



**Information Disclosure Reports prepared according to  
Part 4 of the Commerce Act 1986**

**For the Year Ended 31 March 2015**

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## INDEPENDENT AUDITOR'S ASSURANCE REPORT

## DIRECTOR'S CERTIFICATE

## **INTRODUCTION**

These Information Disclosure Reports are disclosed by Horizon Energy Distribution Limited pursuant to Part 4 of the Commerce Act 1986 in accordance with:

- Electricity Distribution Information Disclosure Determination 2012 (consolidated in 2015)

# REPORTS

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2015

SCHEDULE 1: ANALYTICAL RATIOS

This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination.

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

sch ref

7

1(i): Expenditure metrics

Expenditure per GWh energy delivered to ICPs (\$/GWh)

Expenditure per average no. of ICPs (\$/ICP)

Expenditure per MW maximum coincident system demand (\$/MW)

Expenditure per km circuit length (\$/km)

Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)

Operational expenditure

Network

Non-network

Expenditure on assets

Network

Non-network

15,538

322

94,664

3,199

35,629

5,365

111

32,689

1,105

12,304

10,172

211

61,975

2,094

23,326

14,349

298

87,421

2,954

32,903

13,423

278

81,783

2,764

30,781

925

19

5,638

191

2,122

17

1(ii): Revenue metrics

Revenue per GWh energy delivered to ICPs (\$/GWh)

Revenue per average no. of ICPs (\$/ICP)

Total consumer line charge revenue

Standard consumer line charge revenue

Non-standard consumer line charge revenue

61,953

1,285

108,867

1,081

18,877

421,169

23

1(iii): Service intensity measures

Demand density

Volume density

Connection point density

Energy intensity

34

206

10

20,741

Maximum coincident system demand per km of circuit length (for supply) (kW/km)

Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)

Average number of ICPs per km of circuit length (for supply) (ICPs/km)

Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

30

1(iv): Composition of regulatory income

(\$000)

% of revenue

Operational expenditure

Pass-through and recoverable costs excluding financial incentives and wash-ups

Total depreciation

Total revaluations

Regulatory tax allowance

Regulatory profit/(loss) including financial incentives and wash-ups

Total regulatory income

7,980

10,996

5,001

93

2,673

5,336

31,893

25.02%

34.48%

15.68%

0.29%

8.38%

16.73%

40

1(v): Reliability

Interruption rate

8.46

Interruptions per 100 circuit km

## SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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sch ref

		CY-2	CY-1	Current Year CY
		31 Mar 13	31 Mar 14	31 Mar 15
		%	%	%
7	<b>2(i): Return on Investment</b>			
8				
9	<b>ROI – comparable to a post tax WACC</b>			
10	Reflecting all revenue earned	6.61%	6.60%	4.16%
11	Excluding revenue earned from financial incentives	6.61%	6.60%	4.16%
12	Excluding revenue earned from financial incentives and wash-ups	6.61%	6.60%	4.60%
13				
14	<b>Mid-point estimate of post tax WACC</b>	5.85%	5.43%	6.10%
15	25th percentile estimate	5.13%	4.71%	5.39%
16	75th percentile estimate	6.56%	6.14%	6.82%
17				
18				
19	<b>ROI – comparable to a vanilla WACC</b>			
20	Reflecting all revenue earned	7.39%	7.28%	4.94%
21	Excluding revenue earned from financial incentives	7.39%	7.28%	4.94%
22	Excluding revenue earned from financial incentives and wash-ups	7.39%	7.28%	5.39%
23				
24	<b>WACC rate used to set regulatory price path</b>	8.77%	8.77%	8.77%
25				
26	<b>Mid-point estimate of vanilla WACC</b>	6.62%	6.11%	6.89%
27	25th percentile estimate	5.91%	5.39%	6.17%
28	75th percentile estimate	7.34%	6.83%	7.60%
29				
30	<b>2(ii): Information Supporting the ROI</b>			
31				
32	Total opening RAB value	110,624		
33	plus Opening deferred tax	(3,777)		
34	<b>Opening RIV</b>		106,848	
35				
36	<b>Line charge revenue</b>		31,817	
37				
38	Expenses cash outflow	18,975		
39	add Assets commissioned	7,726		
40	less Asset disposals	158		
41	add Tax payments	1,786		
42	less Other regulated income	76		
43	<b>Mid-year net cash outflows</b>		28,253	
44				
45	<b>Term credit spread differential allowance</b>		–	
46				
47	Total closing RAB value	113,283		
48	less Adjustment resulting from asset allocation	(0)		
49	less Lost and found assets adjustment	–		
50	plus Closing deferred tax	(4,663)		
51	<b>Closing RIV</b>		108,619	
52				
53	<b>ROI – comparable to a vanilla WACC</b>			4.94%
54				
55	Leverage (%)			44%
56	Cost of debt assumption (%)			6.36%
57	Corporate tax rate (%)			28%
58				
59	<b>ROI – comparable to a post tax WACC</b>			4.16%
60				

## SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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sch ref

### 2(iii): Information Supporting the Monthly ROI

61							
62							
63	Opening RIV						N/A
64							
65							
66		Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
67	April	—	—	—	—	—	—
68	May	—	—	—	—	—	—
69	June	—	—	—	—	—	—
70	July	—	—	—	—	—	—
71	August	—	—	—	—	—	—
72	September	—	—	—	—	—	—
73	October	—	—	—	—	—	—
74	November	—	—	—	—	—	—
75	December	—	—	—	—	—	—
76	January	—	—	—	—	—	—
77	February	—	—	—	—	—	—
78	March	—	—	—	—	—	—
79	Total	—	—	—	—	—	—
80							
81	Tax payments						N/A
82							
83	Term credit spread differential allowance						N/A
84							
85	Closing RIV						N/A
86							
87							
88	Monthly ROI – comparable to a vanilla WACC						N/A
89							
90	Monthly ROI – comparable to a post tax WACC						N/A
91							

### 2(iv): Year-End ROI Rates for Comparison Purposes

94	Year-end ROI – comparable to a vanilla WACC	5.42%
95		
96	Year-end ROI – comparable to a post tax WACC	4.63%
97		

\* these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by EDBs and do not represent the Commission's current view on ROI.

### 2(v): Financial Incentives and Wash-Ups

102	Net recoverable costs allowed under incremental rolling incentive scheme	—
103	Purchased assets – avoided transmission charge	—
104	Energy efficiency and demand incentive allowance	—
105	Quality incentive adjustment	—
106	Other financial incentives	—
107	Financial incentives	—
108		
109	Impact of financial incentives on ROI	—
110		
111	Input methodology claw-back	(662)
112	Recoverable customised price-quality path costs	—
113	Catastrophic event allowance	—
114	Capex wash-up adjustment	—
115	Transmission asset wash-up adjustment	—
116	2013–2015 NPV wash-up allowance	—
117	Reconsideration event allowance	—
118	Other wash-ups	—
119	Wash-up costs	(662)
120		
121	Impact of wash-up costs on ROI	–0.45%

Company Name **Horizon Energy Distribution Limited**  
For Year Ended **31 March 2015**

### SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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

sch ref

7	<b>3(i): Regulatory Profit</b>	<b>(\$000)</b>
8	<b>Income</b>	
9	Line charge revenue	31,817
10	plus Gains / (losses) on asset disposals	(121)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	197
12		
13	<b>Total regulatory income</b>	<b>31,893</b>
14	<b>Expenses</b>	
15	less Operational expenditure	7,980
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	10,996
18		
19	<b>Operating surplus / (deficit)</b>	<b>12,918</b>
20		
21	less Total depreciation	5,001
22		
23	plus Total revaluations	93
24		
25	<b>Regulatory profit / (loss) before tax</b>	<b>8,009</b>
26		
27	less Term credit spread differential allowance	–
28		
29	less Regulatory tax allowance	2,673
30		
31	<b>Regulatory profit/(loss) including financial incentives and wash-ups</b>	<b>5,336</b>
32		
33	<b>3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups</b>	<b>(\$000)</b>
34	<b>Pass through costs</b>	
35	Rates	184
36	Commerce Act levies	52
37	Industry levies	90
38	CPP specified pass through costs	9
39	<b>Recoverable costs excluding financial incentives and wash-ups</b>	
40	Electricity lines service charge payable to Transpower	6,134
41	Transpower new investment contract charges	–
42	System operator services	–
43	Distributed generation allowance	4,526
44	Extended reserves allowance	–
45	Other recoverable costs excluding financial incentives and wash-ups	–
46	<b>Pass-through and recoverable costs excluding financial incentives and wash-ups</b>	<b>10,996</b>
47		

Company Name **Horizon Energy Distribution Limited**  
For Year Ended **31 March 2015**

### SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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sch ref

#### 3(iii): Incremental Rolling Incentive Scheme

(\$000)

		CY-1 31 Mar 14	CY 31 Mar 15
51	Allowed controllable opex	–	–
52	Actual controllable opex	–	–
54	Incremental change in year	–	
		Previous years' incremental change adjusted for inflation	
57	CY-5 31 Mar 10	–	–
58	CY-4 31 Mar 11	–	–
59	CY-3 31 Mar 12	–	–
60	CY-2 31 Mar 13	–	–
61	CY-1 31 Mar 14	–	–
62	Net incremental rolling incentive scheme	–	
64	Net recoverable costs allowed under incremental rolling incentive scheme	–	

#### 3(iv): Merger and Acquisition Expenditure

(\$000)

66	Merger and acquisition expenditure	–
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Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)

#### 3(v): Other Disclosures

(\$000)

71	Self-insurance allowance	–
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#### SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2.

EDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

#### 4(i): Regulatory Asset Base Value (Rolled Forward)

	for year ended	RAB 31 Mar 11 (\$000)	RAB 31 Mar 12 (\$000)	RAB 31 Mar 13 (\$000)	RAB 31 Mar 14 (\$000)	RAB 31 Mar 15 (\$000)
Total opening RAB value		99,190	101,071	101,722	104,498	110,624
less Total depreciation		4,361	4,483	4,378	4,656	5,001
plus Total revaluations		2,384	1,578	870	1,604	93
plus Assets commissioned		4,229	3,976	6,688	9,279	7,726
less Asset disposals		371	420	404	100	158
plus Lost and found assets adjustment		–	–	–	–	–
plus Adjustment resulting from asset allocation		–	–	0	0	(0)
Total closing RAB value		101,071	101,722	104,498	110,624	113,283

#### 4(ii): Unallocated Regulatory Asset Base

	Unallocated RAB *	RAB
	(\$000)	(\$000)
Total opening RAB value	110,624	110,624
less Total depreciation	5,001	5,001
plus Total revaluations	93	93
plus Assets commissioned (other than below)	520	520
Assets acquired from a regulated supplier	–	–
Assets acquired from a related party	7,206	7,206
Assets commissioned	7,726	7,726
less Asset disposals (other than below)	158	158
Asset disposals to a regulated supplier	–	–
Asset disposals to a related party	–	–
Asset disposals	158	158
plus Lost and found assets adjustment	–	–
plus Adjustment resulting from asset allocation		(0)
Total closing RAB value	113,283	113,283

\* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide electricity distribution services without any allowance being made for the allocation of costs to services provided by the supplier that are not electricity distribution services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.

#### 4(iii): Calculation of Revaluation Rate and Revaluation of Assets

CPI <sub>x</sub>	1.193
CPI <sub>x</sub> <sup>4</sup>	1.192
Revaluation rate (%)	0.08%

	Unallocated RAB *		RAB
	(\$000)	(\$000)	(\$000)
Total opening RAB value	110,624		110,624
less Opening value of fully depreciated, disposed and lost assets	187		187
Total opening RAB value subject to revaluation	110,438		110,438
Total revaluations		93	93

#### 4(iv): Roll Forward of Works Under Construction

	Unallocated works under construction	Allocated works under construction
Works under construction—preceding disclosure year	1,998	1,998
plus Capital expenditure	7,341	7,341
less Assets commissioned	7,726	7,726
plus Adjustment resulting from asset allocation	–	–
Works under construction - current disclosure year	1,614	1,614
Highest rate of capitalised finance applied		1.30%

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

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

sch ref

#### 4(v): Regulatory Depreciation

Depreciation - standard  
Depreciation - no standard life assets  
Depreciation - modified life assets  
Depreciation - alternative depreciation in accordance with CPP  
**Total depreciation**

Unallocated RAB *		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
4,470		4,470	
531		531	
—		—	
—		—	
	5,001		5,001

#### 4(vi): Disclosure of Changes to Depreciation Profiles

(\$000 unless otherwise specified)

Asset or assets with changes to depreciation*	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value	
			under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—

\*Include additional rows if needed

#### 4(vii): Disclosure by Asset Category

(\$000 unless otherwise specified)

	Subtransmission		Zone substations	Distribution and LV		Distribution and LV substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
	lines	cables		lines	cables					
<b>Total opening RAB value</b>	5,395	669	7,108	26,837	27,118	21,417	10,891	7,449	3,741	110,624
less Total depreciation	223	24	281	1,185	1,072	687	530	445	556	5,001
plus Total revaluations	5	1	6	23	23	18	9	6	3	93
plus Assets commissioned	—	—	569	66	2,137	1,926	2,037	530	461	7,726
less Asset disposals	—	—	—	—	13	135	10	—	0	158
plus Lost and found assets adjustment	—	—	—	—	—	—	—	—	—	—
plus Adjustment resulting from asset allocation	—	—	—	—	—	—	—	—	—	—
plus Asset category transfers	—	—	—	—	—	—	—	—	—	—
<b>Total closing RAB value</b>	5,177	646	7,402	25,741	28,193	22,538	12,397	7,540	3,649	113,283
<b>Asset Life</b>										
Weighted average remaining asset life	27.9	35.9	30.8	27.4	31.5	37.1	28.5	21.9	8.2	(years)
Weighted average expected total asset life	57.2	50.2	49.6	58.7	48.7	53.2	37.9	33.1	9.9	(years)



## SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

44	<b>5a(iv): Amortisation of Revaluations</b>				(\$000)
45					
46	Opening sum of RAB values without revaluations		103,031		
47					
48	Adjusted depreciation		4,652		
49	Total depreciation		5,001		
50	Amortisation of revaluations			349	
51					
52	<b>5a(v): Reconciliation of Tax Losses</b>				(\$000)
53					
54	Opening tax losses		-		
55	plus Current period tax losses		-		
56	less Utilised tax losses		-		
57	Closing tax losses			-	
58	<b>5a(vi): Calculation of Deferred Tax Balance</b>				(\$000)
59					
60	Opening deferred tax		(3,777)		
61					
62	plus Tax effect of adjusted depreciation		1,303		
63					
64	less Tax effect of tax depreciation		1,170		
65					
66	plus Tax effect of other temporary differences *		167		
67					
68	less Tax effect of amortisation of initial differences in asset values		1,181		
69					
70	plus Deferred tax balance relating to assets acquired in the disclosure year		-		
71					
72	less Deferred tax balance relating to assets disposed in the disclosure year		5		
73					
74	plus Deferred tax cost allocation adjustment		0		
75					
76	Closing deferred tax			(4,663)	
77					
78	<b>5a(vii): Disclosure of Temporary Differences</b>				
79	In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).				
80					
81	<b>5a(viii): Regulatory Tax Asset Base Roll-Forward</b>				
82					(\$000)
83	Opening sum of regulatory tax asset values		37,308		
84	less Tax depreciation		4,180		
85	plus Regulatory tax asset value of assets commissioned		7,617		
86	less Regulatory tax asset value of asset disposals		168		
87	plus Lost and found assets adjustment		-		
88	Adjustment resulting from asset allocation		-		
89	plus Other adjustments to the RAB tax value		-		
90	Closing sum of regulatory tax asset values			40,577	

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2015

### SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination.  
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

*sch ref*

**5b(i): Summary—Related Party Transactions**

	(\$000)
Total regulatory income	—
Operational expenditure	2,609
Capital expenditure	6,389
Market value of asset disposals	37
Other related party transactions	(557)

**5b(ii): Entities Involved in Related Party Transactions**

Name of related party	Related party relationship
Horizon Services Limited	100% Owned
Aquaheat New Zealand Limited	100% Owned
Eastern Bay Energy Trust	Majority Shareholder

\* include additional rows if needed

**5b(iii): Related Party Transactions**

Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
Horizon Services Limited	Capex	Construction of Network Assets	6,389	IM clause 2.2.11(5)(g)
Horizon Services Limited	Opex	Maintenance of Network Assets	2,549	ID clause 2.3.6(1)(b)
Horizon Services Limited	Opex	Rental Expense	60	ID clause 2.3.6(1)(a)
Horizon Services Limited	Opex	Asset Disposals	37	ID clause 2.3.6(1)(d)
Horizon Services Limited	Opex	Management Fee Income from Subsidiary	(451)	ID clause 2.3.7(2)(c)
Aquaheat New Zealand Limited	Opex	Management Fee Income from Subsidiary	(95)	ID clause 2.3.7(2)(c)
Eastern Bay Energy Trust	Opex	Contribution towards Undergrounding Works	(4)	ID clause 2.3.7(2)(c)
Eastern Bay Energy Trust	Opex	Contribution towards Staff Training	(7)	ID clause 2.3.7(2)(c)

\* include additional rows if needed

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2015

### SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

This schedule is only to be completed if, as at the date of the most recently published financial statements, the weighted average original tenor of the debt portfolio (both qualifying debt and non-qualifying debt) is greater than five years.  
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

*sch ref*

**5c(i): Qualifying Debt (may be Commission only)**

Issuing party	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Cost of executing an interest rate swap	Debt issue cost readjustment
						—	—	—	—

\* include additional rows if needed

**5c(ii): Attribution of Term Credit Spread Differential**

Gross term credit spread differential	—
Total book value of interest bearing debt	
Leverage	44%
Average opening and closing RAB values	
Attribution Rate (%)	—
Term credit spread differential allowance	—

## SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. EDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

### 5d(i): Operating Cost Allocations

		Value allocated (\$000s)			
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	OVABAA allocation increase (\$000s)
<b>Service interruptions and emergencies</b>					
Directly attributable			820		
Not directly attributable		–	–	–	–
<b>Total attributable to regulated service</b>			820		
<b>Vegetation management</b>					
Directly attributable			440		
Not directly attributable		–	–	–	–
<b>Total attributable to regulated service</b>			440		
<b>Routine and corrective maintenance and inspection</b>					
Directly attributable			762		
Not directly attributable		–	–	–	–
<b>Total attributable to regulated service</b>			762		
<b>Asset replacement and renewal</b>					
Directly attributable			733		
Not directly attributable		–	–	–	–
<b>Total attributable to regulated service</b>			733		
<b>System operations and network support</b>					
Directly attributable			2,556		
Not directly attributable		–	–	–	–
<b>Total attributable to regulated service</b>			2,556		
<b>Business support</b>					
Directly attributable			–		
Not directly attributable		–	2,668	1,671	4,339
<b>Total attributable to regulated service</b>			2,668		
<b>Operating costs directly attributable</b>			5,312		
<b>Operating costs not directly attributable</b>		–	2,668	1,671	4,339
<b>Operational expenditure</b>			7,980		

### 5d(ii): Other Cost Allocations

		(\$000)
<b>Pass through and recoverable costs</b>		
<b>Pass through costs</b>		
Directly attributable		335
Not directly attributable		–
<b>Total attributable to regulated service</b>		335
<b>Recoverable costs</b>		
Directly attributable		10,660
Not directly attributable		–
<b>Total attributable to regulated service</b>		10,660

### 5d(iii): Changes in Cost Allocations\* †

		(\$000)	
		CY-1	Current Year (CY)
<b>Change in cost allocation 1</b>			
Cost category	–	–	–
Original allocator or line items	–	–	–
New allocator or line items	–	–	–
Rationale for change			
<b>Change in cost allocation 2</b>			
Cost category	–	–	–
Original allocator or line items	–	–	–
New allocator or line items	–	–	–
Rationale for change			
<b>Change in cost allocation 3</b>			
Cost category	–	–	–
Original allocator or line items	–	–	–
New allocator or line items	–	–	–
Rationale for change			

\* a change in cost allocation must be completed for each cost allocator change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.  
† include additional rows if needed

Company Name  
For Year Ended

Horizon Energy Distribution Limited  
31 March 2015

## SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

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

sch ref

### 5e(i): Regulated Service Asset Values

Value allocated (\$000s)  
Electricity distribution  
services

#### Subtransmission lines

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Subtransmission cables

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Zone substations

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Distribution and LV lines

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Distribution and LV cables

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Distribution substations and transformers

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Distribution switchgear

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Other network assets

Directly attributable  
Not directly attributable

Total attributable to regulated service

#### Non-network assets

Directly attributable  
Not directly attributable

Total attributable to regulated service

Regulated service asset value directly attributable

Regulated service asset value not directly attributable

Total closing RAB value

### 5e(ii): Changes in Asset Allocations\* †

#### Change in asset value allocation 1

Asset category  
Original allocator or line items  
New allocator or line items

Rationale for change

(\$000)

	CY-1	Current Year (CY)
Original allocation	–	–
New allocation	–	–
Difference	–	–

#### Change in asset value allocation 2

Asset category  
Original allocator or line items  
New allocator or line items

Rationale for change

(\$000)

	CY-1	Current Year (CY)
Original allocation	–	–
New allocation	–	–
Difference	–	–

#### Change in asset value allocation 3

Asset category  
Original allocator or line items  
New allocator or line items

Rationale for change

(\$000)

	CY-1	Current Year (CY)
Original allocation	–	–
New allocation	–	–
Difference	–	–

\* a change in asset allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.

† include additional rows if needed

## SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	<b>6a(i): Expenditure on Assets</b>	(\$000)	(\$000)
8	Consumer connection		97
9	System growth		222
10	Asset replacement and renewal		4,278
11	Asset relocations		8
12	Reliability, safety and environment:		
13	Quality of supply	2,042	
14	Legislative and regulatory	150	
15	Other reliability, safety and environment	98	
16	<b>Total reliability, safety and environment</b>		2,290
17	<b>Expenditure on network assets</b>		6,894
18	Expenditure on non-network assets		475
19			
20	<b>Expenditure on assets</b>		7,369
21	plus Cost of financing		109
22	less Value of capital contributions		137
23	plus Value of vested assets		–
24			
25	<b>Capital expenditure</b>		7,341
26	<b>6a(ii): Subcomponents of Expenditure on Assets (where known)</b>		(\$000)
27	Energy efficiency and demand side management, reduction of energy losses		–
28	Overhead to underground conversion		611
29	Research and development		–
30	<b>6a(iii): Consumer Connection</b>		
31	Consumer types defined by EDB*	(\$000)	(\$000)
32	130 - Customer Connection - NC1 assets created	97	
33		–	
34		–	
35		–	
36		–	
37	* include additional rows if needed		
38	<b>Consumer connection expenditure</b>		97
39			
40	less Capital contributions funding consumer connection expenditure	17	
41	<b>Consumer connection less capital contributions</b>		80
42	<b>6a(iv): System Growth and Asset Replacement and Renewal</b>		
43		System Growth	Asset Replacement and Renewal
44		(\$000)	(\$000)
45	Subtransmission	–	8
46	Zone substations	3	422
47	Distribution and LV lines	–	46
48	Distribution and LV cables	94	1,316
49	Distribution substations and transformers	51	1,037
50	Distribution switchgear	71	1,182
51	Other network assets	2	268
52	<b>System growth and asset replacement and renewal expenditure</b>	222	4,278
53	less Capital contributions funding system growth and asset replacement and renewal	–	105
54	<b>System growth and asset replacement and renewal less capital contributions</b>	222	4,173
55			
56	<b>6a(v): Asset Relocations</b>		
57	Project or programme*	(\$000)	(\$000)
58		–	
59		–	
60		–	
61		–	
62		–	
63	* include additional rows if needed		
64	All other projects or programmes - asset relocations	8	
65	<b>Asset relocations expenditure</b>		8
66	less Capital contributions funding asset relocations	–	
67	<b>Asset relocations less capital contributions</b>		8



## SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. EDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory Notes to Templates).

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

sch ref

68

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### 6a(vi): Quality of Supply

70

Project or programme\*

71

72

73

74

75

76

\* include additional rows if needed

77

All other projects programmes - quality of supply

78

Quality of supply expenditure

79

less Capital contributions funding quality of supply

80

Quality of supply less capital contributions

81

### 6a(vii): Legislative and Regulatory

82

Project or programme\*

83

84

85

86

87

88

\* include additional rows if needed

89

All other projects or programmes - legislative and regulatory

90

Legislative and regulatory expenditure

91

less Capital contributions funding legislative and regulatory

92

Legislative and regulatory less capital contributions

93

### 6a(viii): Other Reliability, Safety and Environment

94

Project or programme\*

95

96

97

98

99

100

\* include additional rows if needed

101

All other projects or programmes - other reliability, safety and environment

102

Other reliability, safety and environment expenditure

103

less Capital contributions funding other reliability, safety and environment

104

Other reliability, safety and environment less capital contributions

105

106

### 6a(ix): Non-Network Assets

107

#### Routine expenditure

108

Project or programme\*

109

Plant & Equipment

110

Land - Improvements

111

Buildings - Improvements

112

Vehicles

113

Intangible - Software

114

Other Information Technology

115

\* include additional rows if needed

116

All other projects or programmes - routine expenditure

117

Routine expenditure

118

#### Atypical expenditure

119

Project or programme\*

120

121

122

123

124

\* include additional rows if needed

125

All other projects or programmes - atypical expenditure

126

Atypical expenditure

127

Expenditure on non-network assets

128

(\$000)

(\$000)

—

—

—

—

—

2,042

2,042

15

2,027

(\$000)

(\$000)

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150

150

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(\$000)

(\$000)

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98

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98

(\$000)

(\$000)

144

100

9

57

34

102

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475

(\$000)

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475

SCHEDULE 6b: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a breakdown of operational expenditure incurred in the disclosure year. EDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operational expenditure and assets replaced or renewed as part of asset replacement and renewal operational expenditure, and additional information on insurance. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	6b(i): Operational Expenditure		(\$000)	(\$000)
8	Service interruptions and emergencies		820	
9	Vegetation management		440	
10	Routine and corrective maintenance and inspection		762	
11	Asset replacement and renewal		733	
12	Network opex			2,756
13	System operations and network support		2,556	
14	Business support		2,668	
15	Non-network opex			5,224
16				
17	Operational expenditure			7,980
18	6b(ii): Subcomponents of Operational Expenditure (where known)			
19	Energy efficiency and demand side management, reduction of energy losses			
20	Direct billing*			
21	Research and development			
22	Insurance			
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers			

Company Name	<b>Horizon Energy Distribution Limited</b>
For Year Ended	<b>31 March 2015</b>

## SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

This schedule compares actual revenue and expenditure to the previous forecasts that were made for the disclosure year. Accordingly, this schedule requires the forecast revenue and expenditure information from previous disclosures to be inserted.

EDBs must provide explanatory comment on the variance between actual and target revenue and forecast expenditure in Schedule 14 (Mandatory Explanatory Notes). This information is part of the audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8. For the purpose of this audit, target revenue and forecast expenditures only need to be verified back to previous disclosures.

sch ref

7	<b>7(i): Revenue</b>	<b>Target (\$000) <sup>1</sup></b>	<b>Actual (\$000)</b>	<b>% variance</b>
8	Line charge revenue	31,412	31,817	1%
9	<b>7(ii): Expenditure on Assets</b>	<b>Forecast (\$000) <sup>2</sup></b>	<b>Actual (\$000)</b>	<b>% variance</b>
10	Consumer connection	394	97	(75%)
11	System growth	492	222	(55%)
12	Asset replacement and renewal	3,977	4,278	8%
13	Asset relocations	20	8	(62%)
14	Reliability, safety and environment:			
15	Quality of supply	2,292	2,042	(11%)
16	Legislative and regulatory	77	150	95%
17	Other reliability, safety and environment	710	98	(86%)
18	<b>Total reliability, safety and environment</b>	<b>3,078</b>	<b>2,290</b>	<b>(26%)</b>
19	<b>Expenditure on network assets</b>	<b>7,961</b>	<b>6,894</b>	<b>(13%)</b>
20	Expenditure on non-network assets	1,669	475	(72%)
21	Expenditure on assets	9,629	7,369	(23%)
22	<b>7(iii): Operational Expenditure</b>			
23	Service interruptions and emergencies	564	820	46%
24	Vegetation management	482	440	(9%)
25	Routine and corrective maintenance and inspection	723	762	5%
26	Asset replacement and renewal	1,001	733	(27%)
27	<b>Network opex</b>	<b>2,769</b>	<b>2,756</b>	<b>(0%)</b>
28	System operations and network support	2,517	2,556	2%
29	Business support	2,741	2,668	(3%)
30	<b>Non-network opex</b>	<b>5,258</b>	<b>5,224</b>	<b>(1%)</b>
31	<b>Operational expenditure</b>	<b>8,027</b>	<b>7,980</b>	<b>(1%)</b>
32	<b>7(iv): Subcomponents of Expenditure on Assets (where known)</b>			
33	Energy efficiency and demand side management, reduction of energy losses	–	–	–
34	Overhead to underground conversion	278	611	120%
35	Research and development	–	–	–
36				
37	<b>7(v): Subcomponents of Operational Expenditure (where known)</b>			
38	Energy efficiency and demand side management, reduction of energy losses	–	–	–
39	Direct billing	–	–	–
40	Research and development	–	–	–
41	Insurance	–	–	–
42				

<sup>1</sup> From the nominal dollar target revenue for the disclosure year disclosed under clause 2.4.3(3) of this determination

<sup>2</sup> From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the disclosure year (the second to last disclosure of Schedules 11a and 11b)

Company Name

For Year Ended

Network / Sub-Network Name

Horizon Energy Distribution Limited

31 March 2015

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

sch ref

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8(i): Billed Quantities by Price Component

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Energy delivered to ICPs in disclosure year (MWh)
(N1R) General Rural N1 Group	Capacity	Standard	914	3,076
(N1U) General Urban N1 Group	Capacity	Standard	610	3,431
(N2R) General Rural N2 Group	Capacity	Standard	1,762	25,064
(N2U) General Urban N2 Group	Capacity	Standard	797	13,328
(N3R) General Rural N3 Group	Capacity	Standard	313	14,364
(N3U) General Urban N3 Group	Capacity	Standard	268	10,266
(N4R) General Rural N4 Group	Capacity	Standard	38	2,407
(N4U) General Urban N4 Group	Capacity	Standard	50	2,699
(N5R) General Rural N5 Group	Capacity	Standard	27	1,763
(N5U) General Urban N5 Group	Capacity	Standard	31	2,336
(LUDR) Domestic LFC Rural	Domestic	Standard	3,560	18,318
(LUDU) Domestic LFC Urban	Domestic	Standard	7,499	36,810
Rural	Domestic	Standard	404	986
(Urban)	Domestic	Standard	295	982
(SDR) Domestic Standard (Rural)	Domestic	Standard	3,318	28,062
(SDU) Domestic Standard (Urban)	Domestic	Standard	4,570	33,655
(NMD) Capacity Charge NMD	Network Maximum Demand	Standard	143	46,045
(EF) Electric Fence	Special	Standard	16	–
(PCM24) Telecom 24 hour	Special	Standard	77	–
(PCMN) Telecom Night	Special	Standard	17	–
(SL) Streetlight	Special	Standard	22	2,240
(UV) Underveranda Lighting	Special	Standard	17	–
Majors	Industrial	Non-standard	12	267,735
Add extra rows for additional consumer groups or price category codes as necessary				
Standard consumer totals			24,748	245,832
Non-standard consumer totals			12	267,735
Total for all consumers			24,760	513,566

Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)

Days	kVA/Day	kVA/Month	kW/Month	Light/Month	Month	kWh
333,870	–	–	–	–	–	3,076,395
222,666	–	–	–	–	–	3,430,642
643,274	–	–	–	–	–	25,063,772
290,718	–	–	–	–	–	13,328,088
114,254	–	–	–	–	–	14,363,786
97,921	–	–	–	–	–	10,266,388
13,870	–	–	–	–	–	2,406,671
18,046	–	–	–	–	–	2,699,363
–	4,810	–	–	–	–	1,763,337
–	5,348	–	–	–	–	2,335,787
1,299,067	–	–	–	–	–	18,317,834
2,736,232	–	–	–	–	–	36,809,662
147,401	–	–	–	–	–	986,430
107,714	–	–	–	–	–	981,780
1,211,038	–	–	–	–	–	28,062,061
1,668,188	–	–	–	–	–	33,654,547
–	–	36,814	24,969	–	–	46,044,819
5,840	–	–	–	–	–	–
–	–	–	–	–	924	–
–	–	–	–	–	204	–
–	–	–	–	4,676	–	2,240,297
6,094	–	–	–	–	–	–
–	–	–	–	–	144	267,734,644
8,916,193	10,157	36,814	24,969	4,676	1,128	245,831,660
–	–	–	–	–	–	267,734,644
8,916,193	10,157	36,814	24,969	4,676	1,272	513,566,303

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

Company Name  
For Year Ended  
Network / Sub-Network Name

Horizon Energy Distribution Limited  
31 March 2015

## SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

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

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)
(N1R) General Rural N1 Group	Capacity	Standard	\$651	—
(N1U) General Urban N1 Group	Capacity	Standard	\$469	—
(N2R) General Rural N2 Group	Capacity	Standard	\$3,460	—
(N2U) General Urban N2 Group	Capacity	Standard	\$1,265	—
(N3R) General Rural N3 Group	Capacity	Standard	\$1,230	—
(N3U) General Urban N3 Group	Capacity	Standard	\$775	—
(N4R) General Rural N4 Group	Capacity	Standard	\$230	—
(N4U) General Urban N4 Group	Capacity	Standard	\$277	—
(N5R) General Rural N5 Group	Capacity	Standard	\$257	—
(N5U) General Urban N5 Group	Capacity	Standard	\$230	—
(LUDR) Domestic LFC Rural	Domestic	Standard	\$2,127	—
(LUDU) Domestic LFC Urban	Domestic	Standard	\$4,308	—
Rural	Domestic	Standard	\$278	—
Urban	Domestic	Standard	\$210	—
(SDR) Domestic Standard (Rural)	Domestic	Standard	\$3,040	—
(SDU) Domestic Standard (Urban)	Domestic	Standard	\$3,994	—
(NMD) Capacity Charge NMD	Network Maximum Demand	Standard	\$3,627	—
(EF) Electric Fence	Special	Standard	\$3	—
(PCM24) Telecom 24 hour	Special	Standard	\$50	—
(PCMN) Telecom Night	Special	Standard	\$6	—
(SL) Streetlight	Special	Standard	\$273	—
(LUV) Underveranda Lighting	Special	Standard	\$4	—
Majors	Industrial	Non-standard	\$5,054	—

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

Standard consumer totals	\$26,763	—
Non-standard consumer totals	\$5,054	—
Total for all consumers	\$31,817	—

Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$ per day, \$ per kWh, etc.)
493	159	
363	106	
2,705	755	
924	341	
958	272	
543	233	
164	66	
191	86	
237	20	
208	22	
1,573	554	
3,175	1,134	
208	70	
159	51	
2,229	811	
2,876	1,118	
2,494	1,133	
3	0	
40	10	
5	1	
227	46	
3	0	
1,024	4,030	

\$19,777	\$6,986
\$1,024	\$4,030
\$20,801	\$11,016

#### Line charge revenues (\$000) by price component

Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Variable
\$/Day	c/kVA/Day	\$/kVA/Month	\$/kW/Month	\$/Light/Month	\$/Month	c/kWh
573	—	—	—	—	—	78
382	—	—	—	—	—	86
1,665	—	—	—	—	—	1,795
617	—	—	—	—	—	648
592	—	—	—	—	—	638
376	—	—	—	—	—	399
116	—	—	—	—	—	114
138	—	—	—	—	—	138
—	133	—	—	—	—	123
—	129	—	—	—	—	100
195	—	—	—	—	—	1,932
410	—	—	—	—	—	3,898
253	—	—	—	—	—	25
185	—	—	—	—	—	25
1,921	—	—	—	—	—	1,120
2,846	—	—	—	—	—	1,348
—	—	\$28	1,721	—	—	1,378
3	—	—	—	—	—	—
—	—	—	—	—	50	—
—	—	—	—	—	6	—
—	—	—	—	273	—	—
4	—	—	—	—	—	—
—	—	—	—	—	5,054	—

\$10,077	\$263	\$528	\$1,721	\$273	\$55	\$13,846
—	—	—	—	—	\$5,054	—
\$10,077	\$263	\$528	\$1,721	\$273	\$5,109	\$13,846

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

### 8(iii): Number of ICPs directly billed

Number of directly billed ICPs at year end

8

Check OK

Company Name **Horizon Energy Distribution Limited**For Year Ended **31 March 2015**

Network / Sub-network Name

**SCHEDULE 9a: ASSET REGISTER**

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

					Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
8	Voltage	Asset category	Asset class	Units				
9	AI	Overhead Line	Concrete poles / steel structure	No.	18,435	18,307	(128)	2
10	AI	Overhead Line	Wood poles	No.	2,009	1,946	(63)	2
11	AI	Overhead Line	Other pole types	No.	70	46	(24)	2
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	174	179	5	1
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	—	—	—	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	4	4	0	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	—	—	—	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	—	—	—	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	—	—	—	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	—	—	—	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	—	—	—	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	—	—	—	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	—	—	—	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	—	—	—	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	11	10	(1)	3
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	—	—	—	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	—	—	—	4
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	—	—	—	2
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	—	—	—	4
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	26	20	(6)	1
29	HV	Zone substation switchgear	33kV RMU	No.	—	—	—	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	10	10	—	N/A
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	8	9	1	N/A
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	53	54	1	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	6	6	—	4
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	15	15	—	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,447	1,447	1	3
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	—	—	—	N/A
37	HV	Distribution Line	SWER conductor	km	62	63	1	3
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	154	161	7	2
39	HV	Distribution Cable	Distribution UG PILC	km	35	34	(1)	2
40	HV	Distribution Cable	Distribution Submarine Cable	km	—	—	—	N/A
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	100	102	2	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	—	—	—	N/A
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	4,328	4,157	(171)	1
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	—	—	—	N/A
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	213	229	16	3
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	2,484	2,488	4	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	729	736	7	2
48	HV	Distribution Transformer	Voltage regulators	No.	1	1	—	4
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	784	754	(30)	2
50	LV	LV Line	LV OH Conductor	km	229	265	36	2
51	LV	LV Cable	LV UG Cable	km	277	342	65	2
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	211	233	22	2
53	LV	Connections	OH/UG consumer service connections	No.	24,733	24,820	87	3
54	AI	Protection	Protection relays (electromechanical, solid state and numeric)	No.	99	99	—	3
55	AI	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	—	4
56	AI	Capacitor Banks	Capacitors including controls	No	1	1	—	4
57	AI	Load Control	Centralised plant	Lot	4	4	—	4
58	AI	Load Control	Relays	No	—	—	—	N/A
59	AI	Civils	Cable Tunnels	km	—	—	—	N/A

**SCHEDULE 9b: ASSET AGE PROFILE**

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

[illegible]

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2015

Network / Sub-network Name

**SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES**

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

**Circuit length by operating voltage (at year end)**

&gt; 66kV

50kV &amp; 66kV

33kV

SWER (all SWER voltages)

22kV (other than SWER)

6.6kV to 11kV (inclusive—other than SWER)

Low voltage (&lt; 1kV)

**Total circuit length (for supply)**

Dedicated street lighting circuit length (km)

Circuit in sensitive areas (conservation areas, iwi territory etc) (km)

**Overhead circuit length by terrain (at year end)**

Urban

Rural

Remote only

Rugged only

Remote and rugged

Unallocated overhead lines

**Total overhead length**

Length of circuit within 10km of coastline or geothermal areas (where known)

Overhead circuit requiring vegetation management

Overhead (km)	Underground (km)	Total circuit length (km)
—	—	—
—	—	—
179	4	182
63	—	63
—	—	—
1,447	194	1,642
265	342	607
1,954	540	2,494
—	19	19
		459

Circuit length (km)	(% of total overhead length)
221	11%
1,022	52%
165	8%
367	19%
120	6%
59	3%
1,954	100%

Circuit length (km)	(% of total circuit length)
1,871	75%

Circuit length (km)	(% of total overhead length)
1,954	100%



SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

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

sch ref

8	Location *	Number of ICPs served	Line charge revenue
			(\$000)
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	* Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB's network or in another embedded network		

Company Name **Horizon Energy Distribution Limited**

For Year Ended **31 March 2015**

Network / Sub-network Name

## SCHEDULE 9e: REPORT ON NETWORK DEMAND

This schedule requires a summary of the key measures of network utilisation for the disclosure year (number of new connections including distributed generation, peak demand and electricity volumes conveyed).

sch ref

### 9e(i): Consumer Connections

Number of ICPs connected in year by consumer type

Consumer types defined by EDB\*

Domestic
Capacity
Network Maximum Demand
Majors
Specials

\* include additional rows if needed

Connections total

Number of  
connections (ICPs)

21
96
1
1
–

119

### Distributed generation

Number of connections made in year

Capacity of distributed generation installed in year

22 connections

0 MVA

### 9e(ii): System Demand

#### Maximum coincident system demand

GXP demand

plus Distributed generation output at HV and above

Maximum coincident system demand

less Net transfers to (from) other EDBs at HV and above

Demand on system for supply to consumers' connection points

Demand at time of  
maximum  
coincident demand  
(MW)

82
3
84
–
84

#### Electricity volumes carried

Electricity supplied from GXPs

less Electricity exports to GXPs

plus Electricity supplied from distributed generation

less Net electricity supplied to (from) other EDBs

Electricity entering system for supply to consumers' connection points

less Total energy delivered to ICPs

Electricity losses (loss ratio)

Load factor

Energy (GWh)

458
–
81
–
539
514
25

4.6%

0.73

### 9e(iii): Transformer Capacity

Distribution transformer capacity (EDB owned)

Distribution transformer capacity (Non-EDB owned, estimated)

Total distribution transformer capacity

Zone substation transformer capacity

(MVA)

224
79
303
88

Company Name	Horizon Energy Distribution Limited
For Year Ended	31 March 2015
Network / Sub-network Name	

## SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

### 10(i): Interruptions

#### Interruptions by class

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

#### Number of interruptions

2
84
120
4
–
–
–
–
1
211

Total

#### Interruption restoration

Class C interruptions restored within

#### ≤3Hrs >3hrs

97	23
----	----

#### SAIFI and SAIDI by class

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

#### SAIFI SAIDI

0.43	183.3
0.22	25.9
1.76	147.0
0.89	34.6
–	–
–	–
–	–
–	–
0.00	–
3.31	390.7

Total

#### Normalised SAIFI and SAIDI

Classes B & C (interruptions on the network)

#### Normalised SAIFI Normalised SAIDI

1.98	172.9
------	-------

#### Quality path normalised reliability limit

SAIFI and SAIDI limits applicable to disclosure year\*  
\* not applicable to exempt EDBs

#### SAIFI reliability limit SAIDI reliability limit

2.40	220.1
------	-------

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

#### Cause

Lightning
Vegetation
Adverse weather
Adverse environment
Third party interference
Wildlife
Human error
Defective equipment
Cause unknown

#### SAIFI SAIDI

0.18	11.0
0.25	19.0
0.09	8.9
–	–
0.29	22.0
0.12	10.5
–	–
0.44	53.0
0.40	22.5

Company Name **Horizon Energy Distribution Limited**

For Year Ended **31 March 2015**

Network / Sub-network Name

## SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

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

#### Main equipment involved

	SAIFI	SAIDI
Subtransmission lines	0.00	0.1
Subtransmission cables	—	—
Subtransmission other	—	—
Distribution lines (excluding LV)	0.18	19.8
Distribution cables (excluding LV)	0.04	6.0
Distribution other (excluding LV)	—	—

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

#### Main equipment involved

	SAIFI	SAIDI
Subtransmission lines	0.22	6.1
Subtransmission cables	—	—
Subtransmission other	—	—
Distribution lines (excluding LV)	1.32	121.2
Distribution cables (excluding LV)	0.22	19.7
Distribution other (excluding LV)	—	—

### 10(v): Fault Rate

#### Main equipment involved

	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	4	179	2.24
Subtransmission cables	—	4	—
Subtransmission other	—	—	—
Distribution lines (excluding LV)	107	1,511	7.08
Distribution cables (excluding LV)	9	194	4.63
Distribution other (excluding LV)	—	—	—
<b>Total</b>	<b>120</b>		

Company Name	Horizon Energy Distribution Limited
For Year Ended	31 March 2015

## Schedule 14      Mandatory Explanatory Notes

1. This schedule requires EDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and sub clauses 2.5.1(1)(f), and 2.5.2(1)(e).
2. This schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 12 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for EDBs to give additional explanation of disclosed information should they elect to do so.

### *Return on Investment (Schedule 2)*

4. In the box below, comment on return on investment as disclosed in Schedule 2. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

**Box 1: Explanatory comment on return on investment**  
There were no reclassified items during the disclosure year.

### *Regulatory Profit (Schedule 3)*

5. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 3. This comment must include-
  - 5.1 a description of material items included in other regulated income (other than gains / (losses) on asset disposals), as disclosed in 3(i) of Schedule 3
  - 5.2 information on reclassified items in accordance with subclause 2.7.1(2).

#### **Box 2: Explanatory comment on regulatory profit**

\$ 8,131 Insurance proceeds for DPP Breach  
 \$61,900 Insurance proceeds for Network Assets  
 \$74,650 Application Fees  
 \$47,595 Miscellaneous Network Service Income  
\$ 4,461 Bad debts recovered  
 \$196,737 Total

There were no reclassified items during the disclosure year.

*Merger and acquisition expenses (3(iv) of Schedule 3)*

6. If the EDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below-
- 6.1 information on reclassified items in accordance with subclause 2.7.1(2)
  - 6.2 any other commentary on the benefits of the merger and acquisition expenditure to the EDB.

**Box 3: Explanatory comment on merger and acquisition expenditure**

There was no merger and acquisition activity during the year.

There have been no items classified differently from the previous year.

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

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

**Box 4: Explanatory comment on the value of the regulatory asset based (rolled forward)**

The Regulatory Asset Base has been calculated in accordance with the IM Determination. However the information contained in Schedule 4(vii) is based on historical records manually maintained in spreadsheet format. Sufficient records have been utilised where possible to comply with the Electricity Distribution Information Disclosure Determination 2012 to determine asset category and asset life. However the historical information used to determine asset category and asset life has been sourced from spreadsheets where the requirements under the Electricity Distribution Information Disclosure Determination 2012 could not have been previously foreseen, and therefore historically these spreadsheets have not been wholly maintained to determine asset category and asset life at the level required under the Electricity Distribution Information Disclosure Determination 2012.

There have been no items classified differently from the previous year.

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

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-
- 8.1 Income not included in regulatory profit / (loss) before tax but taxable;
  - 8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible;
  - 8.3 Income included in regulatory profit / (loss) before tax but not taxable;

8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax.

**Box 5: Regulatory tax allowance: permanent differences**

Income not included in regulatory profit / (loss) before tax but taxable:

Nil

Expenditure or loss in regulatory profit / (loss) before tax but not deductible:

\$11,000	Non Deductible Professional Fees
\$6,000	Entertainment Non Deductible
\$15,000	Provision for Doubtful Debts
\$67,000	Provisions Relating to Employee Costs
(\$100,000)	Movement in Bonus Provision
<u>(\$38,000)</u>	General Accrual
(\$39,000)	Total

Income included in regulatory profit / (loss) before tax but not taxable:

Revaluation from schedule 4 (iii) \$93,000

Expenditure or loss deductible but not in regulatory profit / (loss) before tax:

Nil

*Regulatory tax allowance: disclosure of temporary differences (5a(vi) of Schedule 5a)*

9. In the box below, provide descriptions and workings of material items recorded in the asterisked category 'Tax effect of other temporary differences' in 5a(vi) of Schedule 5a.

**Box 6: Tax effect of other temporary differences (current disclosure year)**

\$95,000	Movement in DPP Breach Provision
\$4,000	Provision for Doubtful Debts
\$16,000	Movement in Holiday Pay Provision
\$62,000	Movement in Bonus Provision
\$1,000	ACC Accrual
<u>(\$11,000)</u>	General Accrual
\$167,000	Total

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

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

**Box 7: Related party transactions**

Schedule 5b contains disclosure of all related party transactions.

*Cost allocation (Schedule 5d)*

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

**Box 8: Cost allocation**

Cost Allocations have been calculated using the ABAA approach as per the IM Determination.

All operating costs except Business Support costs are directly attributable to regulated services. Business Support costs have been allocated to regulated and unregulated services using proxy cost allocators such as; Management's estimate of percentage of staff time working on regulated and unregulated services, apportionment of office space utilised for staff conducting regulated and unregulated services, and apportionment of ICT related costs based on number of staff within regulated and unregulated services. Further use of causal relationships has been utilised to allocate costs to regulated and unregulated services, where the cost driver has led to the cost being incurred.

No items have been reclassified during the disclosure year.

*Asset allocation (Schedule 5e)*

12. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

**Box 9: Commentary on asset allocation**

Asset Allocations have been calculated using the ABAA approach as per the IM Determination.

All regulated service asset values except Non-Network asset values are directly attributable to regulated services. Non-Network asset values comprise of ICT equipment and have been allocated to regulated services where a causal relationship exists. Due to the quantum allocated to unregulated services deemed as being not material, Schedule 5e has 100% of the not directly attributable Non-Network asset values being allocated to regulated services.

No items have been reclassified during the disclosure year.



*Capital Expenditure for the Disclosure Year (Schedule 6a)*

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

**Box 10: Explanation of capital expenditure for the disclosure year**

The level of materiality applied for project disclosure is \$300K.

There were no reclassified items during the disclosure year.

*Operational Expenditure for the Disclosure Year (Schedule 6b)*

14. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-
- 14.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b;
  - 14.2 Information on reclassified items in accordance with sub clause 2.7.1(2);
  - 14.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

**Box 11: Explanation of operational expenditure for the disclosure year**

The OPEX category asset replacement and renewal is used mainly for: non capital expenditure driven by CAPEX work and refurbishment jobs that do not increase the life of the main asset e.g. Cross-arm replacement and cable termination replacement.

There were no reclassified items during the disclosure year.

*Variance between forecast and actual expenditure (Schedule 7)*

15. In the box below, comment on variance in actual to forecast expenditure for the disclosure year, as reported in Schedule 7. This comment must include information on reclassified items in accordance with sub clause 2.7.1(2).

**Box 12: Explanatory comment on variance in actual to forecast expenditure**

Customer Connection and System Growth: Lower than forecast due to a lower than expected number of customer connections requiring capacity upgrades.

Asset Replacement: Higher than forecast mainly due to asset condition testing results and some work reclassified from other reliability, safety and environment.

Quality of supply: Lower than forecast due to a higher asset replacement and re-evaluation of project business cases

Non-network assets: Lower than forecast due to deferment of the decision to procure an Asset Management System.

Overhead to underground conversion: Higher than forecast in part due to timing of contributions received from external parties.

There were no reclassified items during the disclosure year.

*Information relating to revenues and quantities for the disclosure year*

16. In the box below provide-

16.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and sub clause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and

16.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

**Box 13: Explanatory comment relating to revenue for the disclosure year**

There was no material difference between the forecast and actual revenue for the disclosure year.

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

17. In the box below, comment on network reliability for the disclosure year, as disclosed in Schedule 10.

**Box 14: Commentary on network reliability for the disclosure year**

Network reliability is compliant with quality requirements under the default price-quality path.

SAIDI and SAIFI for Class A (Planned interruptions by Transpower) were higher than previous years due to two planned shutdowns affecting the Opotiki area.

*Insurance cover*

18. In the box below, provide details of any insurance cover for the assets used to provide electricity distribution services, including-

18.1 The EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;

18.2 In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

**Box 15: Explanation of insurance cover**

Property insurance coverage for 2014-15 includes Material Damage and Business Interruption with an insured value of \$71.2M. Other insurance lines include Motor Vehicle insurance with third party coverage at \$10M.

There is no self-insurance or reinsurance scheme operated by Horizon Energy Distribution Limited.

*Amendments to previously disclosed information*

19. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:

19.1 a description of each error; and

19.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

**Box 16: Disclosure of amendment to previously disclosed information**

There were no material errors requiring disclosure of amendments to previously disclosed information.



## Independent auditor's reasonable assurance report

### **To the Directors of Horizon Energy Distribution Limited and to the New Zealand Commerce Commission**

#### **Report on the Electricity Distribution Information Disclosure requirements 2012 for the year ended 31 March 2015**

We were engaged by the board of directors of Horizon Energy Distribution Limited to report on Horizon Energy Distribution Limited's Electricity Distribution Information Disclosure Requirements Information Templates comprising the following; Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(iv)) and 14 (boxes 1-12) as at 31 March 2015 for the year then ended (the "schedules") in the form of an independent reasonable assurance conclusion about whether the schedules are prepared, in all material respects, in compliance with the Commerce Commission Information Disclosure Determination 2012 and the related Reasons Paper and Input Methodologies (together "the determination").

#### **Horizon Energy Distribution Limited's responsibility**

The directors of Horizon Energy Distribution Limited are responsible for preparing schedules that are free from material misstatement in compliance with the determination and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of schedules that are free from material misstatement, whether due to fraud or error. It also includes ensuring that Horizon Energy Distribution Limited complies with the determination; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the schedules.

The directors are also responsible for preventing and detecting fraud and for identifying and ensuring that Horizon Energy Distribution Limited complies with laws and regulations applicable to its activities. The directors are responsible for ensuring that management and staff involved with the preparation of the schedules are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

#### **Our responsibility**

Our responsibility is to express a conclusion to the directors and the New Zealand Commerce Commission on the preparation and presentation of the schedules in compliance with the determination.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) (ISAE (NZ) 3000 (Revised)), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and Standard on Assurance Engagements (SAE) 3100 *Compliance Engagements* issued by the External Reporting Board of New Zealand and accordingly included such tests and procedures as we considered necessary in the circumstances. Our procedures included obtaining an understanding of the schedules and examination, on a test basis, of evidence supporting the schedules. These procedures have been undertaken to form an opinion whether, in all material respects, the schedules have been prepared in compliance with the determination for the year ended 31 March 2015.



In making our risk assessments, we have considered internal control relevant to the preparation of the schedules in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Horizon Energy Distribution Limited's internal control over the preparation of the schedules. Our engagement also included: assessing the appropriateness of the schedules, the suitability of the criteria used by Horizon Energy Distribution Limited in preparing the schedules in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the schedules and the reasonableness of estimates made by Horizon Energy Distribution Limited and evaluating the overall presentation of the schedules. Reasonable assurance is less than absolute assurance.

Our firm has also provided audit and other assurance services to Horizon Energy Distribution Limited.

Other than in our capacity as statutory auditor and assurance practitioner, we have no relationship with, or interest in, Horizon Energy Distribution Limited.

## **Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion;

- Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(iv)) and 14 (boxes 1-12) as at 31 March 2015 for the year then ended are prepared in compliance with the determination, in all material respects;
- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the schedules as at 31 March 2015 have been kept by Horizon Energy Distribution Limited and
- The information used in the preparation of the schedules as at 31 March 2015 has been properly extracted from Horizon Energy Distribution Limited's accounting and other records and has been sourced, where appropriate, from Horizon Energy Distribution Limited's financial and non-financial systems.

In accordance with the terms of our engagement, this independent reasonable assurance report on the schedules has been prepared for the directors and the New Zealand Commerce Commission solely in connection with the directors responsibilities under the determination and for no other purpose or in any other context.



### **Restriction of distribution and use**

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Horizon Energy Distribution Limited and the New Zealand Commerce Commission in relation to section 2.8.1 of the Electricity Distribution Information Disclosure Determination 2012 for any purpose or in any context. Any party other than Horizon Energy Distribution Limited and the New Zealand Commerce Commission who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Horizon Energy Distribution Limited and the New Zealand Commerce Commission for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to Horizon Energy Distribution Limited and the New Zealand Commerce Commission on the basis that it shall not be copied, referred to or disclosed, in whole (except for Horizon Energy Distribution Limited's own internal purposes) or in part, without our prior written consent.

A handwritten signature in black ink, appearing to read 'KPMG'.

KPMG

Auckland

05 August 2015

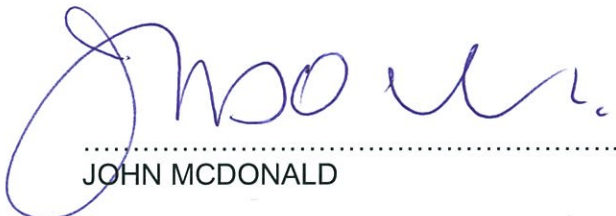
## Certification for Year-end Disclosures

### Clause 2.9.2

We, ROBERT TAIT and JOHN MCDONALD, being directors of HORIOZN ENERGY DISTRIBUTION LIMITED certify that, having made all reasonable enquiry, to the best of our knowledge-

- a) the information prepared for the purposes of clauses 2.3.1, 2.3.2, 2.4.21, 2.5.1, and 2.7.1 of the Electricity Distribution Information Disclosure Determination 2012 in all material respects complies with that determination; and
- b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 9e, 10, and 14 has been properly extracted from the HORIZON ENERGY DISTRIBUTION LIMITED's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained. In addition, while historical records have been maintained, requirements under the Electricity Distribution Information Disclosure Determination 2012 specific to clauses 2.5.1(1)(a) and 2.5.1(1)(b) could not have been previously foreseen to have been required and therefore information obtained from the Geospatial Information Systems will not be wholly sufficient for the purposes of Electricity Distribution Information Disclosure Determination 2012.

Dated 30 day of July 2015

  
.....  
JOHN MCDONALD

  
.....  
ROBERT TAIT