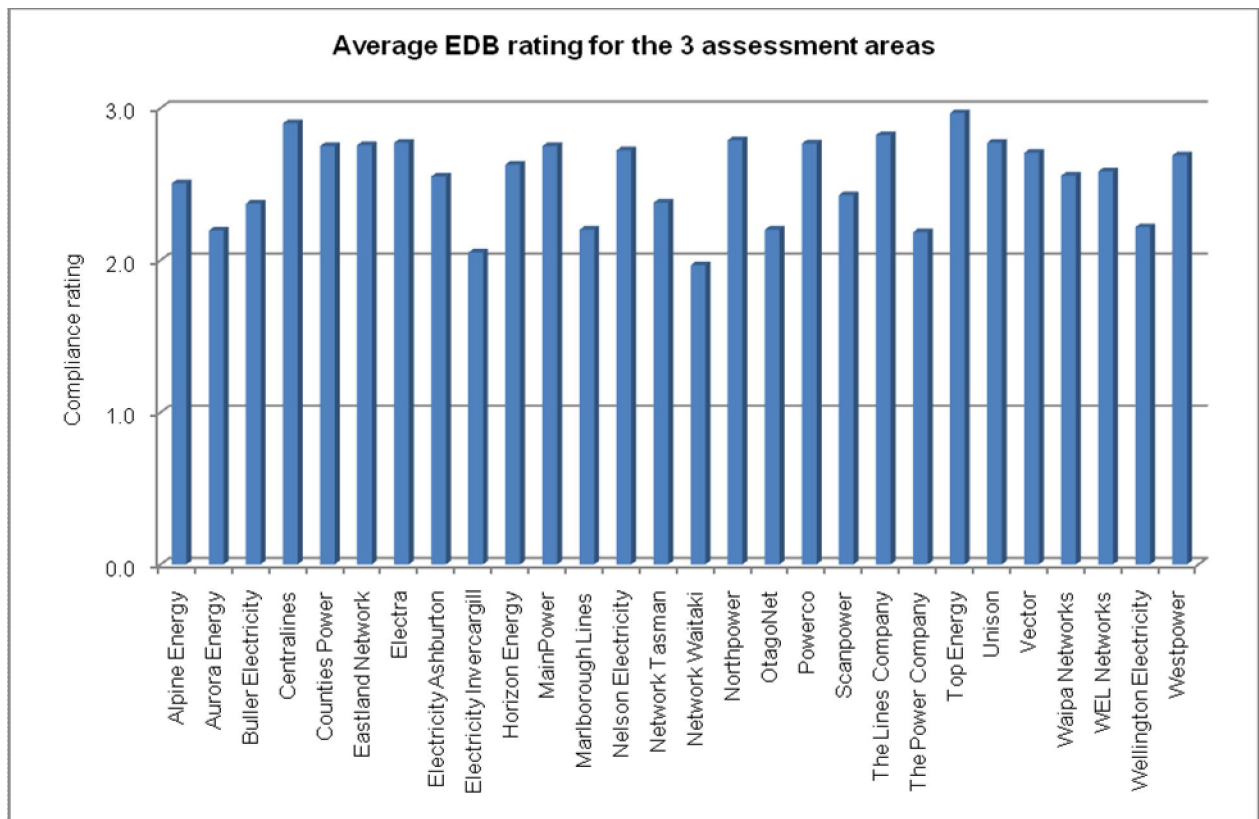


Figure 2.1 Average EDB rating for the 3 assessment areas

The main observations are:

- Seven EDBs had an average rating of less than 2.25, compared to the 2009 review where 15 EDBs did not exceed this level.
- Ten EDBs had an average rating of 2.74 or more. The highest average rating across the three assessment areas in the 2009 AMP review was 2.74. The ten EDB's with the highest ratings from this 2011 review are:
 - ▶ Top Energy;
 - ▶ Centralines;
 - ▶ The Lines Company;
 - ▶ Northpower;
 - ▶ Electra;
 - ▶ Unison;
 - ▶ Powerco;
 - ▶ Eastland Network;
 - ▶ Counties Power; and
 - ▶ MainPower.
- The overall average rating across all EDBs and assessment areas was 2.54 compared to 2.29 for the same assessment areas in the previous 2009 AMP review.

Based on the findings of this review, Parsons Brinckerhoff has observed an overall improvement in compliance across the three assessment areas when compared to the 2009 AMP review results. This general improvement is not surprising given the feedback provided as part of the 2009 AMP review which highlighted areas of both 'Non-compliant' and 'Partially Compliant' requirements and included recommendations to improve compliance.

The ten EDBs with an average rating of 2.74 or more were considered by Parsons Brinckerhoff to be mostly compliant, and generally their AMPs were assessed to demonstrate only minor areas of partial compliance which should be easily addressed in future versions of the AMP. The minor areas of partial compliance generally related to the absence of explicit statements and a lack of some key details which impedes reader understanding of the information being presented.

The EDB AMPs with average ratings of less than 2.74 were still considered by Parsons Brinckerhoff to be demonstrating a reasonable level of compliance with requirements. The majority of these AMPs would significantly improve the average ratings and hence overall level of compliance by including key asset management plan information which should not require a considerable amount of effort. Parsons Brinckerhoff would expect these businesses to address the areas of non- and partial compliance within the AMPs before the issue of the next AMP version.

2.2 Assessment area performance

Figure 2.2 demonstrates the overall level of compliance across all EDBs for each of the three assessment areas. This graph has been generated by calculating what proportion of 'Non-compliant', 'Partially Compliant' and 'Compliant' ratings were assigned to all requirements within each assessment area for all EDBs.

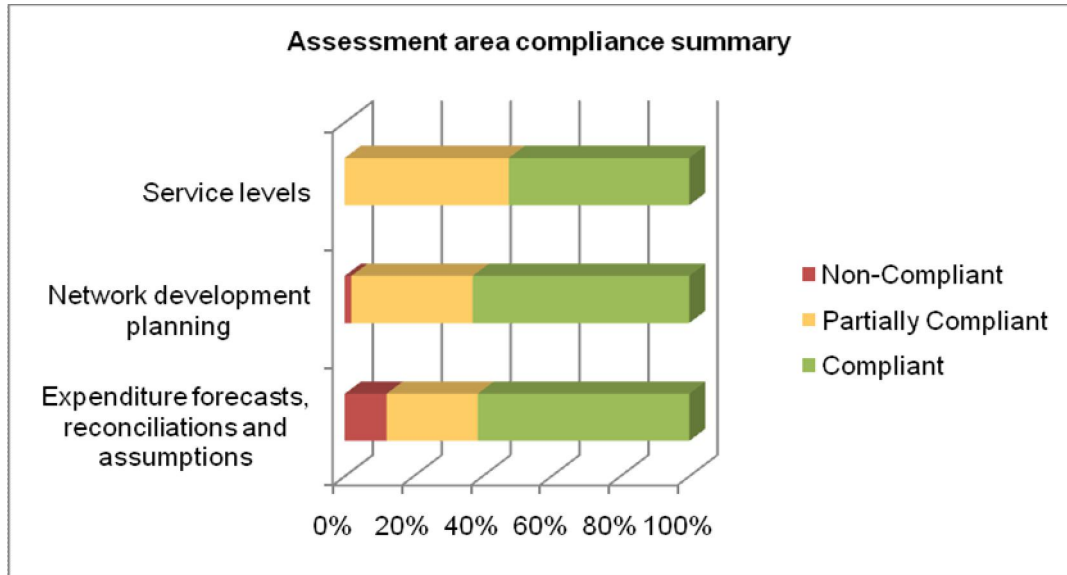


Figure 2.2 Assessment area compliance summary

The main observations relating to EDB compliance against assessment areas are:

- There were no ratings of 'Non-compliant' awarded against any of the requirements in the 'Service Levels' assessment area for any EDB. Approximately 52% of ratings were assessed as 'Compliant'.
- Fewer than 2% of ratings in the 'Network Development Planning' assessment area were 'Non-compliant'. Approximately 63% of ratings were assessed as 'Compliant'.
- Approximately 12% of ratings were reviewed as 'Non-compliant' in the 'Expenditure Forecasts, reconciliations and assumptions' assessment area. Approximately 61% of ratings were reviewed as 'Compliant'.

2.2.1 Comparison with the 2009 AMP review results

Figure 2.3 highlights the level of compliance assessed as part of the 2009 AMP reviews compared to the results from this current review across the targeted assessment areas.

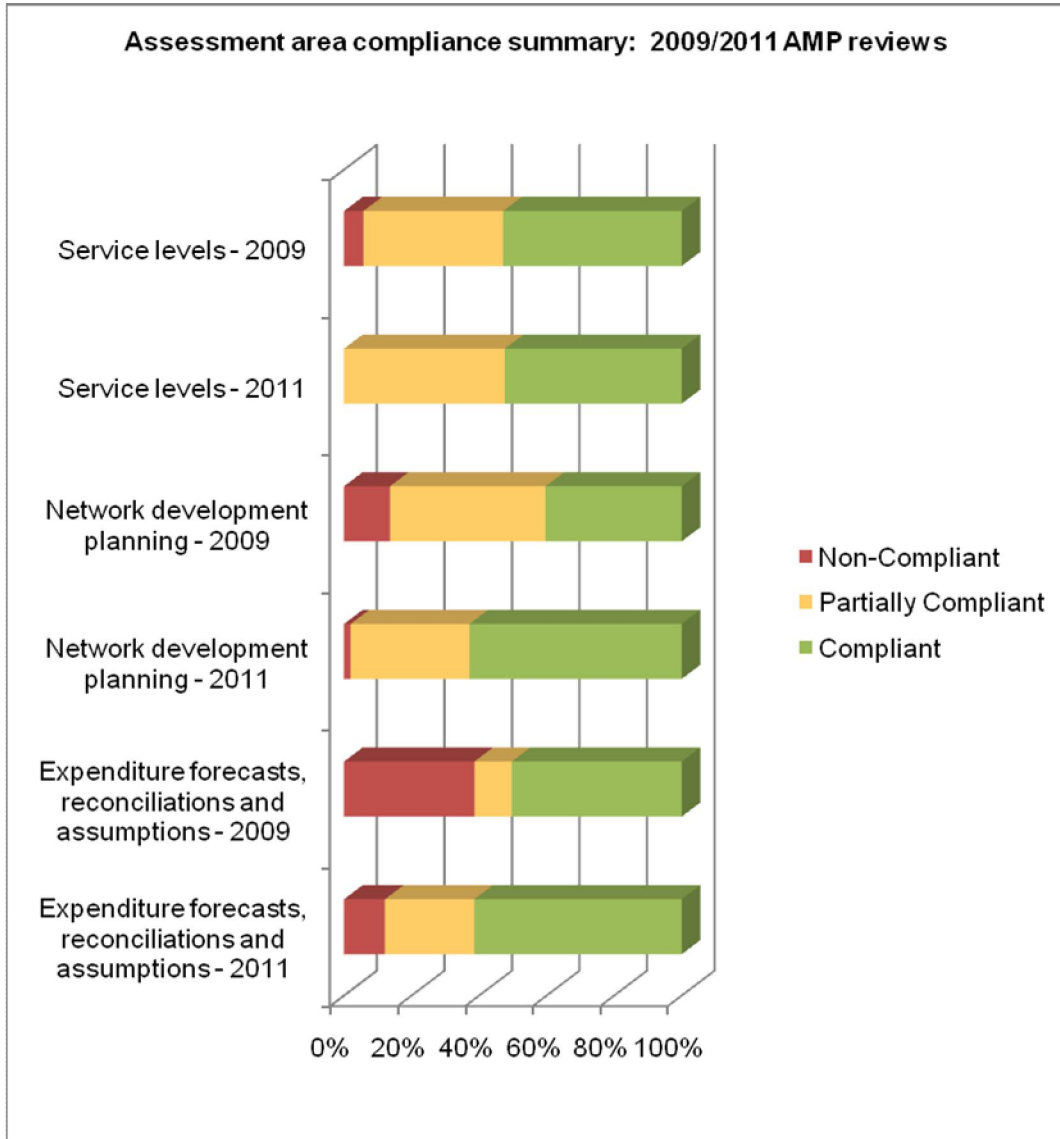


Figure 2.3 Assessment area compliance 2009/2011 comparison

There has been a significant improvement in the assessed average level of compliance. There is a reduction in the number of 'Non-compliant' ratings across each of the three assessment areas when compared to the 2009 review results.

There was an increase in the number of 'Partially Compliant' ratings observed in the 'Service Levels' assessment area. The 'Non-compliant' ratings from the 2009 review were generally raised to 'Partially Compliant' ratings, however there was little movement in the number of 'Partially Compliant' ratings being raised to 'Compliant' ratings. The underlying reason for this lack of movement in compliance relates to one particular requirement against which the AMPs generally demonstrate poor compliance. This issue is discussed in Section 3.1.1.

2.2.2 EDB 2009/2011 performance

Figure 2.1 shows the average ratings for each EDB across the three assessment areas for the 2009 and 2011 reviews.

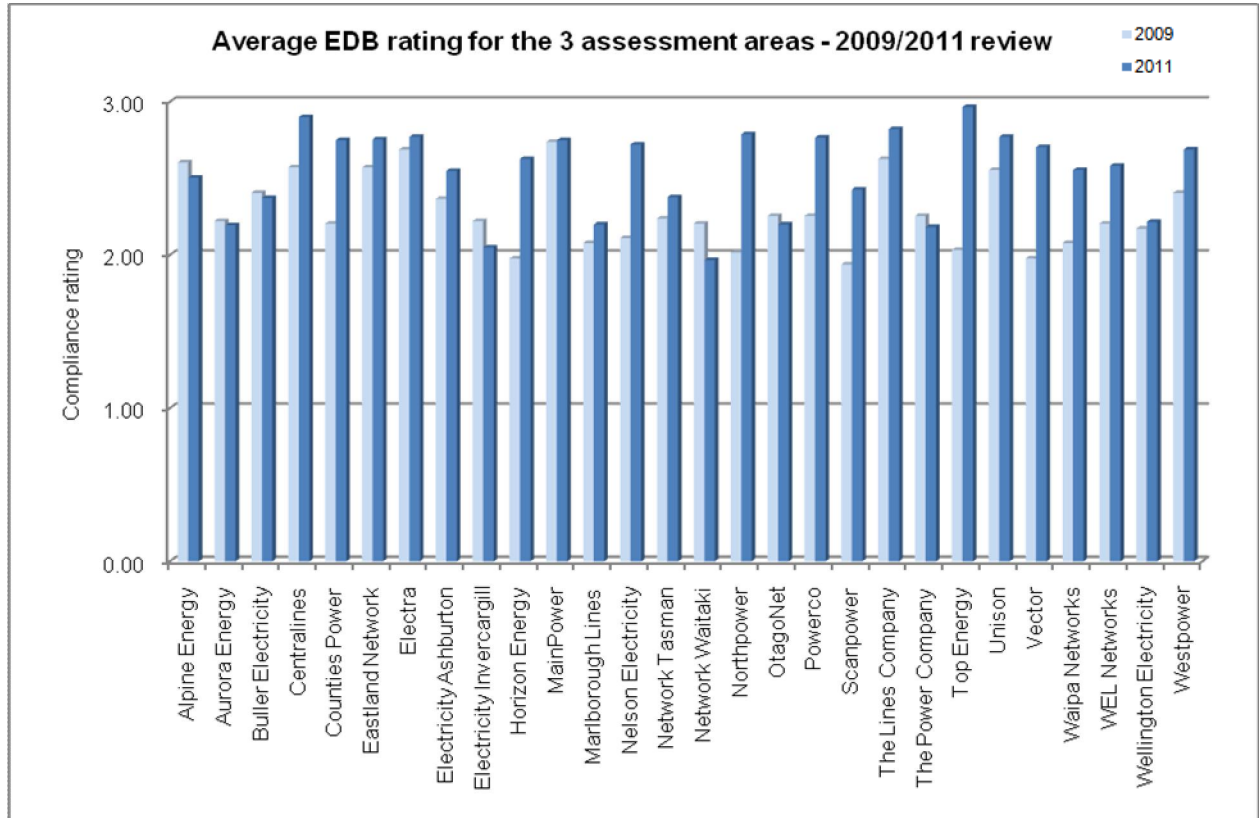


Figure 2.4 Average EDB rating 2009/2011 comparison

The main observations are:

- Of the 28 EDBs, 21 were assessed as having higher average ratings across the three assessment areas when compared to the results of the 2009 review.



3. Observations

This section of the report aims to address general observations relating to requirements which AMPs demonstrated poorer levels of compliance, and to provide some clarification of the requirements to promote continuous improvement in the relevant AMP sections of the EDBs.

In order to provide clarification of the requirements where AMPs were assessed as being least compliant, Parsons Brinckerhoff has selected those with an average rating of 2.5 or less. There were 10 AMP requirements that met this criterion.

- 1 in the Service Levels assessment area;
- 6 in the 'Network Development Planning' assessment area; and
- 3 in the 'Expenditure forecasts, reconciliations and assumptions' category.

3.1 Service Levels

3.1.1 Assessment criteria 5.3a – Justification for targets

*Does the AMP include the basis on which each performance indicator was determined?
Does the justification include consideration of consumer, legislative, regulatory, stakeholder requirements?*

Relates to Section 4.5.4(c) of the Handbook. 7 EDBs rated as compliant.

Generally there was not a consistent approach to the justification of targets across all performance indicators included in the AMP. In many cases it was not clear what the justification was for adopting a set target level for key performance indicators.

The AMP should include a description of why the target levels for each performance measure have been set at specific levels. In other words, why is that target level appropriate for this business, or why does the EDB believe that that target level is appropriate for the business. In many cases AMPs discussed stakeholder consultation with respect to service levels, however this was then not explicitly linked to a justification for targets, if indeed this was the basis for the levels set.

3.2 Network Development Planning

3.2.1 Assessment criteria 6.3c – Demand Forecasts

Is there any discussion of the impact of uncertain but substantial individual projects or developments? Is the extent to which these uncertain load developments are included in the forecast clear?

Relates to Section 4.5.5(c) of the Handbook. 11 EDBs rated as compliant.

An AMP should discuss how uncertain but substantial projects have impacted demand forecasts to promote stakeholder understanding of the process. It is feasible that there are no known substantial uncertain developments or that they have no material impact on demand forecasts, or on any other aspect of planning within the business, in which case this should be clearly explained.

3.2.2 Assessment criteria 6.5a – Non-network options

Does the AMP discuss the manner in which the EDB seeks to identify and pursue economically feasible and practical alternatives to conventional network augmentation in addressing network constraints?

Relates to Section 4.5.5(e) of the Handbook. 12 EDBs rated as compliant.

As well as general discussion about the range of demand management and other non-network options available to an EDB, the AMP should describe the business process used within the EDB. The AMP should describe how, what and when non-network options are considered once network constraints are identified. The AMP should also explain how the EDB seeks to identify economically feasible and practical non-network options. The explanation could explain why non-network options are not suitable alternatives in addressing certain constraint situations.

3.2.3 Assessment criteria 6.6a – Network development plan

Does the AMP include an analysis of the network development options available and details of the decisions made to satisfy and meet target levels of service?

Relates to Section 4.5.5(f) of the Handbook. 8 EDBs rated as compliant.

For a stakeholder to understand the decision making process and gain certainty around optimal outcomes, the AMP should explicitly provide an analysis of available network development options. Where there are no or limited options available, this should be clearly explained.

Following the options analysis, the stakeholder should be able to understand why a particular decision was made over an alternative. The supporting reasons for a particular decision should include how the option assists in meeting target levels of service for the business.

Where significant network developments are justified on the basis on improving service performance levels, these should be discussed in terms of the expected effect on achieving the EDB's service level targets, or potentially improving them. Where a significant network development is expected to have an impact on service level performance or the setting of targets, this discussion should be referenced by the section of the AMP which includes the definition of and justification for future service levels.

Parsons Brinckerhoff assessed AMPs as 'Compliant' against this criterion if they included:

- An options analysis for network level developments;
- Explicit details of decisions made following the options analysis; and

- Details of how the development related to satisfying and meeting target levels of service.

This is consistent with the interpretation included in section 4.2.1.

3.2.4 Assessment criteria 6.6b – Network development plan

Does the AMP include: a detailed description of the projects currently underway or planned to start in the next twelve months;

Relates to Section 4.5.5(g) of the Handbook. 14 EDBs rated as compliant.

The AMP should clearly identify which significant projects under the network development plan are currently underway or planned to start in the next twelve months. In terms of a 'detailed description', the AMP should provide stakeholders with enough information to understand the nature and size of the project. As a minimum, Parsons Brinckerhoff would recommend:

- Project name/identifier;
- A description of the project highlighting the main activities and objectives;
- Timeframe, projected completion date; and
- Total cost.

The AMP should include those projects which are significant or potentially significant to stakeholders. Given that each EDB should have a good understanding of the range of its stakeholder information requirements it should be in the best position to identify which projects to include. The AMP could explain how the EDB has arrived at the appropriate level of definition which it considers is a 'detailed description' for significant network development projects for inclusion in the AMP.

3.2.5 Assessment criteria 6.6e – Network development plan

Does the AMP discuss the reasons for choosing the selected option for those major network development projects for which decisions have been made?

Relates to Section 4.5.5(g) of the Handbook. 10 EDBs rated as compliant.

There is a strong correlation with assessment criteria 6.6a in that it asks for reasons why a selected option for major network development projects has been chosen. The AMP should clearly identify these reasons for the major network development projects included.

For clarity Parsons Brinckerhoff assessed AMPs as 'Compliant' against this criterion if they included the reasons why a particular option has been selected for the major projects included as part of the network development programme. This is consistent with the interpretation included in section 4.2.1.

3.2.6 Assessment criteria 6.6f – Network development plan

For other projects that are planned to start in the next five years does the AMP discuss alternative options, including the potential for non-network alternatives to be more cost effective than network augmentations?

Relates to Section 4.5.5(g) of the Handbook. 7 EDBs rated as compliant.

Parsons Brinckerhoff would expect that AMPs clearly identify alternative options, even if this consisted of the proposed project and a 'do nothing' option. The AMP should provide a brief discussion of the options and implications of selecting each one.

The discussion of options should include whether there is potential for any cost-effective non-network solutions. Where a non-network solution is not available this should be clearly identified.

3.3 Expenditure forecasts, reconciliations and assumptions

3.3.1 Assessment criteria 10c – Assumptions

Does the asset management plan identify all significant assumptions that they consider to have a material impact on forecast expenditure (capital or operating) for the planning period?

Relates to Clause 7.2 of the Requirements. 15 EDBs rated as compliant.

AMPs should explicitly identify all of the significant assumptions made by the business which have a material impact on the expenditure forecasts. The level of materiality should be defined by the EDB, and should take into account the size of network and hence the overall level of expenditure. By explaining what level of impact on the forecast expenditure is considered material, stakeholders will appreciate the significance of the assumptions included.

3.3.2 Assessment criteria 10d – Assumptions

Are the significant assumptions presented and discussed in a manner that makes their source(s) and impact(s) understandable to electricity consumers?

Relates to Clause 7.2 of the Requirements. 12 EDBs rated as compliant.

The AMP should identify the information sources that have been used to formulate an assumption on which the expenditure forecasts have been based. Given the significant assumptions identified are considered to have a material impact on expenditure forecasts, the AMP should provide an indication of how material the impact is.

3.3.3 Assessment criteria 10e – Assumptions

Does the asset management plan identify assumptions that have been made in relation to the sources of uncertainty?

Relates to Clause 7.2 of the Requirements. 12 EDBs rated as compliant.

Significant or material sources of uncertainty that may have an impact on the expenditure forecasts should be identified within the AMP. The assumptions made by the business in relation to those sources of uncertainty should be explicit, even where the result was no change.

3.4 Other general observations

3.4.1 Explicit statements

In many cases a rating of 'Partially compliant' was given because although the AMP appeared to address or cover a requirement, it was not explicit, meaning that the reader had to assume or infer some information leaving room for doubt or uncertainty.

3.4.2 Information levels

Parsons Brinckerhoff has observed different interpretations of the level of detail or quantity of information presented in the AMP.

Given that each EDB should have a good understanding of the range of stakeholder information requirements, it should be in the best position to identify the appropriate or relevant level of detail to include.

Parsons Brinckerhoff acknowledges that internal engineering departments may require technical information regarding upcoming network projects that external stakeholders would not need, and therefore it may not be practical to include this level of information in the AMP. There should however be enough information regarding significant development projects for stakeholders to understand the nature of works, including cost and high level technical information.

It would be beneficial to include a brief explanation regarding what level of information the EDB has deemed relevant to include the AMP and the options available to interested parties if further information is required.

3.4.3 Relevance

Care should be taken to ensure the relevance of generalised information. In some AMPs, generic concepts and issues were discussed in a text-book style without relating them to the actual EDB's policies, plans or current practices. This was particularly prevalent for demand management initiatives and the potential for distributed generation within the networks.



4. Recommendations

4.1 General

In Parsons Brinckerhoff's opinion the quality of disclosed EDB AMPs has improved substantially over recent years, leading to the focus on only three assessment areas for this review project. This continuing improvement would indicate that, in the context of the current regulatory framework, further major changes to the Requirements in respect of the content of disclosed AMPs are not required.

4.2 Specific updates to the requirements

4.2.1 Assessment Criteria 6.6e – Network Development Plan

Assessment criteria 6.6e, which relates to Section 4.5.5(g) of the Handbook, asks:

Does the AMP discuss the reasons for choosing the selected option for those major network development projects for which decisions have been made?

In comparison assessment criteria 6.6a, relating to Section 4.5.5(f) of the Handbook, asks:

Does the AMP include an analysis of the network development options available and details of the decisions made to satisfy and meet target levels of service?

Parsons Brinckerhoff's interpretation of the requirements is that Section 4.5.5(f) is investigating significant network level development options as opposed to typical development options available at an individual project level. Given the potential overlap between the two requirements, and the need for differentiating between network options and project level decision making, Parsons Brinckerhoff would recommend that:

- Section 4.5.5(f) of the Handbook should be revised to (changes in italics and bold font):
 - ▶ “f) analysis of the **significant** network **level** development options available and details of the decisions made to satisfy and meet target levels of service”.
- The corresponding sentence in Section 4.5.5(g) of the Handbook should be updated to (changes in italics and bold font):
 - ▶ “g) a description and identification of the network development programme (including distributed generation and non-network solutions) and actions to be taken, including associated expenditure projections.

Explanation: The network development plan should include:

- (i) a detailed description of the projects currently underway or planned to start in the next twelve months;
- (ii) a summary description of the projects planned for the next four years; and
- (iii) a high level description of the projects being considered for the remainder of the AMP planning period.

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

4.2.2 Assessment Criteria 6.6c – Network Development Plan

Assessment criteria 6.6c, which relates to Section 4.5.5(g) of the Handbook, asks:

Does the AMP include a summary description of the projects planned for the next four years?

There is currently scope for confusion between the next four years, i.e. years 1-4 of the AMP planning period and the following four years i.e. years 2-5 of the AMP planning period. Parsons Brinckerhoff recommends that:

- Section 4.5.5(g) of the Handbook be revised to include (changes in italics and bold font):
 - ▶ “(g) a description and identification of the network development programme (including distributed generation and non-network solutions) and actions to be taken, including associated expenditure projections.

Explanation: The network development plan should include:

- (i) a detailed description of the projects currently underway or planned to start in the next twelve months;
- (ii) a summary description of the projects planned for the ***following*** four years; and
- (iii) a high level description of the projects being considered for the remainder of the AMP planning period...”

Appendix A

2011 AMP review assessment
criteria

2011 AMP review assessment criteria from the Handbook and Information Disclosure Requirements

Review ID	Handbook Clause	Assessment Criteria
5	Service Levels	
5.1	Consumer Oriented Service Targets	
5.1A	4.5.4a	What consumer performance targets are included in the AMP? Are the targets objectively measurable, adequately defined and is the EDB proposing to improve the level of service over the period of the plan? To what extent are the targets consistent with the other plans set out in the AMP?
5.2	Asset Performance and Efficiency Targets	
5.2A	4.5.4b	Does the AMP disclose other targets relating to asset performance, asset efficiency and effectiveness, and the efficiency of the line business activity?
5.3	Justification for Targets	
5.3A	4.5.4c	Does the AMP include the basis on which each performance indicator was determined? Does the justification include consideration of consumer, legislative, regulatory, stakeholder requirements?
6	Network Development Planning	
6.1	Planning Criteria	
6.1A	4.5.5a	Does the AMP describe the planning criteria used for network developments?
6.1B	4.5.5a	Does the AMP describe the criteria for determining the capacity of new equipment for different asset types or different parts of the network?
6.2	Prioritisation of Network Developments	
6.2A	4.5.5b	Does the AMP describe the process and criteria for prioritising network developments?
6.3	Demand Forecasts	
6.3A	4.5.5c	Does the AMP describe the load forecasting methodology, including all the factors used in preparing the estimates?
6.3B	4.5.5c	Are load forecasts broken down to at least the zone substation level and do they cover the whole of the planning period?
6.3C	4.5.5c	Is there any discussion of the impact of uncertain but substantial individual projects or developments? Is the extent to which these uncertain load developments are included in the forecast clear?
6.3D	4.5.5c	Does the load forecast take into account the impact of any embedded generation or anticipated levels of distributed generation within the network?
6.3E	4.5.5c	Does the load forecast take into account the impact of any demand management initiatives?
6.3F	4.5.5c	Does the AMP identify anticipated network or equipment constraints due to forecast load growth during the planning period?
6.4	Distributed Generation	

Review ID	Handbook Clause	Assessment Criteria
6.4A	4.5.5d	Does the AMP describe the policies of the EDB in relation to the connection of distributed generation?
6.4B	4.5.5d	Does the AMP discuss the impact of distributed generation on the EDB's network development plans?
6.5	Non-Network Options	
6.5A	4.5.5e	Does the AMP discuss the manner in which the EDB seeks to identify and pursue economically feasible and practical alternatives to conventional network augmentation in addressing network constraints?
6.5B	4.5.5e	Does the AMP discuss the potential for distributed generation or other non-network solutions to address identified network problems or constraints?
6.6	Network Development Plan	
6.6A	4.5.5f	Does the AMP include an analysis of the network development options available and details of the decisions made to satisfy and meet target levels of service?
6.6B	4.5.5g	Does the AMP include :
6.6C	4.5.5g	a) a detailed description of the projects currently underway or planned to start in the next twelve months;
6.6D	4.5.5g	b) a summary description of the projects planned for the next four years; and
6.6E	4.5.5g	c) a high level description of the projects being considered for the remainder of the planning period?
6.6F	4.5.5g	Does the AMP discuss the reasons for choosing the selected option for those major network development projects for which decisions have been made?
6.6G	4.5.5g	For other projects that are planned to start in the next five years does the AMP discuss alternative options, including the potential for non-network alternatives to be more cost effective than network augmentations?
6.6G	4.5.5g	Does the AMP include a capital expenditure budget, broken down sufficiently to allow an understanding of expenditure on all main types of development projects?
10	Expenditure forecasts, reconciliations and assumptions	
10A	4.5.9a	Does the AMP include:
10B	4.5.9b	a) forecasts of capital and operating expenditure for the minimum ten year asset management planning period
10C	Clause 7.2 of the Requirements	b) reconciliations of actual expenditure against forecasts for the most recent financial year for which data is available.
10D	Clause 7.2 of the Requirements	Does the asset management plan identify all significant assumptions that they consider to have a material impact on forecast expenditure (capital or operating) for the planning period?
10E	Clause 7.2 of the Requirements	Are the significant assumptions presented and discussed in a manner that makes their source(s) and impact(s) understandable to electricity consumers?
10E	Clause 7.2 of the Requirements	Does the asset management plan identify assumptions that have been made in relation to the sources of uncertainty?

Appendix B

Individual AMP reviews

B1 - Alpine Energy

<http://www.alpineenergy.co.nz/>

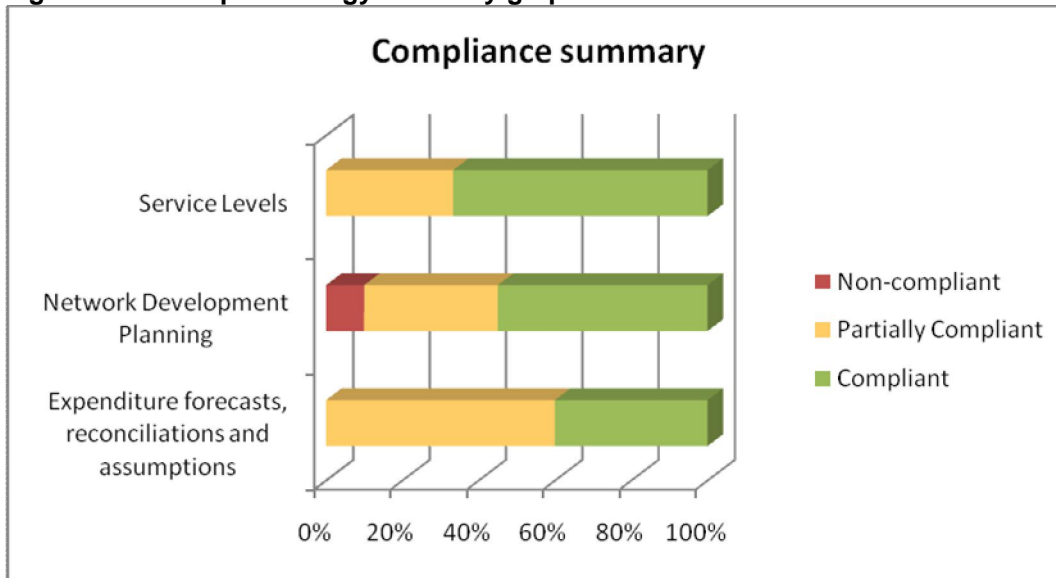
Review summary

Generally there is scope for further improvement in compliance against the requirements across the 3 assessment areas.

Compliance against the 'Service Levels' criteria is good, however the justifications for adopting specific target levels could be better defined.

More details should be provided of the sources and impacts of significant assumptions, which would promote stakeholder understanding of any uncertainty around the expenditure forecasts.

Figure B1 Alpine Energy summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	A number of performance indicators are used including SAIDI and SAIFI. These are well defined and appear consistent with other plans included in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Partially compliant	The justification for each performance indicator requires further definition and explanation.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.

Review ID	Assessment	Comment
6.1B	Partially compliant	The AMP includes descriptions of new asset capacities however it is hard to pin down any clear description of the criteria used for determining the capacity of new equipment in network developments.
6.2		Prioritisation of Network Developments
6.2A	Compliant	There is a description of the factors used in prioritising network development and the methods used for risk identification and analysis.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	The plan includes the discussion of substantial developments relating to irrigation and housing developments and the potential impact these have on load and supply solutions.
6.3D	Compliant	The plan states that there is no distribution generation contribution to the network, and hence none factored into the load forecasts.
6.3E	Partially compliant	There is a discussion on demand management initiatives however the plan does not explicitly describe the impact of these on the load forecasting process.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Partially compliant	There is a brief discussion about the value and effect of embedded generation on the network but no detail of the EDB's policies relating to it.
6.4B	Partially compliant	There is only a broad mention of distributed generation with no explicit discussion about its impact on network development plans.
6.5		Non-Network Options
6.5A	Compliant	The AMP discusses the identification of load that can be placed on demand control and that it pursues these opportunities through industry consultation.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Compliant	The AMP includes a list of options available and describes the decision matrix it uses.
6.6B	Partially compliant	A table with brief descriptions of the planned projects is provided. More information is required to enable stakeholders to understand the nature of significant developments planned for the next 12 months.
6.6C	Partially compliant	There is a table provided with a limited description of the projects planned.
6.6D	Partially compliant	There is a table provided with a limited description of project categories.
6.6E	Non-compliant	No options were given for network development projects.
6.6F	Non-compliant	No options were given for network development projects.
6.6G	Compliant	Yes.

Review ID	Assessment	Comment
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Partially compliant	A brief list of assumptions has been given for the maintenance expenditure projections but not for the capital expenditure, and no descriptions provided of how the assumptions impact the forecasts.
10D	Partially compliant	The assumptions are included however the relationship between source, impact and decision is not clear.
10E	Partially compliant	It is difficult to link the assumptions to the sources of uncertainty and the potential effects.

B2 – Aurora Energy

<http://www.electricity.co.nz/>

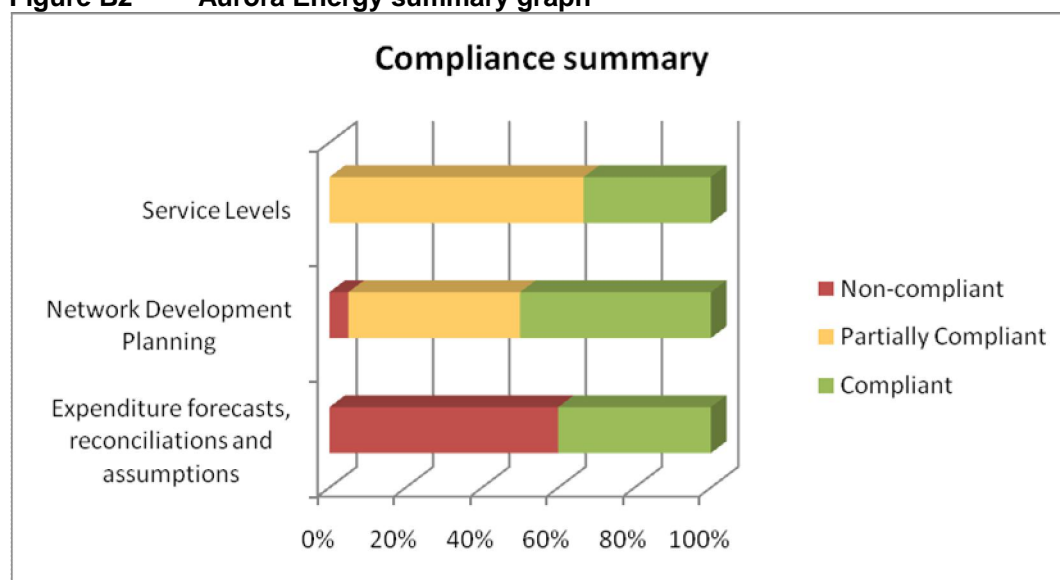
Review summary

There is scope for improved compliance across all three assessment areas.

Compliance with the 'Expenditure Forecasts, Reconciliations and Assumptions' criteria should be improved by relating the discussion of significant assumptions to the sources of uncertainty underlying the AMP.

Areas of partial compliance could be improved by including the appropriate level of detail on projects and processes in order to promote stakeholder understanding of the EDB's plans.

Figure B2 Aurora Energy summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	The AMP details primary (SAIDI and SAIFI) and secondary performance indicators. The targets are defined and consistent with other plans set out in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	Although the performance, efficiency and effectiveness targets were included, these were not provided for the entire planning period of the AMP.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	Stakeholder feedback and requirements were mentioned. The AMP also outlines the targeting of SAIDI and SAIFI through incremental improvement of SAIFI especially for consumers that experience high levels of interruption. The basis for the setting of target levels is unclear.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Partially compliant	The projected capacity for new developments were outlined however it is difficult to uncover the criteria used for determining the capacity to be installed.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	There is a brief description of common factors affecting network development prioritisation but no methodology or process of how these are used by this business.
6.3		Demand Forecasts
6.3A	Partially compliant	The AMP did include a brief description of the forecasting methodology but there is not enough detail to enable the reader to link the contributing factors into the estimation process.
6.3B	Compliant	Yes.
6.3C	Compliant	There is discussion of uncertain but large irrigation load and what upgrades would possibly be required. The AMP also explains that due to the associated uncertainty the load was not included in the forecast.
6.3D	Compliant	The AMP did outline proposed embedded generation however did not include them in the forecast due to uncertainty about their implementation.
6.3E	Partially compliant	The AMP did mention demand management initiatives however it was not explicit if they had been factored into the load forecast.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Compliant	The AMP briefly outlines the demand management program targeting large consumers. It directs the reader to a website for further information.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Most developments do not discuss options and no clear description of the decision making process is included.
6.6B	Partially compliant	Generally the AMP provides good descriptions of projects however the layout makes it difficult to identify those underway or due to start in the next twelve months.

Review ID	Assessment	Comment
6.6C	Partially compliant	Generally the AMP provides good descriptions of projects however the layout makes it difficult to view all planned for years 2-5 of the planning period.
6.6D	Partially compliant	Generally the AMP provides good descriptions of projects however the layout makes it difficult to identify those planned for years 6-10 of the planning period.
6.6E	Partially compliant	Most developments do not discuss options and no clear description of the decision making process is included.
6.6F	Non-compliant	The AMP does not discuss alternative options.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Non-compliant	No assumptions were included.
10D	Non-compliant	No assumptions were included.
10E	Non-compliant	No assumptions were included.

B3 - Buller Electricity

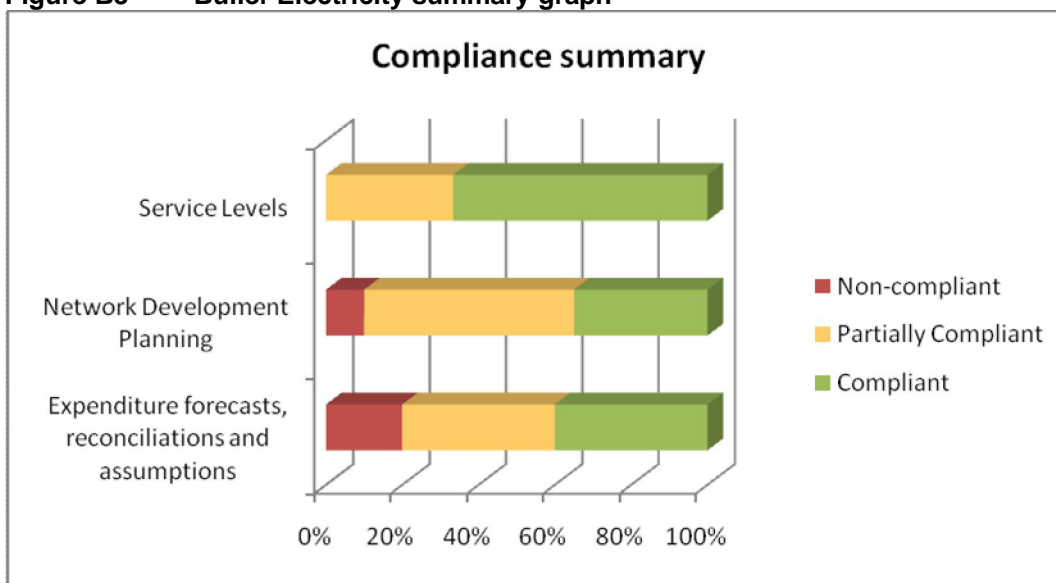
<http://www.bullernetwork.co.nz/>

Review summary

The AMP demonstrates a good level of compliance against the 'Service Levels' assessment criteria.

Further work is required to improve compliance with the 'Network Development Planning' and 'Expenditure Forecasts, Reconciliations and Assumptions' requirements. A number of partial compliance ratings relate to clarity and the need to make information and assumptions explicit to the reader.

Figure B3 Buller Electricity summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	A number of performance indicators are used including SAIDI and SAIFI. These are well defined and appear consistent with other plans included in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Partially compliant	A good discussion of justification for service levels that reflect stakeholders preference is provided. The next step should be to explicitly link these to the target levels for the key performance indicators.
6		Network Development Planning
6.1		Planning Criteria

Review ID	Assessment	Comment
6.1A	Partially compliant	The security standard is included and presumably this is one of the criteria. However the methodology that is applied is unclear.
6.1B	Partially compliant	There is a brief discussion of factors affecting the capacity of new developments and some trigger points but the next step of how these factors are used in the determination of the capacity is not clear.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	A discussion of methods for meeting demand is given but it is not clear how this is reflected as criteria for prioritising network developments or the process used in practice.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	There are load forecasts for each zone substation in graphical form in the Asset Management and Lifecycle section. Perhaps this information can be included in table form in the demand forecast section, or cross referenced.
6.3C	Partially compliant	There is mention of uncertain industry load changes. It is not clear how this uncertainty is factored into the forecast.
6.3D	Compliant	There is mention that currently embedded generation is not significant enough to be accounted for in the forecast
6.3E	Partially compliant	It is uncertain if demand management is used on the network or how it is accounted for in the forecasting process.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	The plan briefly explains the value and impact of distributed generation to the network and refers stakeholders to guidelines at their website.
6.4B	Partially compliant	There is only broad mention of distributed generation with no specific discussion relating to its impact on the development plans.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP provides a brief, high level mention of the use of demand management but there is nothing specific about how Buller Electricity seeks to identify and pursue these alternatives to conventional network augmentation.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Broad options were mentioned but no specifics were given of the decisions made relating to the use of those options.
6.6B	Partially compliant	The AMP describes projects to be undertaken over the planning period but does not clearly disaggregate them to the different time frames.

Review ID	Assessment	Comment
6.6C	Partially compliant	The AMP describes projects to be undertaken over the planning period but does not clearly disaggregate them to the different time frames.
6.6D	Partially compliant	There are general descriptions of works that may need to be carried out over the planning period but it is not possible to disaggregate them into the required time frames.
6.6E	Non-compliant	No specific options were given for development projects.
6.6F	Non-compliant	No specific options were given for development projects.
6.6G	Compliant	The capital expenditure budget was prepared in accordance with Appendix A of the Handbook.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Partially compliant	A brief list of assumptions is given for demand forecasting but it is not clear how these impact the expenditure forecasts.
10D	Partially compliant	The assumptions for the demand forecasts are included however the relationship between the source of, impacts of and decisions made relating to those assumptions is not clear.
10E	Non-compliant	The plan does not identify assumptions made in relation to the sources of uncertainty.

B4 - Centralines

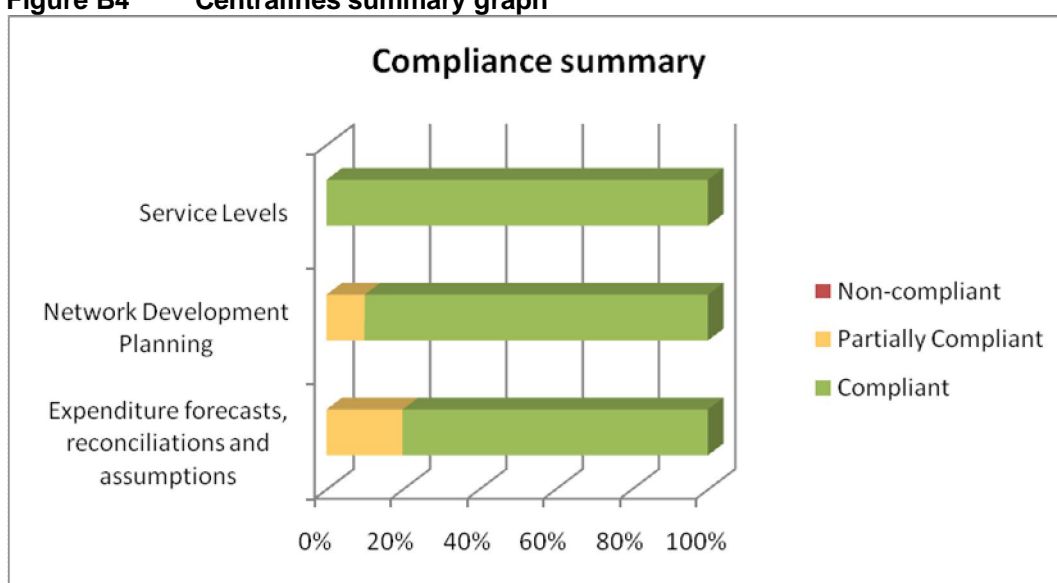
<http://www.centralines.co.nz/>

Review summary

The Centralines AMP has been assessed as one of the most compliant documents over the three review focus areas, with only a small number of relatively minor partial compliance ratings.

The plan demonstrates full compliance against the 'Service Levels' criteria a high level of compliance against the remaining two assessment areas.

Figure B4 Centralines summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	The AMP includes targets for SAIDI, SAIFI, CAIDI and other service related performance indicators. The measures are well defined and assessed as consistent with other plans set out in the plan.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Compliant	Yes.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes, through description of the inputs, project drivers, options investigation process and project selection phase.

Review ID	Assessment	Comment
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes, via summary description of the project selection methodology and tool (IPT) used within the business.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	Yes.
6.3D	Compliant	Yes.
6.3E	Compliant	Yes.
6.3F	Compliant	This is not stated explicitly even though there may be little impact over the forecast period given the 'predictable and slowly changing load'.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Compliant	Yes.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Alternative options are discussed however these are not reviewed with reference to possible impact on strategic targets.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Further explanation of the rationale for the chosen option with respect to meeting expenditure criteria and impact on strategic targets would promote understanding of decisions made.
6.6F	Compliant	Yes.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Compliant	Yes.
10E	Partially compliant	The plan identifies sources of uncertainty however a quantitative discussion of potential effects should be provided.

B5 - Counties Power

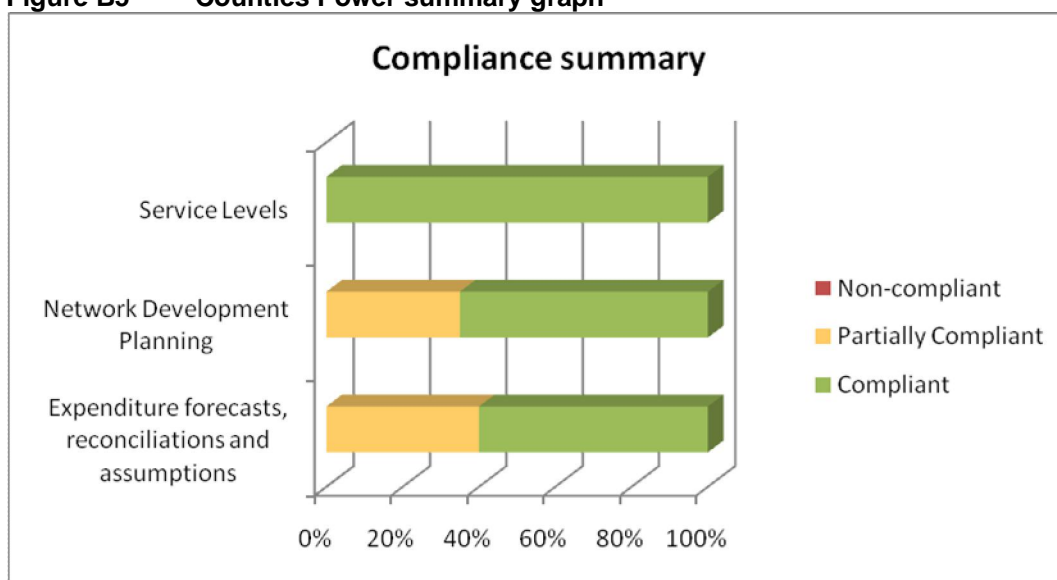
<http://www.countiespower.co.nz/>

Review summary

The Counties Power AMP demonstrates a good level of compliance in each of the three focus areas. This review identified no areas of 'non-compliance'.

Under the 'Expenditure forecasts, reconciliations and assumptions' section, clear, detailed explanations of assumptions and forecasts across each of the focus areas would improve transparency for stakeholders.

Figure B5 Counties Power summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	The AMP provides a comprehensive report on consumer performance targets including the SAIDI, CAIDI and SAIFI indices.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes, other performance measures include work quality, equipment utilisation, economic effectiveness and network delivery efficiency.
5.3		Justification for Targets
5.3A	Compliant	Under justification for target levels of service their AMP describes customer expectations, regulatory requirements and strategic goals. The derivation basis for individual targets has been included.
6		Network Development Planning
6.1		Planning Criteria

Review ID	Assessment	Comment
6.1A	Compliant	Yes. Adequate description of criteria (including security of supply, equipment capacity, voltage standards, demand forecasts, network safety requirements) is provided.
6.1B	Compliant	Yes. Adequate description of criteria provided (which includes capacity constraints and overloading limits for individual assets).
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Forecasts include year by year peak demand values for all zone substations for the next 15 years.
6.3C	Partially compliant	The AMP includes general discussion of possible impacts of uncertain developments. It is not clear how they accommodate stated uncertainties into demand forecasts.
6.3D	Partially compliant	The AMP provides a description of potential positive and negative impacts on demand forecasts. It appears no effect has been included in forecasts, however this is not explicit.
6.3E	Partially compliant	It appears no effect has been included in forecasts, however this is not explicit.
6.3F	Compliant	Planning criteria includes capacity constraints and overloading limits for individual assets.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP includes a general discussion of alternatives without providing details of the processes used to identify and pursue non-network solutions when addressing constraints.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	The AMP includes only a general discussion on options for sub-transmission development without linking them to service level targets.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Only a limited options discussion is provided. The relevant justifications for decisions which have been made should be clear.
6.6F	Partially compliant	The AMP does not provide specific details of alternative options or non-network solutions that were considered for projects in the construction pipeline.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions

Review ID	Assessment	Comment
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Partially compliant	Further work should be completed to explain the impacts of any key assumptions.
10E	Partially compliant	Some descriptions are provided, however the AMP should explicitly identify the assumptions made relating to uncertain data sources.

B6 - Eastland Network

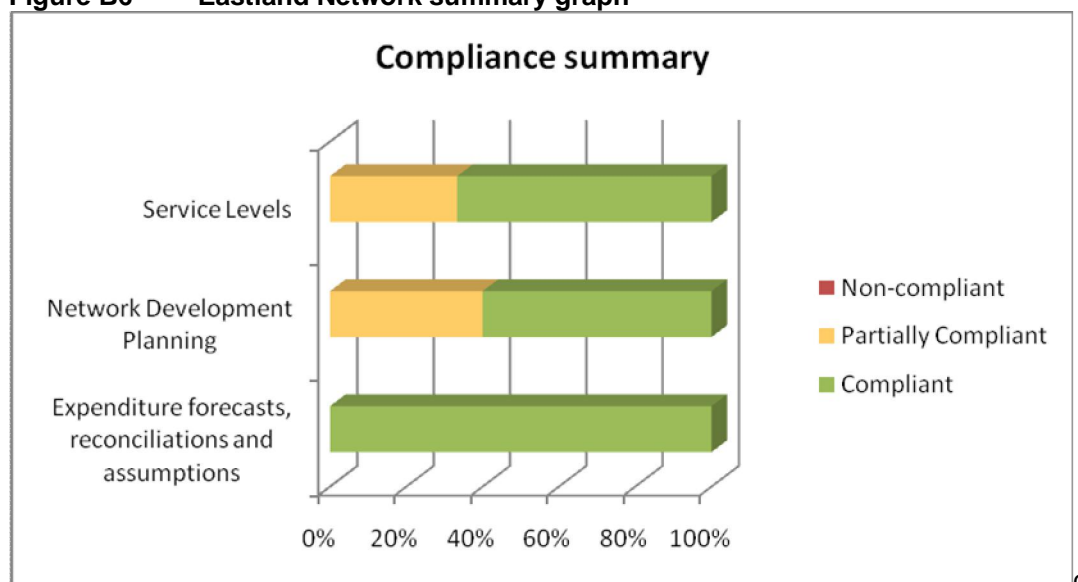
<http://www.eastland.net.nz/eastland-network/>

Review summary

The 2011 AMP is fully compliant with the requirements across the 'Expenditure forecasts, reconciliation and assumptions' assessment areas. Some minor updates are required to improve compliance in the 'Network Development Planning' and 'Service Levels' area.

The document is very comprehensive and detailed in parts relevant to stakeholder interests. Given the extent of information provided, care should be always be given to ensure the presentation of data is clear and structured in a logical manner.

Figure B6 Eastland Network summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	Primary customer service targets are SAIDI, SAIFI, CAIDI, and fault restoration times. Secondary targets are also set. Targets are objectively measurable and adequately defined but static/no improvement over the planning period. Targets are consistent with other plans in AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes: Safety, Environmental, Interruptions, Faults, Financial Efficiency, Energy Delivery Efficiency.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially Compliant	The AMP includes information relating target level setting to industry averages and consideration of stakeholder requirements in the process. The peer/benchmark values used to justify service level targets should be explicitly included, explained and referenced.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes, primarily maximum demand.
6.2		Prioritisation of Network Developments
6.2A	Partially Compliant	The criteria are described in various sections including Risk Assessment. Presentation could be improved if all relevant text was contained in a single section and included a description of the process used to prioritise developments. Options appear to be confused with prioritisation criteria in Section 4.2, for example, 'do nothing' is quoted as a solution for meeting a demand trigger. The criteria for prioritising developments should be distinct from the delivery options available.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Partially Compliant	Although the AMP discusses potential impacts it is not clear if the forecast has been impacted and by how much.
6.3D	Partially Compliant	Although the AMP discusses potential impacts it is not clear if the forecast has been impacted and by how much.
6.3E	Partially Compliant	Although the AMP discusses potential impacts it is not clear if the forecast has been impacted and by how much.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially Compliant	The AMP provides general information on options including a substantive section on potential generation development. Further clarity is required on the internal process used to identify and pursue these alternatives.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially Compliant	The options analysis of network level developments should clearly include the impacts on achieving target levels of service.
6.6B	Compliant	The 'Development Plans' section is detailed but concludes with a brief table listing only one project planned for the next 12 months. The Capex projection tables are very detailed.

Review ID	Assessment	Comment
6.6C	Compliant	Yes, in the comprehensive Capex projection tables.
6.6D	Compliant	Yes, in the comprehensive Capex projection tables.
6.6E	Partially Compliant	Further option analysis information required for the major developments.
6.6F	Partially Compliant	Further option analysis information required for the major developments.
6.6G	Compliant	Yes, in the comprehensive Capex projection tables.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Expenditure is forecast out to 2020/21 in the main body of the AMP, however the forecast expenditure template in Appendix A3 is missing the 2020/2021 year values.
10B	Compliant	Yes.
10C	Compliant	Yes, in a dedicated section "A2 Disclosure Requirement 7(2)"
10D	Compliant	Yes.
10E	Compliant	Yes, in a dedicated section "A2 Disclosure Requirement 7(2)"

B7 - Electra

<http://www.electra.co.nz/>

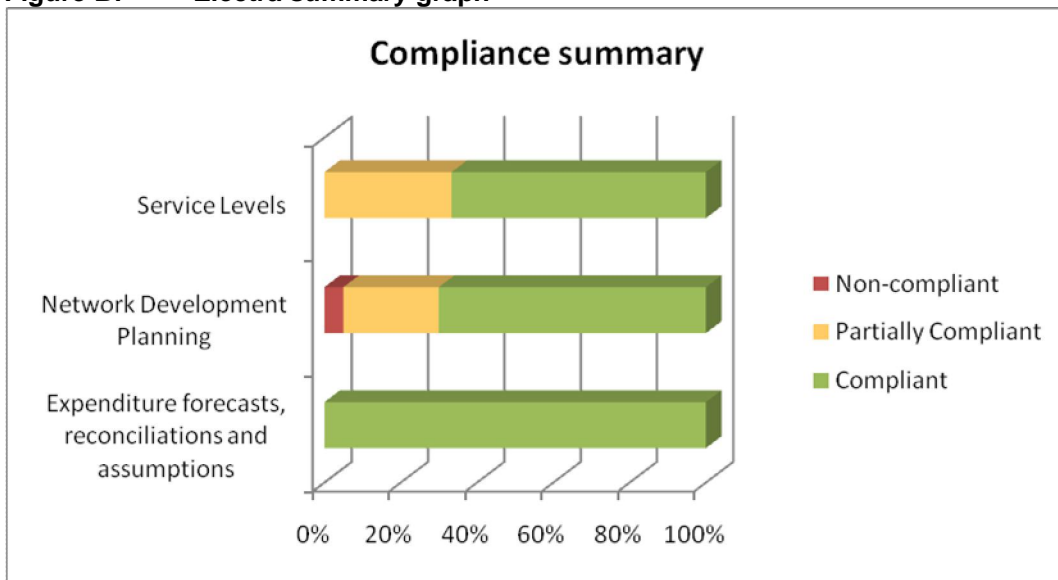
Review summary

The AMP demonstrates a good overall level of compliance across the three assessment areas.

The plan was assessed as fully compliant against the 'Expenditure Forecasts, Reconciliations and Assumptions' criteria.

There is still reasonable scope for improved compliance with the network planning requirements relating to options analysis, distributed generation potential and non-network solutions when investigating network development opportunities.

Figure B7 Electra summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	The performance indices SAIDI, SAIFI and CAIDI are included in the AMP. The targets are objectively measurable and Electra proposes to improve target service levels over the planning period.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	The AMP discloses a number of other asset performance and efficiency targets.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	The AMP discloses the high level approach for setting performance indicator targets as a whole, however the justifications for specific individual indicator targets are not provided.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	The AMP addresses planning criteria, overall approach and methodology together rather than discussing them individually.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Partially compliant	It is not explicit whether uncertain load developments are included in the demand forecast and to what extent.
6.3D	Compliant	Yes.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Policies, requirements and technical standards provided.
6.5		Non-Network Options
6.5A	Partially compliant	Inadequate discussion provided relating to the consideration of non-network options. Compliance could improve by explaining the limited options available for this network.
6.5B	Partially compliant	The AMP includes a limited discussion of the potential for distributed generation to address network problems or constraints. There may be limited potential but this is not explicit.
6.6		Network Development Plan
6.6A	Partially compliant	The AMP includes only a very brief description of projects and options and little discussion of the development options or decisions made in relation to meeting target levels of service.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Only a brief discussion is provided, which does not provide a stakeholder with an understanding of why specific decisions have been made.
6.6F	Non-compliant	This information is not provided. There may be limited potential for non-network alternatives to be more cost-effective than network augmentations but this is not explicit.
6.6G	Compliant	Yes.

Review ID	Assessment	Comment
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Compliant	Yes.
10E	Compliant	Yes.

B8 - Electricity Ashburton

<http://www.electricityashburton.co.nz/>

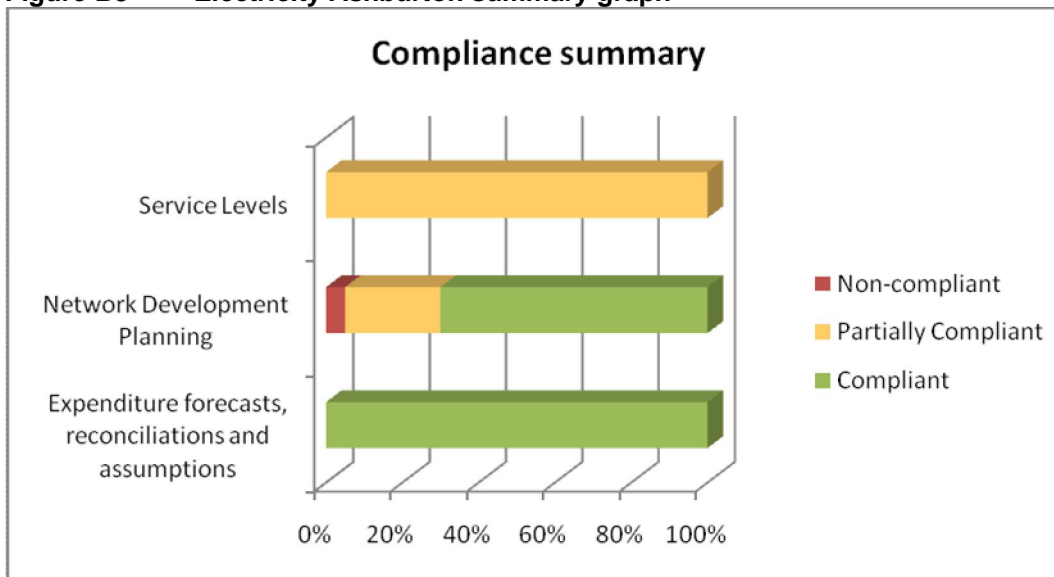
Review summary

The Electricity Ashburton AMP demonstrates a good level of compliance against the Information Disclosure requirements in the three assessment areas.

The 'Expenditure Forecasts, Reconciliations and Assumptions' section of the 2011 AMP was considered fully compliant against the assessment criteria.

Improved compliance in the 'Service Levels' area could be delivered by providing additional justification for the service level targets and performance indicators used in the business.

Figure B8 Electricity Ashburton summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Partially compliant	Consumer performance targets are given together with explanation. This could be improved by giving target levels for different parts of the network, for example between urban and rural.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	Only faults per 100km targets were provided. No other targets relating to asset efficiency and effectiveness were provided for the planning period. These should be provided.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	There is an overall discussion on justifying the service. It does not explain specifically how each performance indicator was determined. Perhaps with each performance indicator explanation should be given of how the figures were obtained.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Non-compliant	In regards to network development planning, there is a lack of any substantial description of any criteria or how they are incorporated into the planning process.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	There is a brief description of the criteria for prioritising network development but no methodology or process of how these are used.
6.3		Demand Forecasts
6.3A	Compliant	There is an outline of the forecast methodology used and a comprehensive list of factors used in the estimation is also included.
6.3B	Compliant	Load forecasts were carried out for each zone substation for the planning period.
6.3C	Compliant	Yes.
6.3D	Compliant	The load forecast does not include any impact of embedded generation.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	The AMP does include a general philosophy discussion regarding connection charges and the fiscal benefits of distributed generation. It also briefly explains the impact of distributed generation on the network and refers proponents to guidelines on their website.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP does not include the manner in which the EDB seeks to identify and pursue any non network options. However, it did include a section on demand management.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Network development options, where available, were outlined together with a brief description of the decision. There is no mention of how different development options meet the target levels of service.
6.6B	Partially compliant	Only summary descriptions of the projects are given which are lacking in detail.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Compliant	Yes.

Review ID	Assessment	Comment
6.6F	Partially compliant	Brief descriptions of alternative options are included however there is limited analysis provided for non-network approaches or their cost effectiveness.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	The plan did include a list of significant assumptions that they consider to have a material impact on the forecast.
10D	Compliant	Yes.
10E	Compliant	Assumptions and potential effects of uncertainties were included.

B9 - Electricity Invercargill

<http://www.eil.co.nz/>

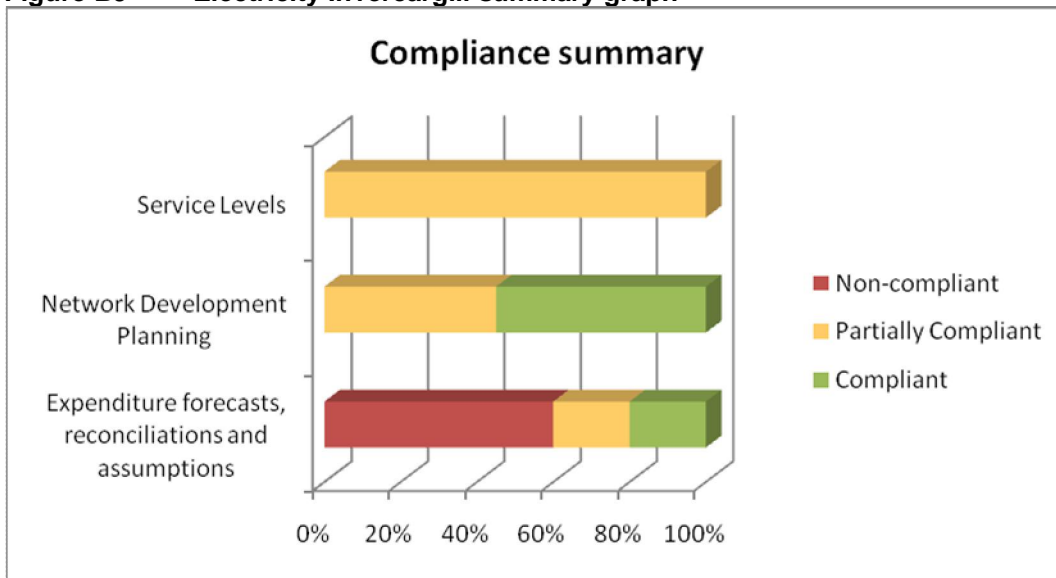
Review summary

The AMP demonstrates a good level of compliance with the 'Network Development Planning' requirements, especially in describing upcoming and future projects. More details could be included for those projects underway or about to be started. The reasons for the project decisions made should also be included.

The demand forecast section also demonstrates a good level of compliance. Information layout and readability could be improved to allow the reader to better follow assumptions, methodology and decisions.

Compliance with the 'Expenditure Forecast, Reconciliations and Assumptions' requirements could be improved. A reconciliation section should be included, and assumptions should be fully explained including expanded details of the sources and impacts.

Figure B9 Electricity Invercargill summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Partially compliant	Target levels are not provided for the whole planning period.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	Target levels are not provided for the whole planning period.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	The AMP includes a generic section on service level justification. It does not explain specifically how each performance indicator target level was determined.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	The plan states the forecasting methodology was based on historical growth rates.
6.3B	Compliant	Although technically the load forecast is broken down to zone substation level the information given is a rate of growth. Perhaps a concise table with estimated values year by year would facilitate comprehension for the reader.
6.3C	Partially compliant	Uncertain industry load changes are discussed. However how this uncertainty has been factored into the forecast, if at all, is unclear.
6.3D	Compliant	The AMP states that the forecast does allow for the impact of embedded generation as it is not expected to be significant.
6.3E	Partially compliant	Conflicting information is given as the AMP states that load management is used within the network, however it is not included in the forecast.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP provides a brief high level mention regarding the use of non-asset solutions but there is nothing specific about how the EDB seeks to identify and pursue these alternatives to conventional network augmentation.
6.5B	Partially compliant	The AMP includes a high level mention that distributed generation and load control have the potential to ease constraints but no specifics or details are included.
6.6		Network Development Plan
6.6A	Partially compliant	The AMP includes is a comprehensive section on general network development options. There is little information relating to decisions made for the individual projects.
6.6B	Partially compliant	Brief descriptions are provided for only some of the projects planned.
6.6C	Partially compliant	The descriptions included are at a high level instead of a summary level. Descriptions should include summary characteristics which would enable a stakeholder to understand the size and nature of the projects.

Review ID	Assessment	Comment
6.6D	Compliant	Yes.
6.6E	Partially compliant	Explanations are provided, however there is little discussion around options and no specifics provided of the decision making process used to review options.
6.6F	Partially compliant	Explanations are provided, however there is little discussion around options and no specifics provided of the decision making process used to review options.
6.6G	Compliant	Capital budgets are provided for the planning period and for the major projects planned. In the CAPEX table a separate line should be included for overhead to underground conversion.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Non-compliant	A reconciliation of actual expenditure against forecasts does not appear to be included.
10C	Partially compliant	A brief list of assumptions is given but it is not clear how these impact the expenditure forecasts.
10D	Non-compliant	No discussion provided relating to sources and potential impacts of significant assumptions.
10E	Non-compliant	The AMP does not identify assumptions made in relation to the sources of uncertainty.

B10 - Horizon Energy

<http://www.horizonenergy.net.nz/>

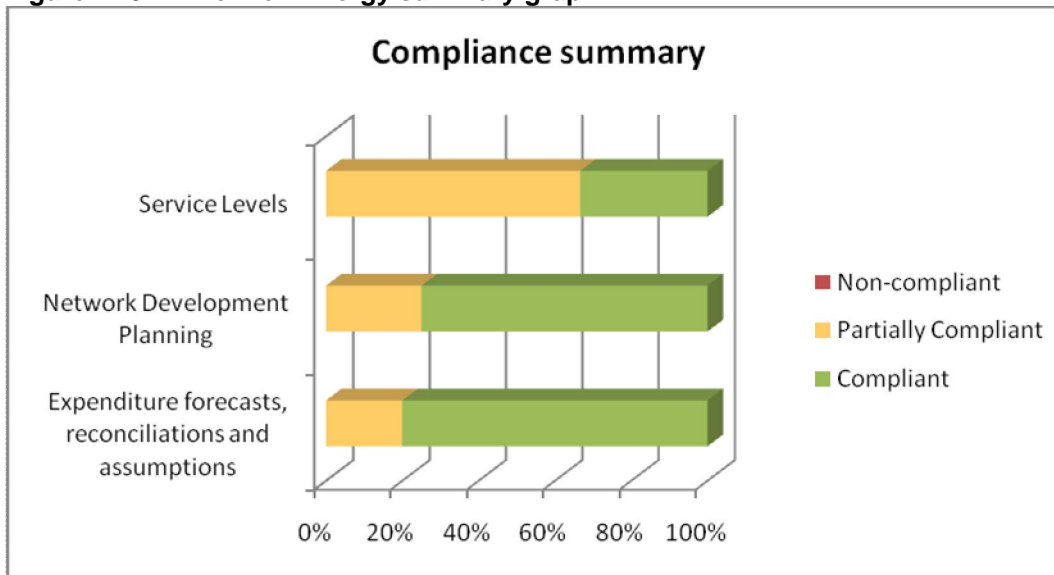
Review summary

Horizon's 2011 AMP review has identified only 8 'Partially compliant' criteria and therefore should be considered as demonstrating a good level of compliance for this review in comparison with the other EDBs.

The 'Partially compliant' assessments for this 2011 AMP are largely because of brevity with respect to the 'Service Levels' requirements and discussion of non-network options for network development planning.

The 2011 AMP is however, very substantial and generally quite a detailed document, especially in regard to the individual asset groups.

Figure B10 Horizon Energy summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	Quality, reliability (SAIDI, SAIFI, CAIDI), restoration of supply, and customer outage impact targets have been set. Targets are measurable, defined, and improvement is planned. Targets are consistent with other plans.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	Safety, environmental, and reliability targets have been set. Financial targets appear to comprise budget values only, and the AMP does not contain the comparative (to other EDBs) performance data seen in other AMPs.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	Yes, but only briefly and generally under that heading. Further information is provided in other sections of the AMP.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes, two planning criteria are used namely security and capacity.
6.1B	Compliant	Yes, overload capacity is the criteria used.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	Yes, but the weighting field in the table of criteria is blank.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	Yes, under section 5, Network Planning, section 5.4, Demand Forecasting, and 5.5, Sub-transmission
6.3D	Compliant	Yes, "embedded" and "distributed" are assumed to have the same meaning.
6.3E	Partially compliant	Yes, but appears to only consider "ripple control" or domestic hot water heating switching to reduce Transpower peak demand charges. It is unclear to what extent the forecast has been impacted.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes, with a redirection to Horizon web site for the definitive policy.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	Yes, but briefly and of a general nature.
6.5B	Partially compliant	Yes, but not with respect to particular network problems or constraints.
6.6		Network Development Plan
6.6A	Compliant	Yes.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Compliant	Yes.
6.6F	Partially compliant	Yes, but in general terms and not with respect to particular network problems or constraints.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Compliant	Yes.

Review ID	Assessment	Comment
10E	Partially compliant	Yes, but not clearly identified as 'sources of uncertainty'. Key sensitivities are discussed but it is not clear what assumptions have been made in relation to the key sensitivities.

B11 - MainPower

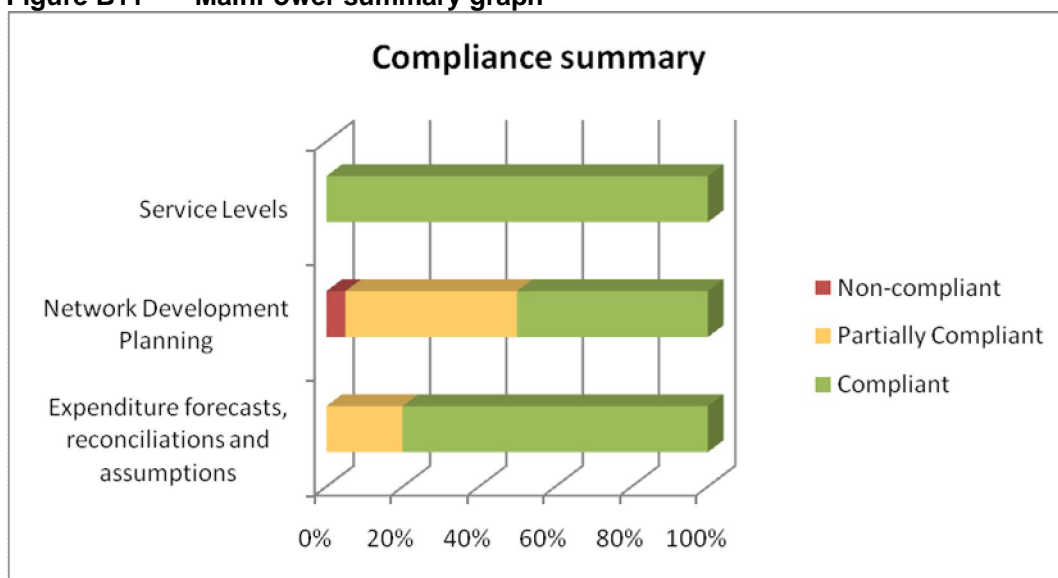
<http://www.mainpower.co.nz/>

Review summary

The AMP is fully compliant against the 'Service Levels' category requirements and delivers a good level of compliance against the demand forecast requirements category giving a comprehensive account of the assumptions and methodology used for load growth.

Compliance within the 'Network Development Planning' requirements subsection can be improved further by including relevant, key details on upcoming projects to allow stakeholders to comprehend the nature of developments. Additional effort could be provided systematically describing the options available and how decisions are made at the network and the project level to enable the reader to better understand any challenges, constraints, opportunities and trade offs.

Figure B11 MainPower summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	The main reliability measures include SAIDI, SAIFI, CAIDI and the number off faults per 100km. The targets are adequately defined and appear consistent with the other plans set out in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Compliant	Yes.
6		Network Development Planning

Review ID	Assessment	Comment
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Partially compliant	The criteria description is incomplete. For example, the transformers section should not only mention cost but the different levels of security for different parts of the network and the relationship between capacity and forecast load.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	There is a brief description of the criteria and process for prioritising network development. The description should provide more detail of the mechanics of the process and how criteria translate to priority to provide more transparency to stakeholders.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	Yes.
6.3D	Compliant	Yes.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Partially compliant	It is stated that MainPower has an open policy but a little more detail would be helpful to stakeholders. E.g. the AMP could include some description of the EDB's policy on charges, boundary of responsibility, etc.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP includes descriptions of the various demand side management programmes implemented. However, the process by which the EDB seeks to identify and pursue practical alternatives is not explicit.
6.5B	Partially compliant	The AMP does discuss the benefits of distributed generation and other non network solutions but does not include how these are applied to identified network problems or constraints.
6.6		Network Development Plan
6.6A	Partially compliant	The table layout of developments considered for the different classes of asset is good. The table includes options considered and a justification. There is insufficient discussion around the decisions made with respect to meeting target service levels.
6.6B	Partially compliant	Descriptions of projects to be completed within the coming year are not detailed. Only brief descriptions are provided.
6.6C	Partially compliant	There is insufficient description of projects planned for the next four years. A summary description should be included for each asset type.
6.6D	Compliant	Yes.

Review ID	Assessment	Comment
6.6E	Partially compliant	As per 6.6A, there is a justification column in the table of upcoming projects however details are brief and difficult to put into context when alternative options are not provided.
6.6F	Non-compliant	As mentioned in 6.6A above no alternative or other options are given. Options may be limited but this is not explicit.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Partially compliant	Assumptions are discussed throughout the AMP however it is difficult to comprehend if all significant assumptions had been identified and considered, and how these have impacted on the forecast expenditure for the planning period.
10D	Compliant	Yes.
10E	Compliant	Yes.

B12 - Marlborough Lines

<http://www.marlboroughlines.co.nz/>

Review summary

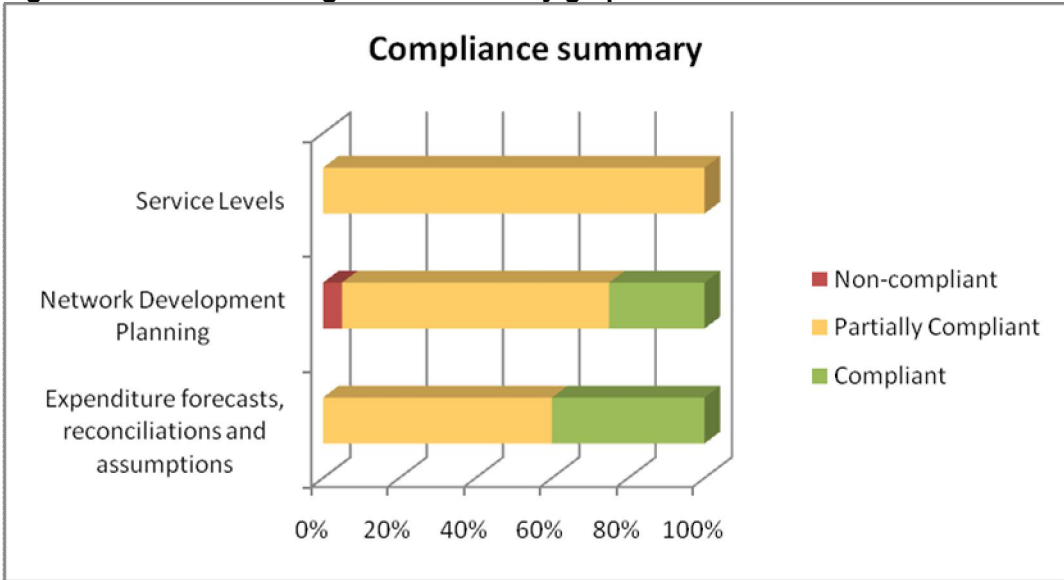
The AMP was assessed as having scope for improved compliance across all three assessment areas.

The AMP was assessed as partially compliant against the three 'Service Levels' criteria primarily on lack of definition consistency and insufficient detail provided across the different performance measures.

In the 'Expenditure Forecasts, Reconciliation and Assumptions' category, the areas of partial compliance related to lack of clarity relating key assumptions to impacts on expenditure forecasts.

Compliance in the 'Network Development Planning' subsection could be improved by including relevant details about upcoming projects which will allow stakeholders to understand the nature of developments. The AMP should systematically describe the options available, how the high level network decisions are made and how project level decisions are made, so that the reader can understand any challenges, constraints, opportunities and trade-offs associated with developments.

Figure B12 Marlborough Lines summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Partially compliant	The performance target indicators are not clearly defined. Further definition of the performance measures should be given to facilitate reader comprehension.
5.2		Asset Performance and Efficiency Targets

Review ID	Assessment	Comment
5.2A	Partially compliant	The target levels were given for asset performance, asset efficiency and effectiveness however they are not given for the whole of the planning period.
5.3		Justification for Targets
5.3A	Partially compliant	The AMP only provides justification for the SAIDI target. A justification for the targets levels set for the other performance indicators should be given.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Partially compliant	The AMP provides a brief description of the different ideas that affect the determination of new equipment capacity. Clear criteria should be included for different parts of the network and/or asset types.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	The criteria for assessing network developments are given but it is not clear how the process then assigns priority. A description of the priority setting process should include how much priority different attributes are assigned and the subsequent impact on the network development planning.
6.3		Demand Forecasts
6.3A	Partially compliant	The AMP lists all factors used in preparing the estimates however the methodology is not clearly described. Reader comprehension would benefit if load forecasting steps were outlined and included a description of how the factors are incorporated into each of the steps where relevant.
6.3B	Partially compliant	A load forecast for each zone substation at the end of 5 and 10 years is provided, however, it should be given for each year of the planning period.
6.3C	Non-compliant	There is no discussion of the impact of uncertain projects or developments. If there are no uncertain projects or developments then it should be clearly stated.
6.3D	Partially compliant	Embedded generation in the region is briefly mentioned but it is not clear if these have impacted the load forecast.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Partially compliant	Descriptions of distributed generation considered as part of the development plan are spread throughout the AMP. It is difficult to identify specific policies. It would assist the reader if the policies were clearly outlined.
6.4B	Partially compliant	The AMP does mention local generation around the region however it is difficult to identify if these have an impact on the network development plan.
6.5		Non-Network Options

Review ID	Assessment	Comment
6.5A	Partially compliant	It is not clear how the EDB goes about identifying and pursuing practical alternatives to conventional network augmentation in addressing network constraints.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	A general discussion of the options and decision tools available is included. There are no details of how the decisions were made utilising those available options and tools and little discussion of how they relate to the target levels of service.
6.6B	Partially compliant	The projects for 2011/2012 have been listed and classified under different asset types. Reader comprehension of the nature of the projects would improve if further details were included.
6.6C	Partially compliant	The descriptions are considered to be only a high level description. More detail should be included.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Options are only mentioned for a small portion of the projects mentioned. Options for available options (even if it's 'do nothing') should be given together with the reasons for choosing the selected option.
6.6F	Partially compliant	Options are only discussed for a small portion of the projects. Available options (even if it's 'do nothing') should be given together with the reasons for choosing the selected option.
6.6G	Partially compliant	The capital expenditure budget is provided in accordance to Appendix A. A cost breakdown of significant developments should be provided together with the project descriptions.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Partially compliant	There are key assumptions in the System Development and Maintenance and Operation sections of the AMP, but it is difficult to identify which ones were considered to have had an impact on the forecast expenditure. These could be described more explicitly and presented in a logical sequence.
10D	Partially compliant	Some key assumptions are outlined but it is difficult to understand where they fit in and the impact they have on expenditure forecasts (if any).
10E	Partially compliant	Some key assumptions are given but it is difficult to link them to the sources of uncertainty.

B13 - Nelson Electricity

<http://www.nel.co.nz/>

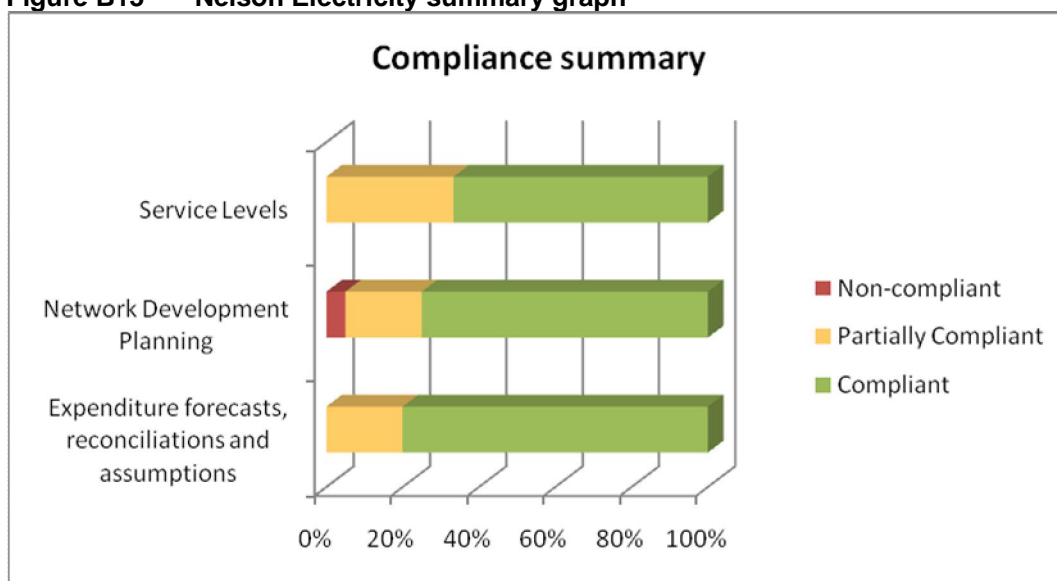
Review summary

The 2011 AMP demonstrates a good level of compliance with demand forecast subsection requirements with clear inclusion of the demand forecast methodology and any contribution of embedded generation and demand control. However the impact of large, uncertain projects should be discussed even if to explain that there are none.

The AMP also demonstrates compliance in the network development prioritisation subsection outlining the criteria, process and risk analysis used for decision making.

In the 'Expenditure Forecasts, Reconciliations & Assumptions' requirements category it would be beneficial to have the 'Key Assumptions' section of the AMP that describes the main uncertainties and assumptions relating to the forecasts. A future version of the AMP could extend and expand this section including additional details relating to uncertainties, assumptions made and their impact.

Figure B13 Nelson Electricity summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	A number of performance indicators are used including SAIDI and SAIFI. These are well defined and appear consistent with other plans included in the AMP.
5.2		Asset Performance and Efficiency Targets

Review ID	Assessment	Comment
5.2A	Compliant	The targets were given in the narrative however the tables only included the targets to 2015. This information could also be incorporated graphically for the benefit of reader comprehension.
5.3		Justification for Targets
5.3A	Partially compliant	Justification for the SAIDI target was given. Similar justification should be provided for all targets.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Partially compliant	A limited discussion has been included. It would help the reader if the criteria used are outlined and structured in a way that explains how they translate to determining capacity levels of new equipment.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	The AMP explained that the load growth forecast is very much based on historical growth figures as the key input factors involved are stable.
6.3B	Compliant	Yes.
6.3C	Non-compliant	There are no discussions of the impacts of uncertain projects or developments. These should be included together with how they have impacted the load forecasts (if at all). If there are no uncertain projects or developments then it should be clearly stated.
6.3D	Compliant	The AMP explains that there is limited opportunity for distributed generation in the network and that this has not impacted the demand forecasts.
6.3E	Compliant	Load control as demand management is used and included in the load forecast.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP includes a description of existing non asset solutions and programmes to address network constraints. The AMP should explain how the business identifies and pursues the alternatives in addressing network constraints.
6.5B	Compliant	Yes.
6.6		Network Development Plan

Review ID	Assessment	Comment
6.6A	Partially compliant	It is not clear to what extent any analysis of network development options has been completed and details of the decisions made relating to these development options are not explicit. The AMP requires a dedicated section that clearly describes the network development options available, the analysis of these, the decisions made and how they relate to meeting the target levels of service established by the business.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Compliant	Yes.
6.6F	Partially compliant	Refer to comment provided in 6.6A.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Partially compliant	The AMP includes key assumptions for expenditure projections but these could be more detailed and include the consequential impacts on the forecasts. The time frames relating to the key assumptions should also be more explicitly outlined.
10D	Compliant	Yes.
10E	Compliant	Yes.

B14 - Network Tasman

<http://www.networktasman.co.nz/>

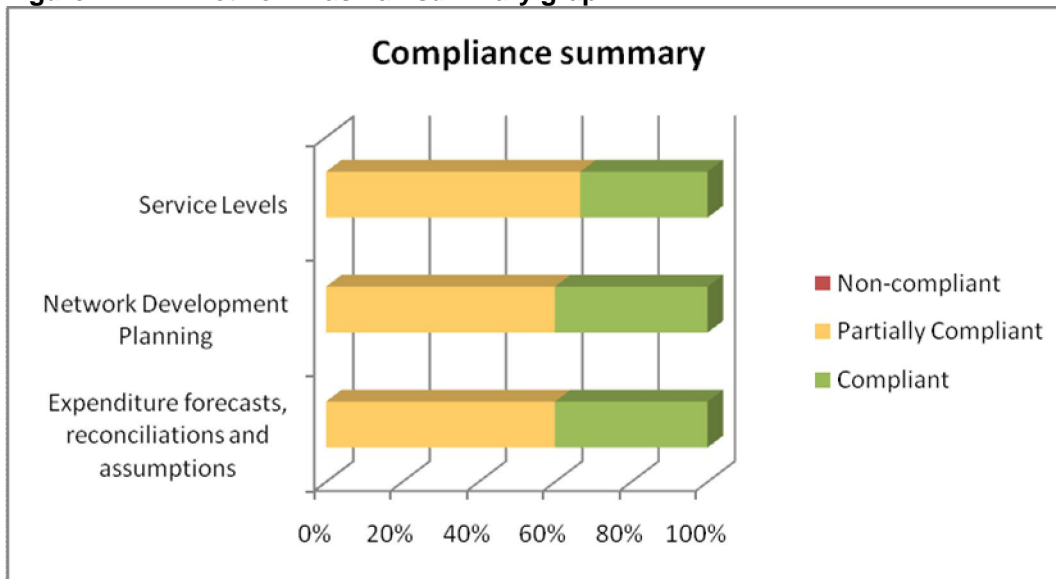
Review summary

Compliance with the 'Service Levels' category requirements could be improved. Priority should be given to include performance indicators relating to asset efficiency, asset performance and effectiveness together with the justification for the target levels set.

The 'Network Development Planning' subsection of the AMP would benefit from systematic description of the development project options available, details of the decisions made and more detailed information included for those projects scheduled over the next 12 months.

For the 'Expenditure Forecasts, Reconciliations & Assumptions' category, the AMP should include the variance between forecast and actual performance. It should also provide details of all significant assumptions that may have, or have had an impact on forecast expenditure.

Figure B14 Network Tasman summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	A number of performance indicators are used including SAIDI and SAIFI. These are well defined and appear consistent with other plans included in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	A target for operating efficiency is given for the current year but no targets were included covering the entire planning period.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	A justification for SAIDI target level has been provided. Similar justification should be given for all target service levels.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Partially compliant	This is partially covered in the security design standard section. It is difficult to work out which are the criteria used and how they are used. A dedicated section clearly outlining the criteria and how the criteria are applied for different parts of the network (if appropriate) would assist reader comprehension.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	The AMP includes an outline of the criteria and a brief description of the process. Compliance and clarity could be improved by providing more detail in a logical, step by step narrative.
6.3		Demand Forecasts
6.3A	Partially compliant	The factors used in load forecasting are outlined but the methodology used is unclear. Clarity would improve if the methodology is described and explained in a step-by-step narrative, demonstrating how the factors are incorporated into it.
6.3B	Compliant	Yes.
6.3C	Partially compliant	There is a brief mention of large consumers that could enact large unexpected expansions. It is not clear if any allowance for these is included in the load forecast.
6.3D	Partially compliant	The AMP states that distributed generation is taken into account however how material this impact is on the load forecast is not clear. For example did this reduce the peak demand at different zone substation for the certain portion of the planning period, and by how much?
6.3E	Partially compliant	The AMP states that load management is taken into account in the load forecast however no details are given indicating materiality.
6.3F	Partially compliant	The AMP mentions network and equipment constraints but it is not clear if these are due to forecast load growth. A systematic description should be included that states the load growth and translates that to impacts on the locations, equipment in these locations and the time frames involved.
6.4		Distributed Generation
6.4A	Partially compliant	The AMP states that the EDB has an open policy but more detail would provide stakeholders with more clarity. The AMP could include some description of the EDB's policy on charges, boundary of responsibility, etc.
6.4B	Compliant	Yes.
6.5		Non-Network Options

Review ID	Assessment	Comment
6.5A	Partially compliant	There is an AMP section dedicated to non-network options policy but it is not clear how the EDB goes about identifying and pursuing practical alternatives to conventional network augmentation in addressing network constraints.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	The AMP does not relate the development decisions made to the target levels of service.
6.6B	Partially compliant	Description of the projects are given, however additional information should be included to allow stakeholders to understand the size and nature of the development.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Insufficient information is provided on the reasons for choosing the selected options.
6.6F	Compliant	Yes.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Partially compliant	Actual expenditure against forecast was given for capital projects and maintenance and operations. The format and information given are not in accordance with the requisite Appendix A format.
10C	Partially compliant	It is difficult to locate any significant assumptions identified by the business that were considered to have impacted on the forecast expenditure for the planning period.
10D	Partially compliant	The AMP includes a section on planning assumptions; however the impact of these assumptions on the forecasts is not explicit.
10E	Compliant	Yes.

B15 - Network Waitaki

<http://www.networkwaitaki.co.nz/>

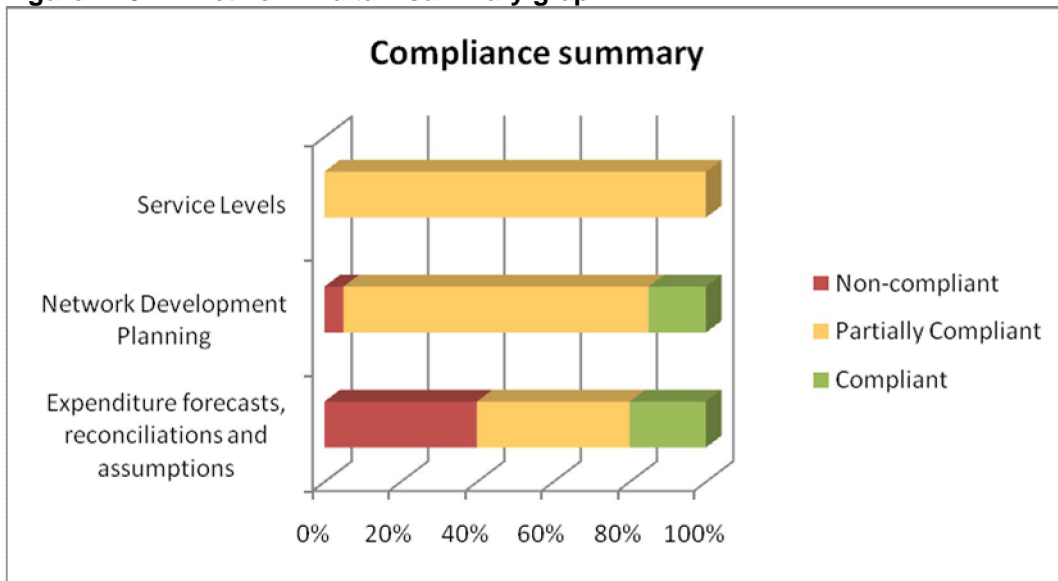
Review summary

The AMP would improve compliance with the 'Service Level' category requirements by including targets for the entire planning period and a logical and sequential approach to the description of the key performance indicators.

The 'Network Development Planning' sections of the AMP also contain room for improved compliance against the requirements, and would benefit from redesign to improve readability for stakeholders, enabling them to understand the issues and processes involved.

Performance against the 'Expenditure Forecasts, Reconciliations and Assumptions' requirements would improve with additional focus given to the discussion of uncertainty, assumptions and possible impacts on forecasts.

Figure B15 Network Waitaki summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Partially compliant	The reliability performance targets were not given for the whole planning period.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	The asset performance, asset efficiency and effectiveness targets were not given for the whole planning period.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	There was some discussion relating to the reliability targets but the basis on which each performance indicator target was determined is not explicit. A logical approach should be taken to define the performance indicator chosen and how the targets are set.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Partially compliant	The format of the network development section of the AMP does not clearly identify the planning criteria. A dedicated subsection that outlines the planning criteria and how they feed into the planning process would be beneficial.
6.1B	Partially compliant	Some criteria are given for the determination of the capacity of new equipment for some asset types. This discussion needs to be consistent for the different asset types and for different parts of the network.
6.2		Prioritisation of Network Developments
6.2A	Non-compliant	Priorities are briefly outlined for gap analysis and restoration of network. A process for and the criteria for prioritising network developments could not be found.
6.3		Demand Forecasts
6.3A	Partially compliant	The factors which provide an input to the preparation of the load forecasts are given but the methodology is not clear. The methodology should explain which and how the factors feed into the forecasting.
6.3B	Compliant	Yes.
6.3C	Partially compliant	Only impacts from some uncertain but substantial individual projects/development are mentioned. The extent of the impact of the uncertain developments on the forecasts should be explicit.
6.3D	Partially compliant	The AMP includes descriptions of embedded generation plans but it is not clear how the load forecast takes these into account.
6.3E	Partially compliant	Some demand management initiatives are described but it is unclear if the load forecast takes these into account.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Partially compliant	The AMP includes a brief description of its investigation into distributed generation options. These are not considered the company's policies on distributed generation within the network.
6.4B	Partially compliant	The impact of distributed generation on the network development plan is unclear.
6.5		Non-Network Options

Review ID	Assessment	Comment
6.5A	Partially compliant	The AMP provides information about alerting rural consumers to the fact that Remote Area Power Systems may be more cost effective, but this does not constitute a description of how the EDB seeks to identify and pursue the alternatives. The AMP could describe the criteria and process used in the identification of relevant scenarios and alternatives.
6.5B	Partially compliant	There are general discussions of distributed generation and other non-network solutions however there is nothing specific on addressing identified problems or constraints for this network.
6.6		Network Development Plan
6.6A	Partially compliant	Some options are given but there is no systematic discussion of the network development options available nor any details of the decisions made to meet target levels of service.
6.6B	Partially compliant	The projects were discussed but were mainly given as summary or high level descriptions. Details could include but not limited to line length, constraints, options, technology and decisions.
6.6C	Partially compliant	Some of the projects planned had only high level descriptions given.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Options were given for some projects but the reasons for selecting those options were unclear.
6.6F	Partially compliant	Some options were identified but discussion around the potential for non-network alternatives is limited.
6.6G	Partially compliant	The capital expenditure budget is given in accordance with Appendix A. The costs of major development projects are not separately identified.
10		Exp. forecasts, reconciliations & assumptions
10A	Partially compliant	The tables prepared were only partially compliant with Appendix A requirements as the columns for "Actual for most recent Financial Year" and "Previous forecast for Current Financial Year" were not included.
10B	Compliant	Yes.
10C	Partially compliant	Some assumptions were included for the capital expenditure forecast. Not all significant assumptions were identified. No assumptions were given for the operating expenditure forecast.
10D	Non-compliant	The significant assumptions were not presented in a manner that makes their sources and impacts understandable to the reader.
10E	Non-compliant	As above the assumptions discussed were hard to put into context of the forecasts and difficult to link to whatever sources of uncertainty there are.

B16 - Northpower

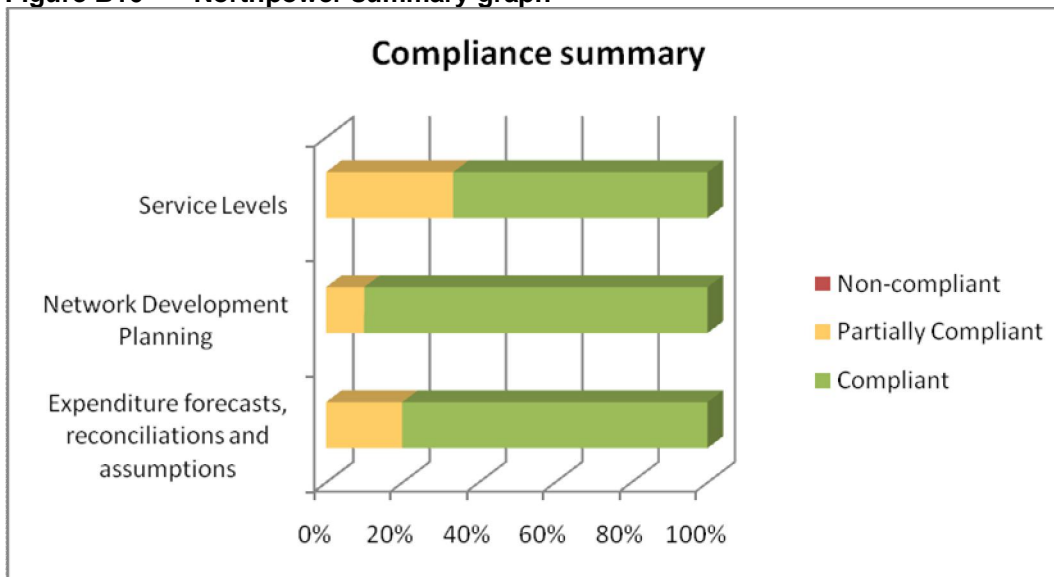
<http://northpower.com/>

Review summary

Northpower's 2011 AMP appears highly compliant with the requirements across the 3 assessment areas with only 4 'Partially compliant' observations.

The 'Partially compliant' ratings for this 2011 AMP are largely related to brevity with respect to detailed analysis, discussion of options, and assumptions in relation to uncertainties. The 2011 AMP is however, very substantial and generally quite a detailed document.

Figure B16 Northpower summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	Customer Satisfaction, SAIDI, SAIFI, and CAIDI targets are included. The targets are objectively measurable and adequately defined. The targets for 2011-2015 are the same as for 2010 so no improvement is proposed. The targets appear consistent with other AMP plans.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes, and provides a comparison with other EDBs.
5.3		Justification for Targets
5.3A	Partially compliant	The basis has been included but is not detailed promoting uncertainty in reader comprehension. Consumer, legislative, regulatory & stakeholder requirements appear to have been considered but not all are explicitly mentioned.

Review ID	Assessment	Comment
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	Yes.
6.3D	Compliant	Yes, current levels are very low, except for Northpower's own Wairua hydro plant.
6.3E	Compliant	Yes, in particular Ripple Control, which is used to manage peak demand at the Transpower GXPs, is recognised as potentially increasing peak demand at local zone substations when water heating is switched back on.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Compliant	Yes.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Detailed analysis is not provided, but details of the decisions made are included.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Compliant	Yes.
6.6F	Partially compliant	Alternative options are not discussed on a project by project basis, but only as alternatives or options in general, such as distributed generation.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Compliant	Yes.
10E	Partially compliant	The AMP identifies the main sources of uncertainty however the assumptions made in relation to these is not explicit. The Assumptions recorded in section 9.2 are also discussed elsewhere in the AMP and address uncertainty indirectly.

B17 – OtagoNet

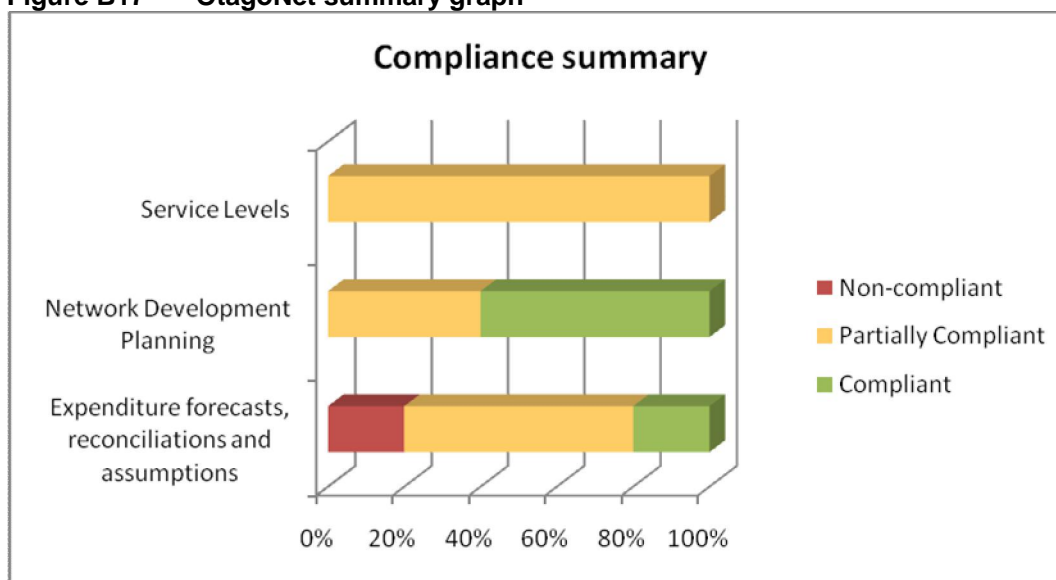
<http://www.powernet.co.nz/index.php?pageLoad=13>

Review summary

The description of future projects as part of the 'Network Development Planning' requirements are comprehensive, however, more detail could be included for those projects underway or about to be started. The reasons supporting development decisions made by the business should be included in this section of the AMP.

Compliance with the 'Expenditure Forecasts, Reconciliations and Assumptions' requirement could be improved. In addition to inclusion of a performance reconciliation section, underlying assumptions should be included with their sources and impacts discussed. This will improve stakeholder understanding around business forecasts and the assumptions that these are based on.

Figure B17 OtagoNet summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Partially compliant	The target levels were not given for the whole planning period.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	The target levels were not given for the whole planning period.
5.3		Justification for Targets
5.3A	Partially compliant	Service levels are justified only at a generic or summary level. The AMP does not explain specifically how each performance indicator target level was determined.
6		Network Development Planning

Review ID	Assessment	Comment
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Partially compliant	Substantial projects/developments are described, but it is unclear how they impact on the forecast, if at all. For each description of uncertain projects/developments, information should be provided as to whether they have impacted the forecasts or not.
6.3D	Compliant	The impact of embedded generation is not accounted for in the forecast
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP describes feasible and practical alternatives to conventional network augmentation but it does not discuss how the EDB seeks to identify and pursue these alternatives.
6.5B	Partially compliant	The AMP describes at a theoretical level how distributed generation or other non-network solutions can address constraints but there was no explicit discussion around problems or constraints relating to this network.
6.6		Network Development Plan
6.6A	Partially compliant	The is a good general section covering network development options, however details of the decisions made are missing for individual projects identified.
6.6B	Partially compliant	There are summary descriptions of the projects currently underway or planned however these cannot be considered detailed with respect to defining the nature of the projects.
6.6C	Partially compliant	The descriptions were considered to be at a high level instead of at a summary level. Summary data relating to the size and nature of the project would be beneficial to stakeholders.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Options were included however the reasons for decision made are not explicit.
6.6F	Partially compliant	Alternative options were included however it is unclear if there was any consideration for non-network alternatives. The potential should be clearly stated, even if that means stating that there isn't any.
6.6G	Compliant	Yes.

Review ID	Assessment	Comment
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Non-compliant	There are no reconciliations of actual expenditure against forecasts as required in Appendix A.
10C	Partially compliant	There is only a brief, general list of assumptions included at the end of the AMP. The assumptions need to be linked to or discussed in relation to the expenditure forecast.
10D	Partially compliant	As per 10C, the sources and impacts of significant assumptions are not explicit.
10E	Partially compliant	It is difficult to identify the assumptions that have been made in relation to the main sources of uncertainty.

B18 - Powerco

<http://www.powerco.co.nz/>

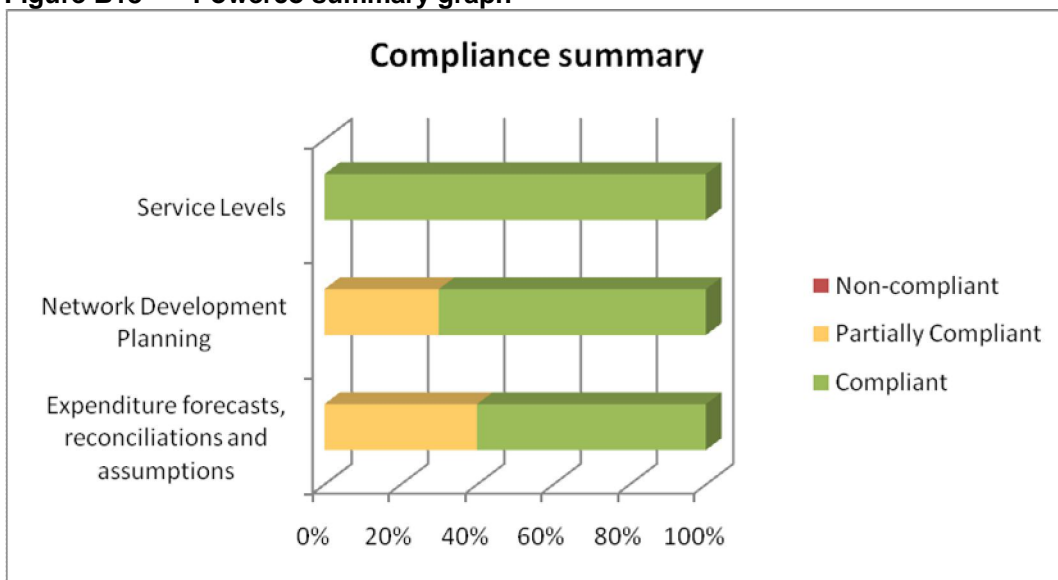
Review summary

The AMP demonstrates a high level of compliance with the requirements across the 3 assessment areas, including full compliance in the 'Service Levels' category.

Only a few areas of relatively minor partial compliance exist which relate to either a lack of detail or ambiguity in definition. Relevant details and explicit statements are required to promote stakeholder understanding of processes and issues.

The AMP should indicate the effect major network developments will have on achieving target levels of service. It should also make clear how the capital and operating expenditure forecasts are impacted by the significant assumptions made by the business.

Figure B18 Powerco summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	Reliability targets include SAIDI, SAIFI and CAIDI. These and the other consumer oriented service targets are well defined and appear consistent with the other plans set out in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Compliant	A comprehensive discussion of the basis for target setting has been provided, including an explanation of how stakeholder requirements are used in the process.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Partially compliant	Although a general discussion has been included, there is a lack of detail of how uncertainty around specific, substantial projects or developments has been allowed for in the forecasts, and the level of materiality.
6.3D	Compliant	Yes.
6.3E	Partially compliant	The AMP does include a general discussion of possible impacts, but is not explicit in terms of level of materiality and impact on forecasts.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Partially compliant	The AMP states that the distributed generation policy is available on the Powerco website, but does not provide descriptions of its policies in the AMP or provide links to the pertinent documents.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Compliant	Yes.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Inadequate analysis is provided on options relating to major projects. In addition, summary level options and decisions are not discussed in terms of meeting target levels of service for the business.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Inadequate discussion of the reasons for selecting a specific option for the major projects identified. Summary details of alternative options and summary reasons for decisions made should be explicit.
6.6F	Partially compliant	Options analysis is brief and at a summary level. There is minimal detail relating to the cost effectiveness of non-network alternatives.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.

Review ID	Assessment	Comment
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Partially compliant	The difference in level of impact (materiality) on the expenditure forecasts for the significant assumptions is not explicit in all cases.
10E	Partially compliant	A general discussion of sources of uncertainty is provided. However the assumptions made relating to the identified sources of uncertainty is not explicit.

B19 - Scanpower

<http://www.scanpower.co.nz/>

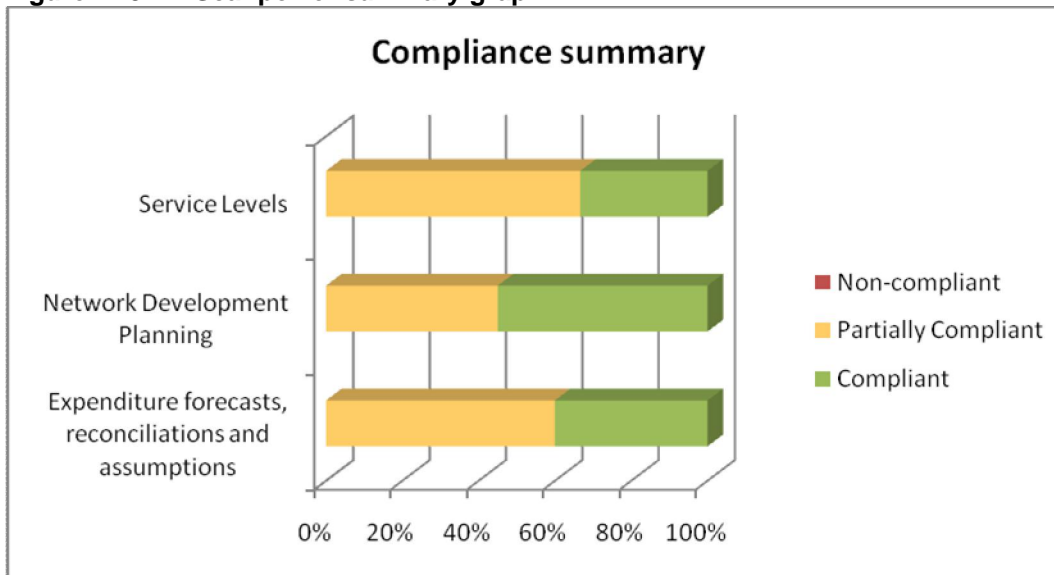
Review summary

The Scanpower AMP demonstrates areas of partial compliance across each of the three assessment areas. There were no criteria rated as non-compliant.

The 'Service Levels' section of the AMP would benefit from further definition of and justification for key performance measures and the targets set.

Network planning information provided in the AMP is generally comprehensive and compliant with the Requirements. Some additional detail in key network planning areas and explicit statements around assumptions would assist in removing any potential ambiguity for stakeholders.

Figure B19 Scanpower summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	Scanpower complete customer consultations relating to their network supply security standards. Service reliability indices (SAIDI and SAIFI) and targets are well defined and reported.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	Scanpower provide a comprehensive range of technical and financial measures and objectives. However, explicit, well defined targets were only included for the load factor and capacity utilisation measures.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	There is limited detail regarding the customer consultation completed for performance targets. Further improvement in target definition and justification could be provided.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Partially compliant	Only high level descriptions were available. The AMP should include further detail of the criteria used for the main asset types used in the network.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	A brief description of an informal process is included. Some further definition of the process used and the criteria considered by the business to prioritise developments should be included.
6.3		Demand Forecasts
6.3A	Partially compliant	Scanpower's AMP does not define the demand forecasting methodology adopted clearly. If a third party planning methodology is adopted, some explanation of the assumptions and approach used would better meet requirements.
6.3B	Compliant	Scanpower does not operate 33kV lines or zone substations. All of their assets are 11kV distribution lines and 11kV/400V distribution substations. Therefore considered as compliant for this requirement.
6.3C	Partially compliant	The AMP includes a discussion of major developments and substantial individual projects, however, the potential effects of these developments are not made clear.
6.3D	Partially compliant	It is not clear if the load forecast allows for any future embedded generation. This could be included in the explanation of the load forecast methodology. Given the size of the network this may not be a material omission, in which case this should be explained.
6.3E	Partially compliant	This is unclear. Given the size of the network this may not be a material omission, in which case this should be explained.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Scanpower do not have any embedded generators at present but recognise the value of distributed generation as well as discussing technical issues that can arise.
6.5		Non-Network Options
6.5A	Partially compliant	A brief mention is included. Further detail should be provided on the actual process used by the business.
6.5B	Compliant	Yes.
6.6		Network Development Plan

Review ID	Assessment	Comment
6.6A	Partially compliant	The AMP does identify options available however more comparative analysis is required including the impacts on service levels for decisions made.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes, the planned projects summary covers the next 9 years for 11kV feeders, 8 years for 400 V lines and 6 years for distribution transformers.
6.6D	Compliant	Yes. The AMP includes all planned works for the planning period.
6.6E	Compliant	Given the nature of the network and the limited development options available, adequate discussion is provided for major planned projects.
6.6F	Partially compliant	There is limited discussion of alternatives and the potential for non-network solutions to be more cost-effective than the planned network augmentations.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Partially compliant	The AMP only includes a brief explanation of the assumptions made. The AMP should provide more detail on the level and timing of the impact on forecasts.
10D	Partially compliant	Further translation of significant assumptions into potential expenditure impacts would improve compliance with the requirements.
10E	Partially compliant	The AMP should include further details on the sources of uncertainty and how the business has decided to allow for this in the forecasts.

B20 - The Lines Company

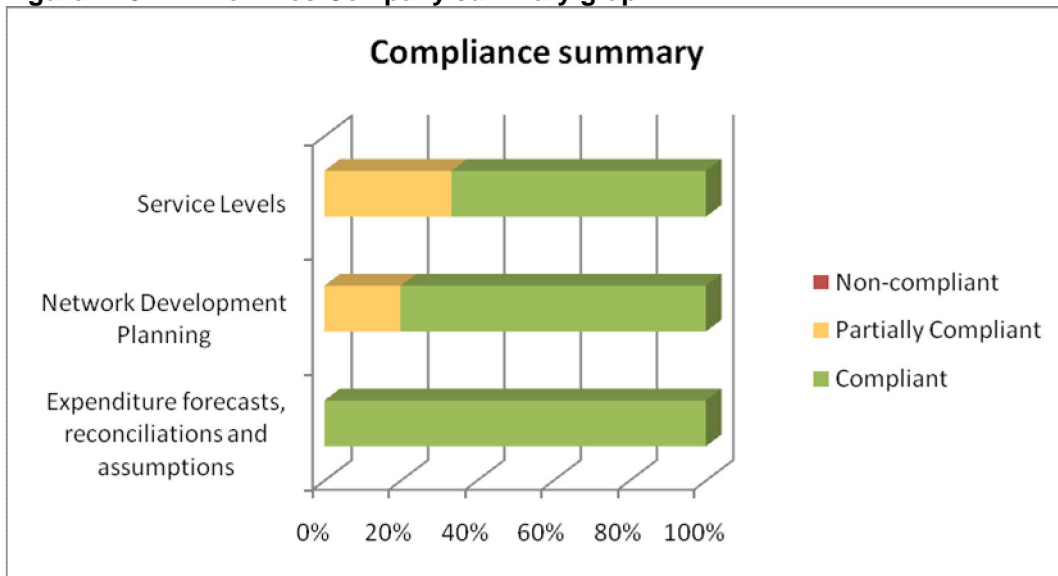
<http://www.thelinescompany.co.nz/>

Review summary

The AMP generally demonstrates a high level of compliance with requirements across the three assessment areas, including full compliance in the 'Expenditure Forecasts, Reconciliations and Assumptions' category.

A number of review comments pertain to making explicit statements in relation to the planning criteria used, the demand forecasting methodology and service level target justification. This is required to remove any ambiguity about how something has been achieved or the reasons for a decision being made, where this is currently not clear in the plan.

Figure B20 The Lines Company summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	A number of performance indicators are used including SAIDI and SAIFI. These are well defined and appear consistent with other plans included in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Partially compliant	The basis for each service level target is not explicit.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.

Review ID	Assessment	Comment
6.1B	Partially compliant	The criteria used to determine the capacity of new assets is not clear.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	The AMP describes the demand forecasting methodology. The business uses a time trend forecast with known factors to estimate the future demand pattern.
6.3B	Compliant	Yes.
6.3C	Partially compliant	Yes, the AMP includes a brief discussion which demonstrates knowledge of uncertain developments however the extent to which these are included in the forecast is not clear.
6.3D	Partially compliant	The AMP includes a discussion of embedded (auxiliary) generation that currently exists and the possibility of future projects. The impact of current and future levels on demand forecasts is not documented.
6.3E	Partially compliant	The AMP includes a discussion of power factor improvement however the impact of any demand management initiatives on the load forecast is not explicit.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Compliant	Yes, the AMP's discuss alternative options to address network constraints.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Compliant	Yes, the AMP includes a Table (5.17) which provides the necessary details.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes
6.6E	Compliant	Yes.
6.6F	Compliant	Yes.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Compliant	Yes.
10E	Compliant	Yes.

B21 - The Power Company

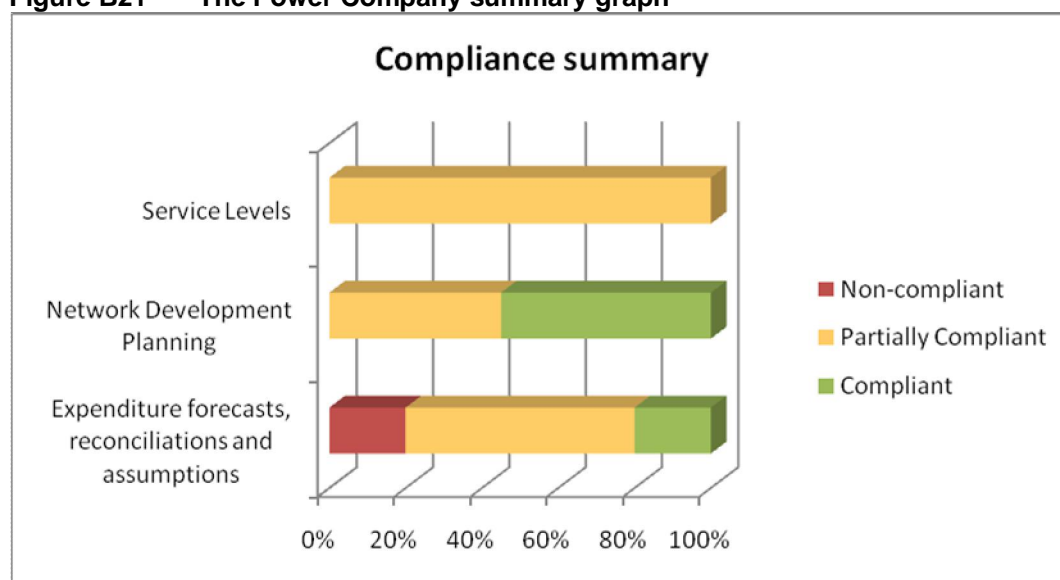
<http://www.powernet.co.nz/index.php?pageLoad=170&par=3>

Review summary

With respect to compliance against the 'Network Development Planning' requirements, the AMP's description of future projects is comprehensive. More detail could be included for those projects underway or planned to start in the next 12 months. This would assist in stakeholders understanding of the nature of significant developments. The reasons supporting network development decisions made by the business should also be included in this section of the AMP.

Compliance with the 'Expenditure forecasts, Reconciliations and Assumptions' category requirements could be improved. A performance reconciliation section is required, and significant assumptions which can have a material impact on the expenditure forecasts should be included with the sources and impacts of those assumptions discussed.

Figure B21 The Power Company summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Partially compliant	The target levels were not given for the whole AMP planning period (10 years).
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	The target levels were not given for the whole AMP planning period (10 years).
5.3		Justification for Targets
5.3A	Partially compliant	Service levels are justified only at a generic or summary level. The AMP does not explain specifically how each performance indicator target level was determined.

Review ID	Assessment	Comment
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Partially compliant	Substantial projects/developments are described, but it is unclear how they impact on the forecast, if at all. For each description of uncertain projects/developments, information should be provided as to whether they have impacted the forecasts or not.
6.3D	Compliant	Yes.
6.3E	Partially compliant	The AMP states that load management is taken into account in the load forecast however no details are given indicating materiality.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP describes feasible and practical alternatives to conventional network augmentation but it does not discuss how the EDB seeks to identify and pursue these alternatives.
6.5B	Partially compliant	The AMP describes at a theoretical level how distributed generation or other non-network solutions can address constraints but there was no explicit discussion around problems or constraints relating to this network.
6.6		Network Development Plan
6.6A	Partially compliant	There is a good general section covering network development options, however details of the decisions made are missing for individual projects identified.
6.6B	Partially compliant	There are summary descriptions of the projects currently underway or planned however these cannot be considered detailed with respect to defining the nature of the projects.
6.6C	Partially compliant	The descriptions were considered to be at a high level instead of at a summary level. Summary data relating to the size and nature of the project would be beneficial to stakeholders.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Options were included however the reasons for decision made are not explicit.

Review ID	Assessment	Comment
6.6F	Partially compliant	Alternative options were included however it is unclear if there was any consideration for non-network alternatives. These potential should be clearly stated, even if that means stating that there is no potential.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Non-compliant	There are no reconciliations of actual expenditure against forecasts as required in Appendix A.
10C	Partially compliant	There is only a brief, general list of assumptions included at the end of the AMP. The assumptions need to be linked to or discussed in relation to the expenditure forecast.
10D	Partially compliant	As per the comment for 10C, the sources and impacts of significant assumptions are not explicit.
10E	Partially compliant	It is difficult to identify the assumptions that have been made in relation to the main sources of uncertainty.

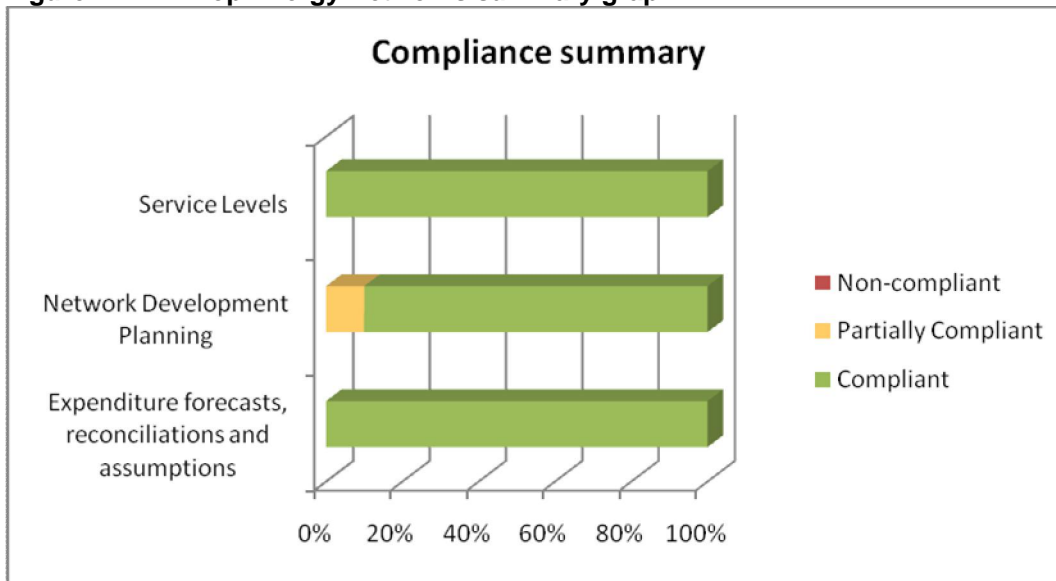
B22 - Top Energy Networks

<http://www.topenergy.co.nz/>

Review summary

Top Energy's 2011 AMP has been assessed as having only 2 'Partially compliant' ratings. The 'Partially compliant' assessments for this 2011 AMP are largely because of brevity and absence of detail. The 2011 AMP is however, very substantial and generally quite a detailed document.

Figure B22 Top Energy Networks summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	SAIDI and SAIFI targets included. Objectively measurable. Adequately defined. Improvement proposed. Consistent with other AMP plans.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Loss Ratio, Operational Expenditure Ratio targets included.
5.3		Justification for Targets
5.3A	Compliant	Basis included. Consumer, legislative, regulatory & stakeholder requirements considered.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Voltage, security of supply, network reliability, network capacity, network protection, and new equipment standards criteria described.

Review ID	Assessment	Comment
6.1B	Compliant	Current rating is primary criteria and the more restrictive of either normal or contingent operation is applied to set the capacity constraint level.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Process and criteria for prioritising network developments is described.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	Two potentially large subdivisions and the Affco Dairy Factory discussed.
6.3D	Compliant	Yes, no embedded generation, other than existing Ngawha is anticipated.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes, with a reference to further information on Top Energy's web site.
6.4B	Compliant	Yes, but no DG is contemplated and therefore there is no DG impact on the network.
6.5		Non-Network Options
6.5A	Partially compliant	Transpower 110 kV line asset transfer and construction of new 110 kV circuit are not "conventional" solutions. Only other "alternatives to conventional" discussed are DG and DSM (Automated DLM and Under-frequency Load Shedding).
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Compliant	Yes.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Compliant	Yes, although few options or alternatives are discussed.
6.6F	Partially compliant	Alternative options are not discussed on a project by project basis, but only as alternatives or options in general, such as DG. With respect to individual projects, only "investigation showed" or "studies have shown" is reported.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Compliant	Yes.
10E	Compliant	Yes, but the AMP does not deal with uncertainty under that specific heading. The section on Risk Management covers risks or uncertainties that impact on the plan, and the table of assumptions records the "potential impact of uncertainty".

B23 - Unison

<http://www.unison.co.nz/>

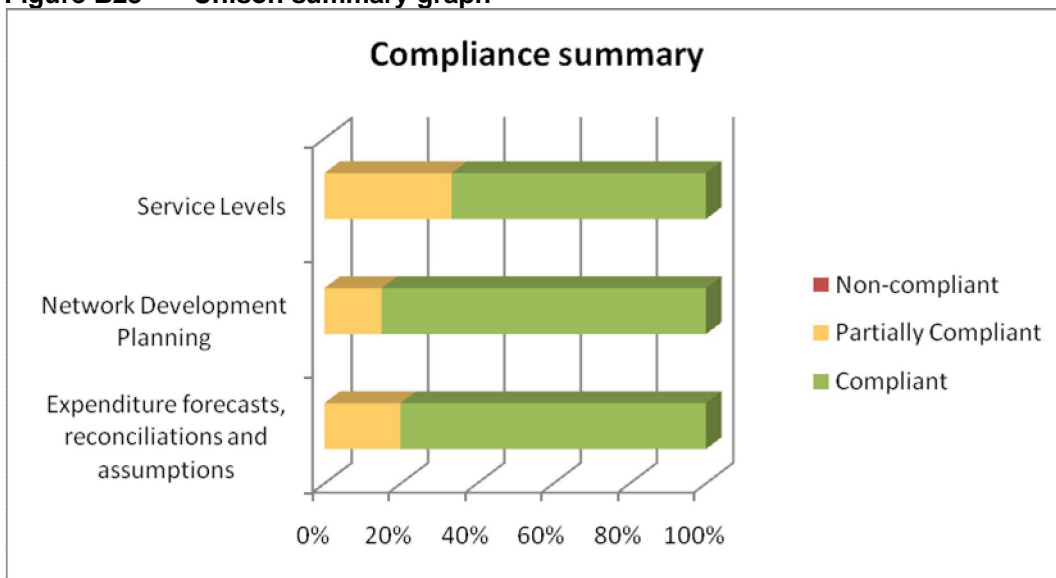
Review summary

The AMP demonstrates a high level of compliance with the requirements across the 3 assessment areas.

Only minor improvements relating to brevity and clarity are required to become fully compliant across the three assessment areas.

Generally, the AMP makes good use of graphics and tables to facilitate the communication of complex concepts and detailed information.

Figure B23 Unison summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	Performance indicators are SAIDI, SAIFI. Targets have been set, and appear consistent with plans reviewed in the network planning section of the AMP. Unison is also trialling the use of the FAIDI and FAIFI measures.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes. Targets have been set on measures relating to asset and business efficiency, as well as newly introduced measures including a network-centric health and safety service level.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially Compliant	Some targets appear to be based on industry benchmarking and others on regulatory limits. The justification for the business efficiency targets is not sufficiently clear. The AMP states that they can be benchmarked, but it is not clear if this was the basis for the target levels set by Unison. Generally, the AMP should clearly explain why the targets have been set at these levels and why these levels are appropriate to the business for all performance indicators.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes, the AMP provides a comprehensive section detailing the criteria used.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes, a comprehensive description is provided.
6.3		Demand Forecasts
6.3A	Partially Compliant	A useful summary graphical representation is provided, however, a brief description of the main input factors and the sources of data would assist in stakeholder comprehension of the methodology employed.
6.3B	Compliant	Yes.
6.3C	Partially Compliant	The impacts have been identified however for some of the uncertain loads the AMP states they are reflected in the load forecasts but it is unclear to what extent. It is unclear how uncertainty around the timing of these developments has been handled and how material any of the uncertain loads are in the overall forecasts.
6.3D	Compliant	Yes.
6.3E	Compliant	Yes, the effects of advanced load control on the forecasts are clearly demonstrated.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Partially Compliant	A brief discussion of impact is included in the AMP. This section of the AMP would be of more benefit to stakeholders if more details were provided on the potential impacts and benefits of DG with regard to network development.
6.5		Non-Network Options
6.5A	Compliant	Yes, via explanation of the Smart Grid initiative.
6.5B	Compliant	Yes, in both Section 5.5 and Section 5.6.1.
6.6		Network Development Plan
6.6A	Compliant	Yes, the AMP provides details of the constraint, a description of the project, identifies possible solutions including non-network alternatives, provides details of the preferred option and a justification of the decision.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.

Review ID	Assessment	Comment
6.6D	Compliant	Yes.
6.6E	Compliant	Yes.
6.6F	Compliant	Yes.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Partially Compliant	Where assumptions have been made, an indication of the materiality would be of benefit to the stakeholder.
10E	Compliant	Yes.

B24 - Vector

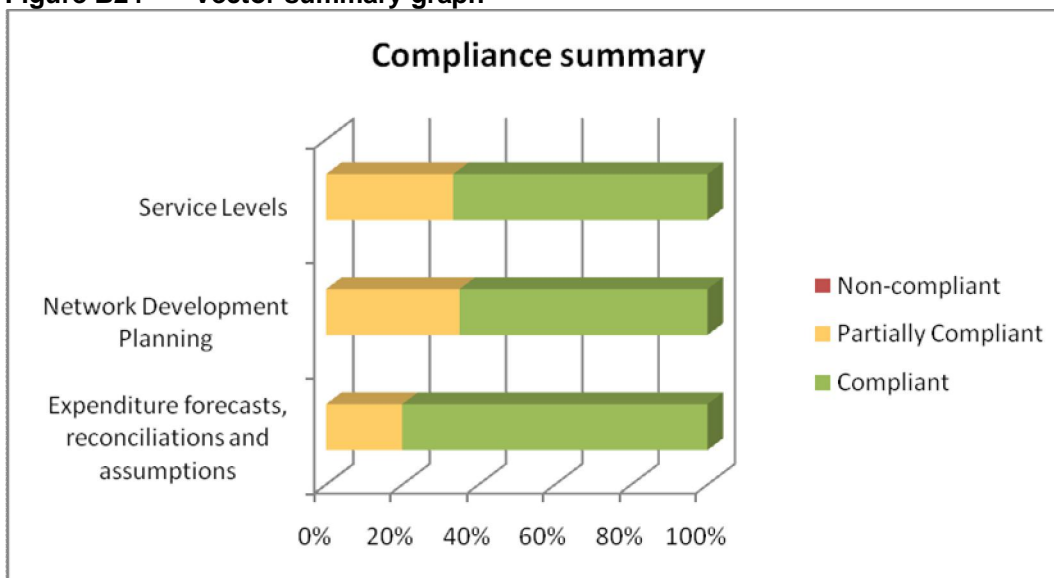
<http://www.vector.co.nz/>

Review summary

The current plan demonstrates a good level of compliance across all three assessment areas. There were no AMP criteria assessed as 'non-compliant'.

The main opportunity for improved compliance with the 'Network Development Planning' and 'Expenditure Forecasts, Reconciliations and Assumptions' requirements is through the provision of relevant details and explicit statements which would improve the level of stakeholder understanding of the complex issues and processes.

Figure B24 Vector summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	The AMP includes a number of performance indicators including SAIDI and SAIFI. These are well defined and appear consistent with plans set out in the remainder of the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Partially compliant	Explicit justification or explanation of the reasons why a specific target level has been adopted e.g. industry benchmark, class lead, etc., should be provided.
6		Network Development Planning
6.1		Planning Criteria

Review ID	Assessment	Comment
6.1A	Compliant	Yes.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Partially compliant	Although there is discussion of how the forecasts allow for these uncertain developments (weighted demand assessment), the extent to which these have affected the forecast is not defined.
6.3D	Partially compliant	The plan states the load forecast does take account of embedded generation however it is not clear how material this is.
6.3E	Partially compliant	The plan states the load forecast does take account of demand management initiatives however it is not clear how material this is.
6.3F	Partially compliant	Tables are provided where possible capacity constraints could be identified based on forecasts over the planning period. Constraints would be more obvious if explicitly identified in a separate table/section.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Compliant	Yes.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Some options analysis is provided, however these are not clearly considered with regard to target service levels.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Some reasons are provided, however further explanation of why and why not would assist stakeholder comprehension of the decisions made.
6.6F	Partially compliant	If non-network options were considered and dismissed this is not explicit.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Compliant	Yes.
10D	Compliant	Yes.
10E	Partially compliant	The plan identifies various sources of uncertainty e.g. economic growth, but the assumptions made in response to these need to be clearly identified.

B25 - Waipa Networks

<http://www.waipanetworks.co.nz/>

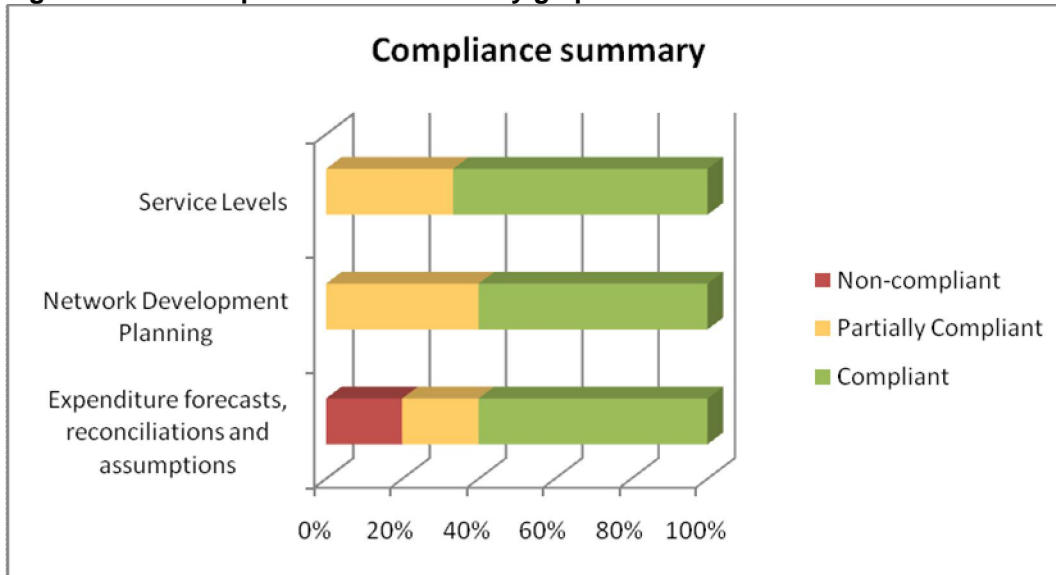
Review summary

The Waipa Networks AMP demonstrates a good overall level of compliance across the three assessment areas.

Only one minor partial compliance issue remains in the 'Service Levels' category.

In the 'Network Development Planning' category, the EDB should focus on improving the presentation and discussion of future network projects. Further information should be provided on options analysis, details of why significant decisions have been made and how they relate to achieving target levels of service.

Figure B25 Waipa Networks summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	A number of performance indicators are used including SAIDI and SAIFI. These are well defined and appear consistent with other plans included in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	As well as the asset performance and efficiency targets the AMP now includes a business efficiency measure, given as total operational expenditure per network connection point.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	The AMP includes adequate consideration of consumer, legislative, regulatory and stakeholder requirements. Waipa could provide additional justification for the targets set by the business. E.g. comparison of target levels with peer performance. This should aim to provide stakeholders with increased confidence in the appropriateness of the target levels.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Partially compliant	The AMP includes a table which uses distance from the GXP as a determinant of cable and line, but provides a limited discussion for other asset types.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	The AMP includes a discussion (Section 6.2) which focuses on the identification of new projects, not necessarily around the prioritisation of competing projects using finite resources. This section does not discuss the methodology for allocating projects a higher or lower priority than others. This may not be a material issue given the scale of the network.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	Yes.
6.3D	Compliant	Yes.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	The AMP provides adequate information including key requirements for new generators.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Compliant	The AMP describes current initiatives to explore non-network options.
6.5B	Partially compliant	The relevant section in the AMP does not explicitly discuss the materiality of each option to address network problems or constraints. If there is currently no potential is not clear if future developments would meet a materiality threshold.
6.6		Network Development Plan
6.6A	Partially compliant	Options analysis appears to be missing and details of decisions made in relation to meeting target levels of service is limited. If no options exist this should be explained, and details of how network developments will assist in achieving performance targets should be explicit.
6.6B	Partially compliant	Sufficiently detailed project descriptions, which allow stakeholders to comprehend the relative size of projects, are not included.

Review ID	Assessment	Comment
6.6C	Partially compliant	While some descriptions are provided, insufficient summary level detail which permits readers to comprehend the scale of the project are not provided.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Noting comments for 6.6A, there is insufficient information for a stakeholder to understand the reasons behind significant major network development decisions.
6.6F	Partially compliant	Insufficient clarity or discussion relating to alternative network options. The AMP does state there is currently no potential for non-network alternatives.
6.6G	Compliant	A breakdown including major project types and major projects is included.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Non-compliant	A descriptive variance of planned versus actual projects is available; however a numeric reconciliation has not been provided.
10C	Compliant	Yes.
10D	Partially compliant	The likely or possible impact of significant assumptions made is not self-evident. The principal sources of assumption data are presented together as references, but the specific datasets used is not clear and each data source has not been mapped to a corresponding assumption.
10E	Compliant	Yes.

B26 - WEL Networks

<http://www.wel.co.nz/>

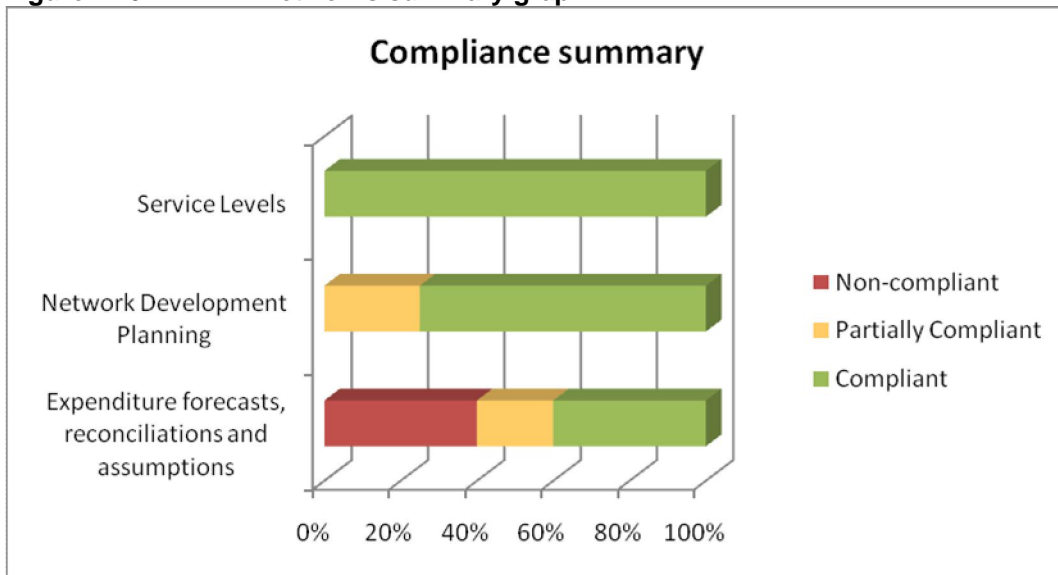
Review summary

The AMP was assessed as fully compliant against the 'Service Level' category requirements.

Increased compliance against the 'Network Development Planning' category requirements could be achieved through the provision of further details which allow stakeholders to better understand the nature of planned projects.

The AMP should include an explanation of the key assumptions that have a material impact on the expenditure forecasts. The sources of the assumptions, any sources of uncertainty and the impact on the forecasts should be explicit.

Figure B26 WEL Networks summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	Consumer oriented performance indicators are SAIDI, SAIFI and CAIDI. These are well defined and appear consistent with the other plans set out in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Compliant	The basis for setting the service level targets has been included.
6		Network Development Planning
6.1		Planning Criteria

Review ID	Assessment	Comment
6.1A	Compliant	Yes.
6.1B	Compliant	The AMP describes the process of determining the capacity of new assets.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	The AMP includes a description of the model used that evaluates several key factors, however the numerical or quantitative values relating to these key factors are missing.
6.3		Demand Forecasts
6.3A	Compliant	The AMP describes the demand forecasting model and the key factors used to determine future demand.
6.3B	Compliant	Yes.
6.3C	Partially compliant	The AMP provides a brief discussion of uncertain projects, but does not explicitly relate these to the impact on the demand forecasts (if any).
6.3D	Partially compliant	A description of the model is provided however it is unclear how the load forecasts have been impacted.
6.3E	Compliant	The AMP discusses how demand side management could be used as a non-network solution to address capacity constraints. The demand forecasts have not included any impact of DSM.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP discusses the merits of DSM as a non-network solution to address capacity constraints. The document fails to describe the process followed to identify and pursue economically feasible and practical alternatives to conventional network developments.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Compliant	Yes.
6.6B	Compliant	Yes.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	Options are given but the key reasons behind decisions made are not explicit.
6.6F	Compliant	Yes.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Compliant	Yes.
10C	Non-compliant	The AMP does not include an explanation of the significant assumptions underlying the expenditure forecasts.
10D	Non-compliant	The sources and impacts of significant assumptions are not explicit to the reader.

Review ID	Assessment	Comment
10E	Partially compliant	The AMP does not explicitly identify any sources of uncertainty and any assumptions made, although a limited discussion is contained in the Chief Executives statement.

B27 - Wellington Electricity

<http://www.welectricity.co.nz/Pages/default.aspx>

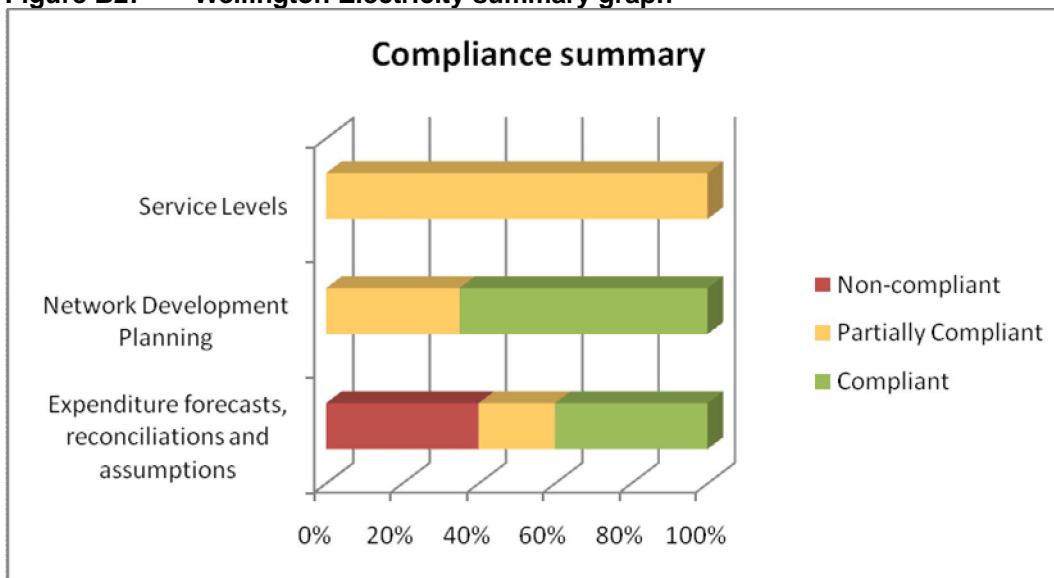
Review summary

There is scope for improved compliance across all three assessment areas.

The AMP was generally not compliant with the criteria relating to the discussion of assumptions, the impacts of these assumptions on expenditure forecasts and the sources of uncertainty.

A number of partial compliance ratings are for relatively minor issues that can easily be addressed by including the correct level of detail.

Figure B27 Wellington Electricity summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Partially compliant	In addition to SAIDI and SAIFI measures, targets are provided for contact centre service levels and for customer enquiries and complaints. It is unclear if all targets are applicable to the entire period of the plan.
5.2		Asset Performance and Efficiency Targets
5.2A	Partially compliant	The AMP includes targets for restoration of power and faults per 100km per year. The AMP does not include any financial performance indicators related to the efficiency of asset utilisation and operation.
5.3		Justification for Targets

Review ID	Assessment	Comment
5.3A	Partially compliant	Further detail should be provided on the basis for setting the targets, and a justification of why EDB believes these are appropriate targets to apply to the business.
6		Network Development Planning
6.1		Planning Criteria
6.1A	Compliant	Yes.
6.1B	Compliant	Yes.
6.2		Prioritisation of Network Developments
6.2A	Partially compliant	The current process is described as a "work in progress", however the AMP does provide general descriptions of the criteria used by the network.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Partially compliant	A discussion of uncertain but substantial projects is provided, however it is uncertain to what extent these have been included in the forecast (e.g. completely, partially or not at all).
6.3D	Compliant	Yes.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Partially compliant	A brief description of the issues is included, however details of specific policies relating to the connection of DG is lacking.
6.4B	Compliant	Yes, a brief summary of the impact is provided.
6.5		Non-Network Options
6.5A	Compliant	Yes, an overview of the approach to network development includes the consideration of non-network options in developing a list of alternatives.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	Major developments are discussed at a high level and do not always include the list of possible options and details of the decisions made to select an option to implement. The developments are not discussed in relation to meeting service level targets.
6.6B	Partially compliant	Only a high level description is provided.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Partially compliant	The AMP provides only brief details of the decisions made relating to major projects.
6.6F	Partially compliant	The AMP provides only general commentary relating to non-network alternatives. For each major project, the potential for non-network options should be addressed even if to explicitly state that it is not cost effective.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.

Review ID	Assessment	Comment
10B	Compliant	Yes.
10C	Partially compliant	The AMP summary (Section 1) identifies some high level assumptions used in the AMP, but it is not clear whether this is the entire list of assumptions that could have a material impact on forecast expenditure for the planning period.
10D	Non-compliant	There is limited information relating to the source of information for the assumptions made and the likely impact on expenditure.
10E	Non-compliant	No.

B28 - Westpower

<http://www.westpower.co.nz/>

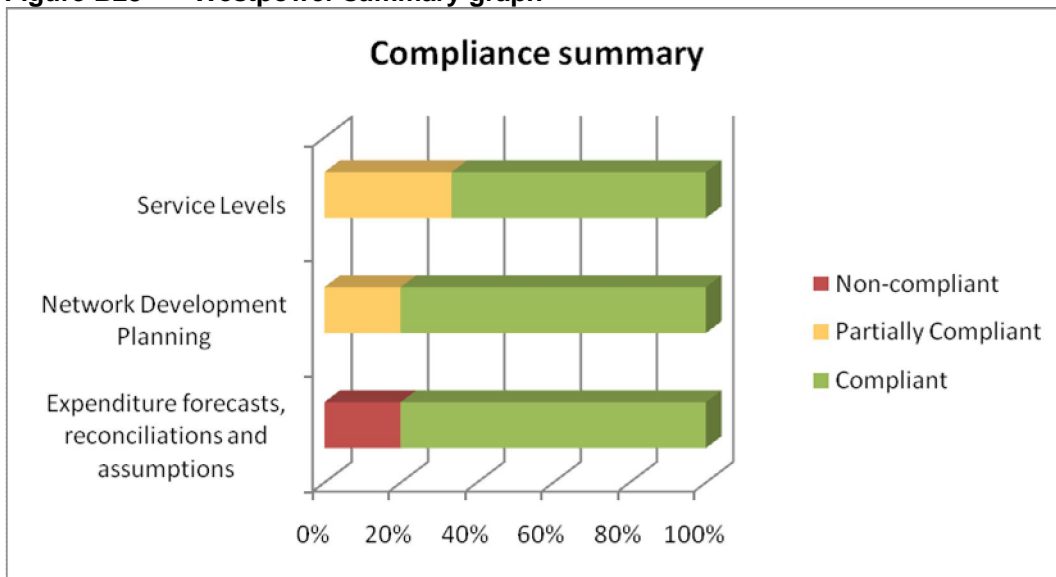
Review summary

The AMP demonstrates a high level of compliance across the three assessment areas.

The 'Network Development Planning' subsection provides a good level of information relating to upcoming projects and demonstrates a good level of compliance.

The AMP has been assessed as only having a few areas of partial compliance and one area of non-compliance across the three assessment areas, which would be straightforward to address in future versions of the document.

Figure B28 Westpower summary graph



Full compliance review

Review ID	Assessment	Comment
5		Service Levels
5.1		Consumer Oriented Service Targets
5.1A	Compliant	A number of performance indicators are used including SAIDI and SAIFI. These are well defined and appear consistent with other plans included in the AMP.
5.2		Asset Performance and Efficiency Targets
5.2A	Compliant	Yes.
5.3		Justification for Targets
5.3A	Partially compliant	The AMP describes the basis for the SAIDI and SAIFI targets (five year rolling averages) but the justification for the other service level targets are not clear.
6		Network Development Planning
6.1		Planning Criteria

Review ID	Assessment	Comment
6.1A	Compliant	Yes.
6.1B	Partially compliant	The criteria for determining new equipment capacity are outlined for different parts of the network but not for different asset types.
6.2		Prioritisation of Network Developments
6.2A	Compliant	Yes.
6.3		Demand Forecasts
6.3A	Compliant	Yes.
6.3B	Compliant	Yes.
6.3C	Compliant	Yes.
6.3D	Compliant	Yes.
6.3E	Compliant	Yes.
6.3F	Compliant	Yes.
6.4		Distributed Generation
6.4A	Compliant	Yes.
6.4B	Compliant	Yes.
6.5		Non-Network Options
6.5A	Partially compliant	The AMP includes a general discussion of non-conventional network alternatives however it is not specific with regard to how the EDB seeks to identify and pursue these when addressing network constraints.
6.5B	Compliant	Yes.
6.6		Network Development Plan
6.6A	Partially compliant	The project descriptions are good and include some analysis of options. This analysis should be extended to include the decisions made to satisfy and meet target levels of service.
6.6B	Partially compliant	Some of the project descriptions are at a summary level whereas others provide more detail. Additional information should be included for projects that are underway or about to start.
6.6C	Compliant	Yes.
6.6D	Compliant	Yes.
6.6E	Compliant	Yes.
6.6F	Compliant	Yes.
6.6G	Compliant	Yes.
10		Exp. forecasts, reconciliations & assumptions
10A	Compliant	Yes.
10B	Non-compliant	The reconciliation of actual expenditure against forecast, as per the Appendix A format, is not provided.
10C	Compliant	Yes.
10D	Compliant	Yes.
10E	Compliant	A sensitivity analysis table is provided that details links between sources of uncertainty and assumptions.

