
HORIZON ENERGY DISTRIBUTION LIMITED

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

For the Year Ended 31 March 2023

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Introduction

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

- Electricity Distribution Information Disclosure Determination 2012.

Reports

1 Analytical Ratios

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2023

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 this ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of this determination.

This information is part of audited disclosure information (as defined in section 1.4 of this 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

21,016

448

120,167

4,298

41,310

7,392

158

42,267

1,512

14,530

13,624

290

77,900

2,786

26,780

14,228

303

81,356

2,910

27,968

13,868

296

79,294

2,836

27,259

360

8

2,061

74

709

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

60,538

1,290

106,877

1,127

15,270

180,223

23

1(iii): Service intensity measures

Demand density

Volume density

Connection point density

Energy intensity

36

205

10

21,312

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

11,278

7,583

7,153

9,975

—

16,041

32,080

35.15%

23.64%

22.30%

31.09%

—

50.00%

40

1(v): Reliability

Interruption rate

20.05

Interruptions per 100 circuit km

2 Report on Return on Investment

Company Name **Horizon Energy Distribution Limited**
For Year Ended **31 March 2023**

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 this 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).

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

sch ref

2(i): Return on Investment

ROI – comparable to a post tax WACC

Reflecting all revenue earned
Excluding revenue earned from financial incentives
Excluding revenue earned from financial incentives and wash-ups

CY-2 31 Mar 21 %	CY-1 31 Mar 22 %	Current Year CY 31 Mar 23 %
6.81%	13.41%	10.62%
7.01%	12.29%	9.91%
7.01%	12.22%	9.84%

Mid-point estimate of post tax WACC

25th percentile estimate
75th percentile estimate

3.72%	3.52%	4.88%
3.04%	2.84%	4.20%
4.40%	4.20%	5.56%

ROI – comparable to a vanilla WACC

Reflecting all revenue earned
Excluding revenue earned from financial incentives
Excluding revenue earned from financial incentives and wash-ups

6.81%	13.41%	10.62%
7.01%	12.29%	9.91%
7.01%	12.22%	9.84%

WACC rate used to set regulatory price path

4.57%	4.57%	4.57%
-------	-------	-------

Mid-point estimate of vanilla WACC

25th percentile estimate
75th percentile estimate

4.05%	3.82%	5.39%
3.37%	3.14%	4.71%
4.73%	4.50%	6.07%

2(ii): Information Supporting the ROI

(\$000)

Total opening RAB value
plus Opening deferred tax

150,720	
–	
	150,720

Opening RIV

Line charge revenue

32,486

Expenses cash outflow
add Assets commissioned
less Asset disposals
add Tax payments
less Other regulated income

18,861
8,223
549
–
(406)

Mid-year net cash outflows

26,940

Term credit spread differential allowance

–

Total closing RAB value
less Adjustment resulting from asset allocation
less Lost and found assets adjustment
plus Closing deferred tax

161,216
(0)
–
–

Closing RIV

161,216

ROI – comparable to a vanilla WACC

10.62%

Leverage (%)
Cost of debt assumption (%)
Corporate tax rate (%)

42%
4.38%
–

ROI – comparable to a post tax WACC

10.62%

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 this 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

Opening RIV						N/A
	Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
April	—	—	—	—	—	—
May	—	—	—	—	—	—
June	—	—	—	—	—	—
July	—	—	—	—	—	—
August	—	—	—	—	—	—
September	—	—	—	—	—	—
October	—	—	—	—	—	—
November	—	—	—	—	—	—
December	—	—	—	—	—	—
January	—	—	—	—	—	—
February	—	—	—	—	—	—
March	—	—	—	—	—	—
Total	—	—	—	—	—	—
Tax payments						N/A
Term credit spread differential allowance						N/A
Closing RIV						N/A
Monthly ROI – comparable to a vanilla WACC						N/A
Monthly ROI – comparable to a post tax WACC						N/A

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

Year-end ROI – comparable to a vanilla WACC	9.63%
Year-end ROI – comparable to a post tax WACC	9.63%

* 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

Net recoverable costs allowed under incremental rolling incentive scheme	—
Purchased assets – avoided transmission charge	738
Energy efficiency and demand incentive allowance	—
Quality incentive adjustment	48
Other financial incentives	249
Financial incentives	1,035
Impact of financial incentives on ROI	0.71%
Input methodology claw-back	—
CPP application recoverable costs	—
Catastrophic event allowance	—
Capex wash-up adjustment	94
Transmission asset wash-up adjustment	—
2013–15 NPV wash-up allowance	—
Reconsideration event allowance	—
Other wash-ups	—
Wash-up costs	94
Impact of wash-up costs on ROI	0.06%

3 Report on Regulatory Profit

Company Name	Horizon Energy Distribution Limited
For Year Ended	31 March 2023

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref		
7	3(i): Regulatory Profit	(\$000)
8	Income	
9	Line charge revenue	32,486
10	plus Gains / (losses) on asset disposals	(649)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	243
12		
13	Total regulatory income	32,080
14	Expenses	
15	less Operational expenditure	11,278
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	7,583
18		
19	Operating surplus / (deficit)	13,220
20		
21	less Total depreciation	7,153
22		
23	plus Total revaluations	9,975
24		
25	Regulatory profit / (loss) before tax	16,041
26		
27	less Term credit spread differential allowance	—
28		
29	less Regulatory tax allowance	—
30		
31	Regulatory profit/(loss) including financial incentives and wash-ups	16,041
32		
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)
34	Pass through costs	
35	Rates	269
36	Commerce Act levies	75
37	Industry levies	103
38	CPP specified pass through costs	—
39	Recoverable costs excluding financial incentives and wash-ups	
40	Electricity lines service charge payable to Transpower	3,640
41	Transpower new investment contract charges	—
42	System operator services	—
43	Distributed generation allowance	3,449
44	Extended reserves allowance	—
45	Other recoverable costs excluding financial incentives and wash-ups	47
46	Pass-through and recoverable costs excluding financial incentives and wash-ups	7,583
47		

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

48	3(iii): Incremental Rolling Incentive Scheme		(\$000)	
49			CY-1	CY
50				31 Mar 23
51	Allowed controllable opex		—	—
52	Actual controllable opex		—	—
53				
54	Incremental change in year			—
55				
56			Previous years' incremental change	Previous years' incremental change adjusted for inflation
57	CY-5	[year]	—	—
58	CY-4	[year]	—	—
59	CY-3	[year]	—	—
60	CY-2	[year]	—	—
61	CY-1	[year]	—	—
62	Net incremental rolling incentive scheme			—
63				
64	Net recoverable costs allowed under incremental rolling incentive scheme			—
65	3(iv): Merger and Acquisition Expenditure		(\$000)	
70				
66	Merger and acquisition expenditure			—
67				
68	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)			
69	3(v): Other Disclosures		(\$000)	
70				
71	Self-insurance allowance			—

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

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2023

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 this 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)

RAB

CY-4

(\$000)

RAB

CY-3

(\$000)

RAB

CY-2

(\$000)

RAB

CY-1

(\$000)

RAB

CY

(\$000)

124,950

133,086

138,573

141,247

150,720

Total opening RAB value

6,456

6,540

6,482

6,761

7,153

less Total depreciation

1,851

3,337

2,105

9,770

9,975

plus Total revaluations

12,884

9,826

7,154

6,593

8,223

plus Assets commissioned

142

1,136

103

129

549

less Asset disposals

-

-

-

-

-

plus Lost and found assets adjustment

0

(0)

0

(0)

(0)

plus Adjustment resulting from asset allocation

133,086

138,573

141,247

150,720

161,216

4(ii): Unallocated Regulatory Asset Base

Unallocated RAB *

(\$000)

(\$000)

RAB

(\$000)

(\$000)

150,720

7,153

9,975

140

-

8,083

8,223

549

-

-

161,216

150,720

833

149,887

less Opening value of fully depreciated, disposed and lost assets

833

Total opening RAB value subject to revaluation

149,887

plus Total revaluations

9,975

150,720

149,887

1,750

less Opening value of fully depreciated, disposed and lost assets

833

Total opening RAB value subject to revaluation

149,887

plus Total revaluations

1,750

4(iv): Roll Forward of Works Under Construction

Unallocated works under construction

2,233

Allocated works under construction

2,233

7,739

8,223

less Assets commissioned

8,223

plus Adjustment resulting from asset allocation

-

1,750

1,750

less Assets commissioned

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less Assets commissioned

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plus Adjustment resulting from asset allocation

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1,750

1,750

less Assets commissioned

8,223

plus Adjustment resulting from asset allocation

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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 this 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)
6,501		6,501	
652		652	
—		—	
—		—	
	7,153		7,153

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 lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
Total opening RAB value	7,363	1,327	10,704	25,889	41,432	30,274	21,595	9,003	3,133	150,720
less Total depreciation	337	44	415	1,514	1,526	1,015	866	779	656	7,153
plus Total revaluations	490	88	712	1,723	2,756	2,012	1,434	599	160	9,975
plus Assets commissioned	1	—	(489)	1,570	3,257	1,549	1,688	502	145	8,223
less Asset disposals	—	—	—	3	—	30	33	—	482	549
plus Lost and found assets adjustment	—	—	—	—	—	—	—	—	—	—
plus Adjustment resulting from asset allocation	—	—	—	—	—	—	—	—	—	—
plus Asset category transfers	—	—	—	—	—	—	—	—	—	—
Total closing RAB value	7,517	1,371	10,512	27,665	45,920	32,791	23,817	9,323	2,299	161,216
Asset Life										
Weighted average remaining asset life	31.5	41.7	39.2	27.4	38.3	34.9	31.6	15.9	6.7	(years)
Weighted average expected total asset life	53.8	52.6	50.9	57.2	52.8	49.9	39.7	27.9	9.8	(years)

5a Report on Regulatory Tax Allowance

	Company Name	Horizon Energy Distribution Limited
	For Year Ended	31 March 2023

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	5a(i): Regulatory Tax Allowance		(\$000)
8	Regulatory profit / (loss) before tax		16,041
9			
10	plus Income not included in regulatory profit / (loss) before tax but taxable	–	*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	52	*
12	Amortisation of initial differences in asset values	4,219	
13	Amortisation of revaluations	1,686	
14			5,957
15			
16	less Total revaluations	9,975	
17	Income included in regulatory profit / (loss) before tax but not taxable	–	*
18	Discretionary discounts and customer rebates	–	
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	–	*
20	Notional deductible interest	2,714	
21			12,689
22			
23	Regulatory taxable income		9,309
24			
25	less Utilised tax losses	–	
26	Regulatory net taxable income		9,309
27			
28	Corporate tax rate (%)	–	
29	Regulatory tax allowance		–
30			
31	* Workings to be provided in Schedule 14		
32			
33	5a(ii): Disclosure of Permanent Differences		
34	In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).		
35			
36	5a(iii): Amortisation of Initial Difference in Asset Values		(\$000)
37	Opening unamortised initial differences in asset values	23,120	
38	less Amortisation of initial differences in asset values	4,219	
39	plus Adjustment for unamortised initial differences in assets acquired	–	
40	less Adjustment for unamortised initial differences in assets disposed	–	
41	Closing unamortised initial differences in asset values		18,901
42			
43	Opening weighted average remaining useful life of relevant assets (years)		5

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref			
44	5a(iv): Amortisation of Revaluations		(\$000)
45			
46	Opening sum of RAB values without revaluations	128,375	
47			
48	Adjusted depreciation	5,468	
49	Total depreciation	7,153	
50	Amortisation of revaluations		1,686
51			
52	5a(v): Reconciliation of Tax Losses		(\$000)
53			
54	Opening tax losses	—	
55	plus Current period tax losses	—	
56	less Utilised tax losses	—	
57	Closing tax losses		—
58	5a(vi): Calculation of Deferred Tax Balance		(\$000)
59			
60	Opening deferred tax	—	
61			
62	plus Tax effect of adjusted depreciation	—	
63			
64	less Tax effect of tax depreciation	—	
65			
66	plus Tax effect of other temporary differences*	—	
67			
68	less Tax effect of amortisation of initial differences in asset values	—	
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	—	
73			
74	plus Deferred tax cost allocation adjustment	—	
75			
76	Closing deferred tax		—
77			
78	5a(vii): Disclosure of Temporary Differences		
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	5a(viii): Regulatory Tax Asset Base Roll-Forward		(\$000)
82			
83	Opening sum of regulatory tax asset values	63,520	
84	less Tax depreciation	5,761	
85	plus Regulatory tax asset value of assets commissioned	8,116	
86	less Regulatory tax asset value of asset disposals	441	
87	plus Lost and found assets adjustment	—	
88	plus Adjustment resulting from asset allocation	—	
89	plus Other adjustments to the RAB tax value	—	
90	Closing sum of regulatory tax asset values		65,435

5b Report on Related Party Transactions

Company Name **Horizon Energy Distribution Limited**
For Year Ended **31 March 2023**

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with clause 2.3.6 of this ID determination.

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

sch ref

7	5b(i): Summary—Related Party Transactions				
8	Total regulatory income				(\$000)
9					(\$000)
10	Market value of asset disposals				—
11					
12	Service interruptions and emergencies		1,316		
13	Vegetation management		987		
14	Routine and corrective maintenance and inspection		777		
15	Asset replacement and renewal (opex)		267		
16	Network opex				3,347
17	Business support		—		
18	System operations and network support		234		
19	Operational expenditure				3,581
20	Consumer connection		235		
21	System growth		112		
22	Asset replacement and renewal (capex)		7,005		
23	Asset relocations		—		
24	Quality of supply		349		
25	Legislative and regulatory		10		
26	Other reliability, safety and environment		524		
27	Expenditure on non-network assets				—
28	Expenditure on assets				8,234
29	Cost of financing				—
30	Value of capital contributions				—
31	Value of vested assets				—
32	Capital Expenditure				8,234
33	Total expenditure				11,815
34					
35	Other related party transactions				—
36	5b(iii): Total Opex and Capex Related Party Transactions				
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					

Name of related party	Nature of opex or capex service provided			Total value of transactions (\$000)
Horizon Services Limited	Service interruptions and emergencies	—	—	1,316
Horizon Services Limited	Vegetation management	—	—	987
Horizon Services Limited	Routine and corrective maintenance and inspection	—	—	777
Horizon Services Limited	Asset replacement and renewal (opex)	—	—	267
Horizon Services Limited	Consumer connection	—	—	235
Horizon Services Limited	System growth	—	—	112
Horizon Services Limited	Asset replacement and renewal (capex)	—	—	7,005
Horizon Services Limited	Quality of supply	—	—	349
Horizon Services Limited	Legislative and regulatory	—	—	10
Horizon Services Limited	Other reliability, safety and environment	—	—	524
Horizon Services Limited	Asset relocations	—	—	—
Horizon Services Limited	Expenditure on non-network assets	—	—	—
Horizon Services Limited	System operations and network support	—	—	234
—	[Select one]	—	—	—
—	[Select one]	—	—	—
Total value of related party transactions				11,815

* include additional rows if needed

5c Report on Term Credit Spread Differential Allowance

	Company Name	Horizon Energy Distribution Limited For Year Ended 31 March 2023
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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 this ID determination), and so is subject to the assurance report required by section 2.8.

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	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	0
Leverage	42%
Average opening and closing RAB values	0
Attribution Rate (%)	-
Term credit spread differential allowance	-

5d Report on Cost Allocations

Company Name
 For Year Ended

Horizon Energy Distribution Limited
 31 March 2023

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref		Value allocated (\$000s)					
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000s)	
7	5d(i): Operating Cost Allocations						
8							
9							
10	Service interruptions and emergencies						
11	Directly attributable		1,370				
12	Not directly attributable	-	-	-	-	-	
13	Total attributable to regulated service		1,370				
14	Vegetation management						
15	Directly attributable		987				
16	Not directly attributable	-	-	-	-	-	
17	Total attributable to regulated service		987				
18	Routine and corrective maintenance and inspection						
19	Directly attributable		1,343				
20	Not directly attributable	-	-	-	-	-	
21	Total attributable to regulated service		1,343				
22	Asset replacement and renewal						
23	Directly attributable		267				
24	Not directly attributable	-	-	-	-	-	
25	Total attributable to regulated service		267				
26	System operations and network support						
27	Directly attributable		3,253				
28	Not directly attributable	-	-	-	-	-	
29	Total attributable to regulated service		3,253				
30	Business support						
31	Directly attributable		3,642				
32	Not directly attributable	-	416	59	476	-	
33	Total attributable to regulated service		4,058				
34							
35	Operating costs directly attributable		10,861				
36	Operating costs not directly attributable	-	416	59	476	-	
37	Operational expenditure		11,278				
38							
39	5d(ii): Other Cost Allocations						
40	Pass through and recoverable costs						
41			(\$000)				
42	Pass through costs						
43	Directly attributable		446				
44	Not directly attributable	-	-				
45	Total attributable to regulated service		446				
46	Recoverable costs						
47	Directly attributable		7,137				
48	Not directly attributable	-	-				
49	Total attributable to regulated service		7,137				
50	5d(iii): Changes in Cost Allocations* †						
51							
52	Change in cost allocation 1				(\$000)		
53	Cost category	-		Original allocation	-	-	
54	Original allocator or line items	-		New allocation	-	-	
55	New allocator or line items	-		Difference	-	-	
56							
57	Rationale for change						
58							
59							
60	Change in cost allocation 2				(\$000)		
61	Cost category	-		Original allocation	-	-	
62	Original allocator or line items	-		New allocation	-	-	
63	New allocator or line items	-		Difference	-	-	
64							
65	Rationale for change						
66							
67							
68							
69	Change in cost allocation 3				(\$000)		
70	Cost category	-		Original allocation	-	-	
71	Original allocator or line items	-		New allocation	-	-	
72	New allocator or line items	-		Difference	-	-	
73							
74	Rationale for change						
75							
76							
77							
78	* 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.						
79	† include additional rows if needed						

5e Report on Asset Allocations

Company Name	Horizon Energy Distribution Limited
For Year Ended	31 March 2023

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 this ID determination), and so is subject to the assurance report required by section 2.8.

7	5e(i): Regulated Service Asset Values			
8				Value allocated (\$000s)
9				Electricity distribution services
10	Subtransmission lines			
11	Directly attributable			7,517
12	Not directly attributable			–
13	Total attributable to regulated service			7,517
14	Subtransmission cables			
15	Directly attributable			1,371
16	Not directly attributable			–
17	Total attributable to regulated service			1,371
18	Zone substations			
19	Directly attributable			10,512
20	Not directly attributable			–
21	Total attributable to regulated service			10,512
22	Distribution and LV lines			
23	Directly attributable			27,665
24	Not directly attributable			–
25	Total attributable to regulated service			27,665
26	Distribution and LV cables			
27	Directly attributable			45,920
28	Not directly attributable			–
29	Total attributable to regulated service			45,920
30	Distribution substations and transformers			
31	Directly attributable			32,791
32	Not directly attributable			–
33	Total attributable to regulated service			32,791
34	Distribution switchgear			
35	Directly attributable			23,817
36	Not directly attributable			–
37	Total attributable to regulated service			23,817
38	Other network assets			
39	Directly attributable			9,323
40	Not directly attributable			–
41	Total attributable to regulated service			9,323
42	Non-network assets			
43	Directly attributable			–
44	Not directly attributable			2,299
45	Total attributable to regulated service			2,299
46				
47	Regulated service asset value directly attributable			158,917
48	Regulated service asset value not directly attributable			2,299
49	Total dosing RAB value			161,216
50				
51	5e(ii): Changes in Asset Allocations* †			
52				(\$000)
53	Change in asset value allocation 1			CY-1 Current Year (CY)
54	Asset category	–	Original allocation	– –
55	Original allocator or line items	–	New allocation	– –
56	New allocator or line items	–	Difference	– –
57				
58	Rationale for change			
59				
60				
61				(\$000)
62	Change in asset value allocation 2			CY-1 Current Year (CY)
63	Asset category	–	Original allocation	– –
64	Original allocator or line items	–	New allocation	– –
65	New allocator or line items	–	Difference	– –
66				
67	Rationale for change			
68				
69				
70				(\$000)
71	Change in asset value allocation 3			CY-1 Current Year (CY)
72	Asset category	–	Original allocation	– –
73	Original allocator or line items	–	New allocation	– –
74	New allocator or line items	–	Difference	– –
75				
76	Rationale for change			
77				
78				
79	* 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.			
80	† include additional rows if needed			

6a Report on Capital Expenditure for the Disclosure Year

Company Name **Horizon Energy Distribution Limited**
For Year Ended **31 March 2023**

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	6a(i): Expenditure on Assets	(\$000)	(\$000)
8	Consumer connection		235
9	System growth		112
10	Asset replacement and renewal		6,169
11	Asset relocations		—
12	Reliability, safety and environment:		
13	Quality of supply	379	
14	Legislative and regulatory	10	
15	Other reliability, safety and environment	537	
16	Total reliability, safety and environment		925
17	Expenditure on network assets		7,442
18	Expenditure on non-network assets		193
19			
20	Expenditure on assets		7,635
21	plus Cost of financing		104
22	less Value of capital contributions		—
23	plus Value of vested assets		—
24			
25	Capital expenditure		7,739
26	6a(ii): Subcomponents of Expenditure on Assets (where known)		(\$000)
27	Energy efficiency and demand side management, reduction of energy losses		—
28	Overhead to underground conversion		—
29	Research and development		—
30	Cybersecurity (Commission only)		—
31	6a(iii): Consumer Connection	(\$000)	(\$000)
32	<i>Consumer types defined by EDB*</i>		
33	130 Customer Connections	235	
34	[EDB consumer type]	—	
35	[EDB consumer type]	—	
36	[EDB consumer type]	—	
37	[EDB consumer type]	—	
38	* include additional rows if needed		
39	Consumer connection expenditure		235
40	less Capital contributions funding consumer connection expenditure	—	
41	Consumer connection less capital contributions		235
42	6a(iv): System Growth and Asset Replacement and Renewal		
43		System Growth	Asset Replacement and Renewal
44		(\$000)	(\$000)
45	Subtransmission	—	1
46	Zone substations	—	585
47	Distribution and LV lines	1	1,298
48	Distribution and LV cables	84	2,029
49	Distribution substations and transformers	9	1,127
50	Distribution switchgear	18	988
51	Other network assets	—	144
52	System growth and asset replacement and renewal expenditure	112	6,169
53	less Capital contributions funding system growth and asset replacement and renewal	—	—
54	System growth and asset replacement and renewal less capital contributions	112	6,169
55			
56	6a(v): Asset Relocations	(\$000)	(\$000)
57	<i>Project or programme*</i>		
58	170 Asset Relocations	—	
59	[Description of material project or programme]	—	
60	[Description of material project or programme]	—	
61	[Description of material project or programme]	—	
62	[Description of material project or programme]	—	
63	* include additional rows if needed		
64	All other projects or programmes - asset relocations	—	
65	Asset relocations expenditure		—
66	less Capital contributions funding asset relocations	—	
67	Asset relocations less capital contributions		—
68			

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

69	6a(vi): Quality of Supply		
70	<i>Project or programme*</i>	(\$000)	(\$000)
71	[Description of material project or programme]	—	
72	[Description of material project or programme]	—	
73	[Description of material project or programme]	—	
74	[Description of material project or programme]	—	
75	[Description of material project or programme]	—	
76	<i>* include additional rows if needed</i>		
77	All other projects programmes - quality of supply	379	
78	Quality of supply expenditure		379
79	<i>less</i> Capital contributions funding quality of supply	—	
80	Quality of supply less capital contributions		379
81	6a(vii): Legislative and Regulatory		
82	<i>Project or programme*</i>	(\$000)	(\$000)
83	[Description of material project or programme]	—	
84	[Description of material project or programme]	—	
85	[Description of material project or programme]	—	
86	[Description of material project or programme]	—	
87	[Description of material project or programme]	—	
88	<i>* include additional rows if needed</i>		
89	All other projects or programmes - legislative and regulatory	10	
90	Legislative and regulatory expenditure		10
91	<i>less</i> Capital contributions funding legislative and regulatory	—	
92	Legislative and regulatory less capital contributions		10
93	6a(viii): Other Reliability, Safety and Environment		
94	<i>Project or programme*</i>	(\$000)	(\$000)
95	[Description of material project or programme]	—	
96	[Description of material project or programme]	—	
97	[Description of material project or programme]	—	
98	[Description of material project or programme]	—	
99	[Description of material project or programme]	—	
100	<i>* include additional rows if needed</i>		
101	All other projects or programmes - other reliability, safety and environment	537	
102	Other reliability, safety and environment expenditure		537
103	<i>less</i> Capital contributions funding other reliability, safety and environment	—	
104	Other reliability, safety and environment less capital contributions		537
105			
106	6a(ix): Non-Network Assets		
107	Routine expenditure		
108	<i>Project or programme*</i>	(\$000)	(\$000)
109	Plant and Equipment	47	
110	Other Information Technology	51	
111	Intangible - Software	22	
112	Other Intangibles	50	
113	Office Furniture	23	
114	<i>* include additional rows if needed</i>		
115	All other projects or programmes - routine expenditure	—	
116	Routine expenditure		193
117	Atypical expenditure		
118	<i>Project or programme*</i>	(\$000)	(\$000)
119	[Description of material project or programme]	—	
120	[Description of material project or programme]	—	
121	[Description of material project or programme]	—	
122	[Description of material project or programme]	—	
123	[Description of material project or programme]	—	
124	<i>* include additional rows if needed</i>		
125	All other projects or programmes - atypical expenditure	—	
126	Atypical expenditure		—
127			
128	Expenditure on non-network assets		193

6b Report on Operational Expenditure for the Disclosure Year

		Company Name	Horizon Energy Distribution Limited
		For Year Ended	31 March 2023

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		(\$000)	(\$000)
7	6b(i): Operational Expenditure		
8	Service interruptions and emergencies	1,370	
9	Vegetation management	987	
10	Routine and corrective maintenance and inspection	1,343	
11	Asset replacement and renewal	267	
12	Network opex		3,967
13	System operations and network support	3,253	
14	Business support	4,058	
15	Non-network opex		7,311
16			
17	Operational expenditure		11,278
18	6b(ii): Subcomponents of Operational Expenditure (where known)		
19	<i>EDBs must disclose both a public version of this Schedule (excluding cybersecurity cost data) and a confidential version of this Schedule (including cybersecurity costs)</i>		
20	Energy efficiency and demand side management, reduction of energy losses		—
21	Direct billing*		—
22	Research and development		—
23	Insurance		—
24	Cybersecurity (Commission only)		—
25	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

7 Comparison of Forecasts to Actual Expenditure

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2023

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 this 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

7(i): Revenue

Target (\$000) ¹

Actual (\$000)

% variance

8

Line charge revenue

32,750

32,486

(1%)

9

7(ii): Expenditure on Assets

Forecast (\$000) ²

Actual (\$000)

% variance

10

Consumer connection

616

235

(62%)

11

System growth

318

112

(65%)

12

Asset replacement and renewal

5,710

6,169

8%

13

Asset relocations

31

–

(100%)

14

Reliability, safety and environment:

15

Quality of supply

234

379

61%

16

Legislative and regulatory

157

10

(94%)

17

Other reliability, safety and environment

998

537

(46%)

18

Total reliability, safety and environment

1,390

925

(33%)

19

Expenditure on network assets

8,065

7,442

(8%)

20

Expenditure on non-network assets

177

193

9%

21

Expenditure on assets

8,242

7,635

(7%)

22

7(iii): Operational Expenditure

23

Service interruptions and emergencies

1,112

1,370

23%

24

Vegetation management

977

987

1%

25

Routine and corrective maintenance and inspection

1,295

1,343

4%

26

Asset replacement and renewal

432

267

(38%)

27

Network opex

3,816

3,967

4%

28

System operations and network support

3,903

3,253

(17%)

29

Business support

3,642

4,058

11%

30

Non-network opex

7,545

7,311

(3%)

31

Operational expenditure

11,360

11,278

(1%)

32

7(iv): Subcomponents of Expenditure on Assets (where known)

33

Energy efficiency and demand side management, reduction of energy losses

–

–

–

34

Overhead to underground conversion

–

–

–

35

Research and development

–

–

–

36

37

7(v): Subcomponents of Operational Expenditure (where known)

38

Energy efficiency and demand side management, reduction of energy losses

–

–

–

39

Direct billing

–

–

–

40

Research and development

–

–

–

41

Insurance

–

–

–

42

43

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

44

2 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)

8 Report on Billed Quantities and Line Charge Revenues

Company Name	Horizon Energy Distribution Limited
For Year Ended	31 March 2023
Network / Sub-Network Name	

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

9

10

11

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18

19

20

21

22

23

24

25

26

27

28

29

30

8(i): Billed Quantities by Price Component

Price component

Billed quantities by price component

Fixed

Fixed

Fixed

Fixed

Fixed

Variable

Days

kVA/Day

kW/Day

Light/Month

Month

kWh

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

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)

LUDU

Domestic

Standard

8141

41,686

LUDU-TOU

Domestic

Standard

21

123

LUDR

Domestic

Standard

3896

21,927

LUDR-TOU

Domestic

Standard

6

32

NDU

Standard

Standard

5152

40,465

NDU-TOU

Standard

Standard

28

173

NDR

Standard

Standard

4586

37,256

NDR-TOU

Standard

Standard

19

118

LV

Non-Domestic

Standard

15

–

EF

Non-Domestic

Standard

5

–

SL

Non-Domestic

Standard

15

2,291

PCM24

Non-Domestic

Standard

61

77

PCMN

Non-Domestic

Standard

3

–

N2U

Non-Domestic

Standard

797

13,051

N2R

Non-Domestic

Standard

1538

22,888

N3U

Non-Domestic

Standard

267

10,267

N3R

Non-Domestic

Standard

320

16,261

N4U

Non-Domestic

Standard

34

2,026

N4R

Non-Domestic

Standard

31

1,230

NSU

Non-Domestic

Standard

22

2,267

NSR

Non-Domestic

Standard

21

971

NMDU

Non-Domestic

Standard

65

26,683

NMDR

Non-Domestic

Standard

116

25,381

MAJORS

Industrial

Non-standard

23

271,450

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

Standard consumer totals

25,156

265,174

Non-standard consumer totals

23

271,450

Total for all consumers

25,179

536,624

2,971,283

–

–

–

–

41,685,929

7,787

–

–

–

–

123,090

1,422,131

–

–

–

–

21,927,284

2,008

–

–

–

–

32,321

1,880,328

–

–

–

–

40,464,575

10,098

–

–

–

–

173,463

1,673,708

–

–

–

–

37,256,206

7,087

–

–

–

–

118,059

5,475

–

–

–

–

–

1,825

–

–

–

–

–

–

–

–

61,440

–

2,290,531

–

–

–

–

12

77,337

–

–

–

–

12

–

290,905

–

–

–

–

13,050,713

561,400

–

–

–

–

22,888,280

97,425

–

–

–

–

10,266,568

116,648

–

–

–

–

16,261,034

12,410

–

–

–

–

2,026,266

11,315

–

–

–

–

1,230,481

–

1,407,623

–

–

–

2,266,991

–

1,382,529

–

–

–

971,180

–

6,918,484

4,510,275

–

–

26,682,663

–

11,909,798

7,709,366

–

–

25,381,410

–

–

–

–

12

271,449,502

9,071,832

21,618,433

12,219,640

61,440

24

265,174,382

–

–

–

–

12

271,449,502

9,071,832

21,618,433

12,219,640

61,440

36

536,623,884

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

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

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

					Line charge revenues (\$000) by price component						Add extra columns for additional line charge revenues by price component as necessary			
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)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$ per day, \$ per kWh, etc.)	Price component						
								Fixed	Fixed	Fixed		Fixed	Fixed	Variable
								Days	kVA/Day	kW/Day	Light/Month	Month	kWh	
LUDU	Domestic	Standard	\$4,610	0	\$3,752	\$857		\$874	–	–	–	–	\$3,735	
LUDU-TOU	Domestic	Standard	\$13	0	\$11	\$2		\$2	–	–	–	–	\$11	
LUDR	Domestic	Standard	\$2,409	0	\$1,999	\$410		\$444	–	–	–	–	\$1,965	
LUDR-TOU	Domestic	Standard	\$3	0	\$3	\$1		\$1	–	–	–	–	\$3	
NDU	Standard	Standard	\$4,247	0	\$3,452	\$795		\$3,584	–	–	–	–	\$663	
NDU-TOU	Standard	Standard	\$21	0	\$17	\$4		\$15	–	–	–	–	\$6	
NDR	Standard	Standard	\$3,797	0	\$3,091	\$707		\$3,187	–	–	–	–	\$610	
NDR-TOU	Standard	Standard	\$15	0	\$12	\$3		\$10	–	–	–	–	\$4	
UV	Non-Domestic	Standard	\$5	0	\$5	\$0		\$5	–	–	–	–	–	
EF	Non-Domestic	Standard	\$2	0	\$1	\$0		\$2	–	–	–	–	–	
SL	Non-Domestic	Standard	\$345	0	\$320	\$25		–	–	–	\$345	–	–	
PCM24	Non-Domestic	Standard	\$46	0	\$40	\$6		\$46	–	–	–	–	–	
PCMN	Non-Domestic	Standard	\$1	0	\$1	\$0		\$1	–	–	–	–	–	
N2U	Non-Domestic	Standard	\$1,101	0	\$809	\$292		\$616	–	–	–	–	\$484	
N2R	Non-Domestic	Standard	\$3,297	0	\$2,719	\$579		\$1,857	–	–	–	–	\$1,441	
N3U	Non-Domestic	Standard	\$986	0	\$711	\$275		\$543	–	–	–	–	\$443	
N3R	Non-Domestic	Standard	\$1,830	0	\$1,492	\$338		\$1,040	–	–	–	–	\$789	
N4U	Non-Domestic	Standard	\$257	0	\$195	\$62		\$150	–	–	–	–	\$106	
N4R	Non-Domestic	Standard	\$230	0	\$172	\$58		\$156	–	–	–	–	\$73	
N5U	Non-Domestic	Standard	\$238	0	\$182	\$56		–	\$135	–	–	–	\$102	
N5R	Non-Domestic	Standard	\$236	0	\$185	\$50		–	\$149	–	–	–	\$87	
NMDU	Non-Domestic	Standard	\$1,903	0	\$1,527	\$376		–	\$445	\$794	–	–	\$663	
NMDR	Non-Domestic	Standard	\$2,751	0	\$2,108	\$643		–	\$765	\$1,355	–	–	\$631	
MAJORS	Industrial	Non-standard	\$4,145	0	\$974	\$3,171		–	–	–	–	\$4,145	–	
Add extra rows for additional consumer groups or price category codes as necessary														
Standard consumer totals			\$28,341	–	\$22,802	\$5,539		\$12,535	\$1,495	\$2,149	\$345	–	\$11,818	
Non-standard consumer totals			\$4,145	–	\$974	\$3,171		–	–	–	–	\$4,145	–	
Total for all consumers			\$32,486	–	\$23,776	\$8,710		\$12,535	\$1,495	\$2,149	\$345	\$4,145	\$11,818	

8(iii): Number of ICPs directly billed

Number of directly billed ICPs at year end

13

Check OK

9a Asset Register

					Company Name		Horizon Energy Distribution Limited	
					For Year Ended		31 March 2023	
					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								
	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
8	All	Overhead Line	Concrete poles / steel structure	No.	18,607	18,648	41	2
9	All	Overhead Line	Wood poles	No.	1,750	1,737	(13)	2
10	All	Overhead Line	Other pole types	No.	33	33	-	2
11	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	245	249	4	3
12	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
13	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	4	4	-	4
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	N/A
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	N/A
17	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
22	HV	Zone substation Buildings	Zone substations up to 66kV	No.	12	12	-	3
23	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	N/A
24	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	1	1	-	4
26	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	7	7	-	4
27	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	8	8	-	4
28	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	N/A
29	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	15	15	-	4
30	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	10	9	(1)	3
31	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	64	65	1	4
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	3	2	(1)	4
33	HV	Zone Substation Transformer	Zone Substation Transformers	No.	14	14	-	4
34	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,432	1,434	2	3
35	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	N/A
36	HV	Distribution Line	SWER conductor	km	64	64	-	3
37	HV	Distribution Cable	Distribution UG XLPE or PVC	km	195	197	2	3
38	HV	Distribution Cable	Distribution UG PILC	km	31	31	(0)	3
39	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	N/A
40	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	95	94	(1)	3
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	-	-	-	N/A
42	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	4,185	4,187	2	2
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	-	-	-	N/A
44	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	317	294	(23)	3
45	HV	Distribution Transformer	Pole Mounted Transformer	No.	2,593	2,601	8	3
46	HV	Distribution Transformer	Ground Mounted Transformer	No.	862	874	12	3
47	HV	Distribution Transformer	Voltage regulators	No.	1	1	-	4
48	HV	Distribution Substations	Ground Mounted Substation Housing	No.	847	857	10	2
49	LV	LV Line	LV OH Conductor	km	259	258	(1)	2
50	LV	LV Cable	LV UG Cable	km	382	387	5	2
51	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	245	245	0	2
52	LV	Connections	OH/UG consumer service connections	No.	25,686	25,813	127	3
53	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	117	120	3	3
54	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
55	All	Capacitor Banks	Capacitors including controls	No	2	2	-	4
56	All	Load Control	Centralised plant	Lot	3	3	-	4
57	All	Load Control	Relays	No	-	-	-	N/A
58	All	Civils	Cable Tunnels	km	-	-	-	N/A

9b Asset Age Profile

		Company Name		Horizon Energy Distribution Limited																																								
		For Year Ended		31 March 2023																																								
		Network / Sub-network Name																																										
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.																																										
id	Disclosure Year (year ended)	Number of assets at disclosure year end by installation date		No. with age unknown	Items at end of year (quarter)	No. with default dates	Data accuracy (1-5)																																					
		pre-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025										
9	Voltage	Asset category	Asset class	Units																																								
10	All	Overhead Line	Concrete poles / steel structure	No.		648	2,722	5,644	2,832	874	836	123	99	79	95	100	109	83	102	77	79	38	43	112	95	110	144	180	138	131	142	162	194	122	-	-	3,049	18,648	-	2				
11	All	Overhead Line	Wood poles	No.	-	-	51	86	75	155	97	18	23	25	4	11	15	27	12	14	26	15	39	13	21	32	10	13	12	0	46	2	-	-	-	-	880	3,737	-	2				
12	All	Overhead Line	Other pole types	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26	33	-	2			
13	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	-	-	-	31	35	85	21	-	-	-	-	-	-	-	-	0	2	0	-	-	-	1	0	0	-	-	-	0	-	6	0	-	-	67	249	-	1			
14	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XPE)	km	-	-	-	-	-	2	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	-	-	-	-	-	-	-	-	4	-	N/A	4		
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (OH pressurised)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
18	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XPE)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (OH pressurised)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
22	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
23	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-				
24	HV	Zone substation Buildings	Zone substations up to 66kV	No.	-	-	-	-	1	3	3	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	12	-	1		
25	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-			
26	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-			
27	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-			
28	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	4	-		
29	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	8	-		
30	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-		
31	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	
32	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	
33	HV	Zone substation switchgear	3/3/6/11/22kV CB (ground mounted)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	
34	HV	Zone substation switchgear	3/3/6/11/22kV CB (pole mounted)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-
35	HV	Zone Substation Transformer	Zone Substation Transformers	No.	-	-	-	-	-	5	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-
36	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1	8	29	226	270	391	262	14	22	18	8	15	10	54	10	13	5	8	9	0	10	4	5	8	12	5	8	14	5	5	6	-	-	17	1,434	-	3			
37	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	
38	HV	Distribution Line	90kV conductor	km	-	-	-	-	-	38	3	5	4	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-
39	HV	Distribution Cable	Distribution UG XPE or PVC	km	0	0	0	2	8	35	25	4	5	2	2	3	4	5	6	5	8	4	4	5	9	7	6	3	5	7	5	9	6	6	2	-	-	-	-	3	197	-	1	
40	HV	Distribution Cable	Distribution UG PILC	km	-	-	-	2	8	17	1	1	-	-	-	0	0	-	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	-	N/A	-
41	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	
42	HV	Distribution switchgear	3/3/6/11/22kV CB (pole mounted) - reclosers and sectionalizers	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	
43	HV	Distribution switchgear	3/3/6/11/22kV CB (Indoor)	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	
44	HV	Distribution switchgear	3/3/6/11/22kV Switches and fuses (pole mounted)	No.	-	-	-	4	18	46	84	55	7	6	8	4	6	5	7	3	9	12	22	48	70	80	68	123	127	98	140	185	159	148	130	48	-	-	2,457	4,187	-	2		
45	HV	Distribution switchgear	3/3/6/11/22kV Switch (ground mounted) - except RMU	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-
46	HV	Distribution switchgear	3/3/6/11/22kV RMU	No.	-	-	-	1	-	-	2	8	12	5	7	4	5	7	3	12	3	5	12	6	5	5	20	11	38	23	12	17	25	18	19	7	11	-	-	3	294	-	1	
47	HV	Distribution Transformer	Pole Mounted Transformer	No.	14	5	58	302	349	411	301	37	49	74	47	44	34	39	42	10	8	5	13	35	43	62	100	100	69	85	95	77	75	51	31	-	-	48	2,605	-	1			
48	HV	Distribution Transformer	Ground Mounted Transformer	No.	5	2	5	41	77	150	44	7	18	15	51	22	27	39	15	12	14	8	12	14	23	24	27	33	24	34	45	34	26	24	18	-	-	22	874	-	3			
49	HV	Distribution Transformer	Voltage regulators	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-
50	HV	Distribution Substations	Ground Mounted Substation Housing	No.	1	1	-	-	26	47	196	157	7	15	12	8	17	12	21	13	1																							

9c Report on Overhead Lines and Underground Cables

	Company Name Horizon Energy Distribution Limited For Year Ended 31 March 2023 Network / Sub-network Name
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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		Overhead (km)	Underground (km)	Total circuit length (km)
9				
10	Circuit length by operating voltage (at year end)			
11	> 66kV	–	–	–
12	50kV & 66kV	71	–	71
13	33kV	178	4	182
14	SWER (all SWER voltages)	64	–	64
15	22kV (other than SWER)	–	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	1,434	228	1,662
17	Low voltage (< 1kV)	258	387	645
18	Total circuit length (for supply)	2,005	619	2,624
19				
20	Dedicated street lighting circuit length (km)	–	21	21
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			498
22				
23	Overhead circuit length by terrain (at year end)			
24	Urban	197	10%	
25	Rural	1,107	55%	
26	Remote only	184	9%	
27	Rugged only	400	20%	
28	Remote and rugged	116	6%	
29	Unallocated overhead lines	0	0%	
30	Total overhead length	2,005	100%	
31				
32				
33	Length of circuit within 10km of coastline or geothermal areas (where known)	1,982	76%	
34				
35	Overhead circuit requiring vegetation management	2,005	100%	

9d Report on Embedded Networks

	Company Name Horizon Energy Distribution Limited For Year Ended 31 March 2023
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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	Location *	Average number of ICPs in disclosure year	Line charge revenue (\$000)
8			
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

9e Report on Network Demand

Company Name		Horizon Energy Distribution Limited	
For Year Ended		31 March 2023	
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

8 9e(i): Consumer Connections and Decommissionings

9 Number of ICPs connected during year by consumer type

Consumer types defined by EDB*		Number of connections (ICPs)	
10 Demand		11	6
12 Domestic		12	158
13 General		13	13
14 Majors		14	-
15 Other		15	-
16 * include additional rows if needed			
17 Connections total		17	177

18

19 Number of ICPs decommissioned during year by consumer type

Consumer types defined by EDB*		Number of decommissionings	
20 Demand		21	-
22 Domestic		22	12
23 General		23	15
24 Majors		24	-
25 Other		25	-
26 * include additional rows if needed			
27 Decommissionings total		27	27

28

29 Distributed generation

30 Number of connections made in year	103	connections
32 Capacity of distributed generation installed in year	0.57	MVA

33

34 9e(ii): System Demand

35

36

Maximum coincident system demand		Demand at time of maximum coincident demand (MW)	
37 GXP demand		38	64
39 plus Distributed generation output at HV and above		39	29
40 Maximum coincident system demand		40	94
41 less Net transfers to (from) other EDBs at HV and above		41	-
42 Demand on system for supply to consumers' connection points		42	94

43

Electricity volumes carried		Energy (GWh)	
44 Electricity supplied from GXPs		44	279
45 less Electricity exports to GXPs		45	-
46 plus Electricity supplied from distributed generation		46	283
47 less Net electricity supplied to (from) other EDBs		47	-
48 Electricity entering system for supply to consumers' connection points		48	562
49 less Total energy delivered to ICPs		49	537
51 Electricity losses (loss ratio)		51	26
			4.6%

52

53 Load factor

53	0.68
----	------

54

54 9e(iii): Transformer Capacity

55

(MVA)	
56 Distribution transformer capacity (EDB owned)	273
57 Distribution transformer capacity (Non-EDB owned, estimated)	81
58 Total distribution transformer capacity	354
59	
60 Zone substation transformer capacity	98

61

10 Report on Network Reliability

Company Name

Horizon Energy Distribution Limited

For Year Ended

31 March 2023

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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

8

10(i): Interruptions

9

Interruptions by class

10

Class A (planned interruptions by Transpower)

1

11

Class B (planned interruptions on the network)

242

12

Class C (unplanned interruptions on the network)

255

13

Class D (unplanned interruptions by Transpower)

–

14

Class E (unplanned interruptions of EDB owned generation)

–

15

Class F (unplanned interruptions of generation owned by others)

1

16

Class G (unplanned interruptions caused by another disclosing entity)

1

17

Class H (planned interruptions caused by another disclosing entity)

3

18

Class I (interruptions caused by parties not included above)

23

19

Total

526

20

Interruption restoration

21

≤3Hrs

22

Class C interruptions restored within

180

23

>3hrs

75

24

SAIFI and SAIDI by class

25

Class A (planned interruptions by Transpower)

0.22

140.06

26

Class B (planned interruptions on the network)

0.62

95.60

27

Class C (unplanned interruptions on the network)

2.12

235.20

28

Class D (unplanned interruptions by Transpower)

–

–

29

Class E (unplanned interruptions of EDB owned generation)

–

–

30

Class F (unplanned interruptions of generation owned by others)

0.07

4.38

31

Class G (unplanned interruptions caused by another disclosing entity)

0.00

0.02

32

Class H (planned interruptions caused by another disclosing entity)

0.00

0.25

33

Class I (interruptions caused by parties not included above)

0.33

9.68

34

Total

3.36

485.2

36

Normalised SAIFI and SAIDI

37

Classes B & C (interruptions on the network)

2.74

329.68

Company Name	Horizon Energy Distribution Limited
For Year Ended	31 March 2023
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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

39	Transitional SAIDI and SAIDI (previous method)	SAIFI	SAIDI
40	Where EDBs do not currently record their SAIFI and SAIDI values using the 'multi-count' approach, they shall continue to record their SAIFI and SAIDI values on the same basis that they employed as at 31 March 2023 as 'Transitional SAIFI' and 'Transitional SAIDI' values, in addition to their SAIFI and SAIDI values (Classes B & C) using the 'multi-count approach'. This is a transitional reporting requirement that shall be in place for the 2024, 2025, and 2026 disclosure years.		
41	Class B (planned interruptions on the network)	0.62	95.60
42	Class C (unplanned interruptions on the network)	2.12	235.20

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

Cause	SAIFI	SAIDI
Lightning	0.17	20.22
Vegetation	0.09	11.17
Adverse weather	0.36	91.22
Adverse environment	0.06	12.84
Third party interference	0.18	27.38
Wildlife	0.04	4.27
Human error	0.06	9.39
Defective equipment	0.78	46.29
Cause unknown	0.37	12.42
Breakdown of third party interference	SAIFI	SAIDI
Dig-in	—	—
Overhead contact	0.03	3.92
Vandalism	—	—
Vehicle damage	0.15	23.46
Other	—	—

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

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.00	0.37
Subtransmission cables	—	—
Subtransmission other	—	—
Distribution lines (excluding LV)	0.53	81.66
Distribution cables (excluding LV)	0.09	13.58
Distribution other (excluding LV)	—	—

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

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.26	19.91
Subtransmission cables	—	—
Subtransmission other	—	—
Distribution lines (excluding LV)	1.79	210.84
Distribution cables (excluding LV)	0.07	4.45
Distribution other (excluding LV)	—	—

10(v): Fault Rate

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	7	249	2.81
Subtransmission cables	—	4	—
Subtransmission other	—	—	—
Distribution lines (excluding LV)	232	1,498	15.49
Distribution cables (excluding LV)	16	228	7.02
Distribution other (excluding LV)	—	—	—
Total	255	—	—

Company Name	Horizon Energy Limited
For Year Ended	31 March 2023

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 subclauses 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 11 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

\$146,950	Application Fees
\$ 89,033	Miscellaneous Network Service Income
<u>\$ 6,971</u>	Bad Debts Recovered
\$242,954	

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 base (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.

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:

\$ 10,300 Provisions Relating to Employee Costs

\$ 42,000 Movement in Bonus Provision

\$ 52,300 Total

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

Nil

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)

Schedule 5a(vi) – Calculation of Deferred Tax Balance has not been completed due to Horizon Energy Distribution Limited being exempt from income tax under the charities tax exemption. This treatment is consistent with Horizon Energy Distribution Limited's 31 March 2023 Financial Statements which are prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

Cost allocation (Schedule 5d)

10. 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 7: Cost allocation

Cost Allocations have been calculated using the ABAA approach as per the IM Determination. This includes business support costs of \$264k for Governance services that have been allocated to non-electricity distribution services.

All maintenance and operational costs are directly attributable to electricity distribution services.

No items have been reclassified during the disclosure year.

Asset allocation (Schedule 5e)

11. 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 8: 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)

12. In the box below, comment on expenditure on assets for the disclosure year, as disclosed in Schedule 6a. This comment must include-

12.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;

12.2 information on reclassified items in accordance with subclause 2.7.1(2).

Box 9: 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)

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

Box 10: Explanation of operational expenditure for the disclosure year

OPEX- Service Interruptions and Emergencies: Expenditure was 23% higher than forecast due to a higher fault rate for this Financial Year. This expenditure is to increase from next year due to the higher frequency of weather-related faults.

OPEX- Vegetation management: Vegetation management expenditure was 1% within the forecast.

OPEX- Routine and corrective maintenance and inspection operational expenditure: Routine and corrective maintenance were completed as planned with the actuals within a small margin from the forecast.

OPEX- Asset replacement and renewal: Spending in this category is 38% lower than the forecast. The variance is due to a major substation building maintenance work planned for FY23 postponed to FY24, and unused OPEX fund for Te Kaha due to the postponement of Te Kaha 50kV works as repair resources were diverted to Hawke's Bay for the relief effort on Cyclone Gabrielle.

Variance between forecast and actual expenditure (Schedule 7)

14. 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 subclause 2.7.1(2).

Box 11: Explanatory comment on variance in actual to forecast expenditure

CAPEX- Customer Connection: Expenditure for this category is 62% lower than forecast due to a lower-than-expected number of customer connections for FY23. A major project of \$0.3M was reclassified to *CAPEX - Asset Replacement and Renewal* as it involves replacement of Network's asset.

CAPEX- System Growth: The expenditure for this category is 65% lower than forecast due to the re-scoping and revised timing for the Opotiki Sub-Transmission Project to FY24 following collaboration with Transpower on their Waiotahi re-development project.

CAPEX- Asset Replacement and Renewal: The expenditure for this category is 8% higher than the forecast. This is due to a few spill-over projects with supply chain issues in FY22. Higher-than-expected faults in FY23 have also attributed to the overspend in this category. Approximately \$0.3M were reclassified from *CAPEX – Customer Connection* as it involves replacement of existing asset. Actual expenditure reported for this category has deducted \$0.8M of the Infrastructure Direct Contribution (IDC) fee.

CAPEX- Asset Relocations: There are no customer-driven Asset Relocations expenditures for FY23.

CAPEX- Reliability, Safety and Environment(RSE) – Quality of Supply (QoS): Expenditure in the QoS category is 61% higher than forecasted. The overspend (approximately \$145k) is mainly due to spill over from FY22 of approximately \$102k and reclassification of jobs:

- Circa \$86k were reclassified to QoS from *CAPEX – RSE - Others*
- Circa \$153k from *CAPEX – Replacement and Renewal* as these projects meet QoS criteria
- Circa \$77k was reclassified to *CAPEX – RSE – Others* as they do not meet QoS criteria

The new and immediate need identified in FY23 is \$13k. Circa \$131k has been rolled over to FY24.

CAPEX- RSE - Legislative and regulatory - Expenditure in the Legislative and Regulatory category is 94% lower than the forecast as Legislative and Regulatory projects planned for FY23 were brought forward to FY22 to minimise the impact of COVID 19 on the supply chain.

CAPEX- RSE – Others – Expenditure in this category is 46% lower than the forecast. A major project of circa \$86k has been reclassified to *CAPEX – RSE – QoS* as it meets the QoS criteria. Circa \$77k and \$19k have been reclassified from *CAPEX – RSE – QoS* and *CAPEX – Asset Replacement and Renewal* respectively, as they do not meet QoS and Asset Replacement criteria. A major project of circa \$0.5M has been spilled over to FY24 due to technical challenges.

Information relating to revenues and quantities for the disclosure year

15. In the box below provide-

- 15.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and subclause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and
- 15.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

Box 12: 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)

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

Box 13: Commentary on network reliability for the disclosure year

The normalised SAIDI / SAIFI figures have been calculated in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated 3 April 2018) as opposed to the requirements under the Electricity Distribution Services Default Price-Quality Path Determination 2020.

Insurance cover

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

- 17.1 The EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;
- 17.2 In respect of any self-insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

Box 14: Explanation of insurance cover

Horizon Energy has insurance cover over buildings and transformers, switch gear and other equipment located at substation sites (sum insured \$44.7M), generators and related plant (sum insured \$1.7M) and SCADA and control room assets (sum insured \$3.2M) pursuant to a market standard Material Damage & Business Interruption insurance policy. The deductible is generally 2.5% subject to a minimum of \$2.5K. The policy includes business interruption cover for network gross profit of up to \$29M.

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

Amendments to previously disclosed information

18. 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:

18.1 a description of each error; and

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

Box 15: Disclosure of amendment to previously disclosed information

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

Company Name	<u>Horizon Energy Distribution Limited</u>
For Year Ended	<u>31 March 2023</u>

Schedule 15 Voluntary Explanatory Notes

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018.)

1. This schedule enables EDBs to provide, should they wish to-
 - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1 and 2.5.2;
 - 1.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.
- Information in this schedule is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.
2. Provide additional explanatory comment in the box below.

Box 1: Voluntary explanatory comment on disclosed information

Schedule 5a(i) – Regulatory Tax Allowance includes a Corporate Tax Rate of 0% due to Horizon Energy Distribution Limited being exempt from income tax under the charities tax exemption. This is due to Trust Horizon, a registered charity, acquiring 100% of the shares in Horizon Energy Distribution Limited and the subsequent de-listing of Horizon Energy Distribution Limited from the New Zealand Stock Exchange on 31 July 2015.

Schedule 5a(vi) – Calculation of Deferred Tax Balance has not been completed due to Horizon Energy Distribution Limited being exempt from income tax under the charities tax exemption. This treatment is consistent with Horizon Energy Distribution Limited's 31 March 2023 Financial Statements which are prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

Schedule 10 – Report on Network Reliability. Horizon Networks has continued treating successive interruptions in the same way as in previous disclosure years. An interruption starts from the time the supply is first lost until the supply is restored to the last customer. Successful & unsuccessful attempts to sectionalise the faulted area are captured into one interruption.

Schedule 2 – The Incremental Rolling Incentive Scheme (IRIS) value of \$0.249M has been added as Other Financial Incentives. This updates the ROI figures disclosed in Schedule 2.

Certification for Year-end Disclosures

Clause 2.9.2

We, ANTHONY DE FARIAS and LINDA ROBERTSON being directors of HORIZON 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 1st day of August 2023



.....
ANTHONY DE FARIAS



.....
LINDA ROBERTSON

Independent Reasonable Assurance Report to the Directors of Horizon Energy Distribution Limited and to the New Zealand Commerce Commission

Opinion

Our reasonable assurance opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects, Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(v)) and 14 (boxes 1-11) of the Horizon Energy Distribution Limited Electricity Distribution Information Disclosure Requirements Information Templates (the “Annual Disclosure Statement”) have been prepared in accordance with the Commerce Commission Electricity Distribution Information Disclosure Determination 2012 (amended as of 9 December 2021) and the related Reasons Paper and Electricity Distribution Services Input Methodologies Determination 2012 (consolidated 20 May 2020) (together the “Determination”) for the regulatory period 31 March 2023.

In our opinion, the Company’s basis for valuation of related party transactions in the regulatory period ended 31 March 2023 has complied, in all material respects, with clause 2.3.6 of the Electricity Distribution Information Disclosure Determination 2012 (amended as of 9 December 2021) and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated 20 May 2020).

In our opinion, in all material respects, as far as appears from an examination of them;

- proper records to enable the complete and accurate compilation of the Annual Disclosure Statement for the regulatory period ended 31 March 2023 have been kept by the Company; and
- the information used in the preparation of the Annual Disclosure Statement for the regulatory period ended 31 March 2023 has been properly extracted from the Company’s accounting and other records and has been sourced, where appropriate, from the Company’s financial and non-financial systems.

Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to Horizon Energy Distribution Limited’s Annual Disclosure Statement for the regulatory period ended 31 March 2023.

Criteria

The criteria we have assessed the Annual Disclosure Statement against is the Determination. As a result, this report may not be suitable for any other purpose.

Key Assurance Matters

Key assurance matters are those matters that, in our professional judgement, were of most significance in our reasonable assurance engagement in relation to Horizon Energy Distribution Limited’s Annual Disclosure Statement in the current regulatory period. We summarise below those matters and our key procedures to address those matters in order that the Directors and the New Zealand Commerce Commission may better understand the process by which we arrived at our opinion. Our procedures were undertaken in the context of and solely for the purpose of our opinion on the Annual Disclosure Statement as a whole and we do not express discrete opinions on separate elements of the Annual Disclosure Statement.

The key assurance matter**How the matter was addressed in our assurance****1. Capitalisation of assets into the regulatory assets base ('RAB'). Refer to Schedule 4 and Schedule 6a.**

Capitalisation of assets into the RAB (capital expenditure during the year of \$7.7 million and asset commissions of \$8.2 million) is a key assurance matter due to the following significant judgements involved:

- Assessment whether an asset meets the definition of network or non-network asset; and
- Allocation of non-directly attributable assets to the electricity business. Specifically, this judgement relates to the selection of allocators which appropriately align to the cause of the expenditure.

Our procedures included, amongst others:

- examining the effectiveness of controls related to the approval of capital expenditure;
- checking a sample of costs to invoice to determine whether the description of the expenditure met the capitalisation criteria in the determination and is consistent with their presentation as either network or non-network assets;
- comparing RAB assets commissioned to those commissioned for financial reporting purposes and obtaining explanation for any significant differences; and
- examining and challenging the allocators used to allocate non-directly attributable assets into the RAB. This includes an assessment of whether the allocator is an appropriate reflection of the cause of the expenditure.

2. Valuation and identification of related party transactions Refer to Schedule 5b.

The valuation of transactions with related parties (\$3.6 million of purchases from related parties included in operating expenditures and \$8.2 million of assets acquired from related parties included into RAB in the period) is a key assurance matter due to the significant judgement in forming a view of related party pricing in the absence, or insufficiency, of publicly available information about pricing and terms of certain services.

The identification of transactions with related parties is a key assurance matter because Horizon Energy Distribution Limited operate in a number of business areas and hold's certain investments which may give rise to related party transactions with the electricity distribution business.

The procedures we performed to evaluate valuation of related party transactions included:

- Comparison of the related party expenditure recorded by Horizon Energy Distribution Limited to the price paid by Horizon Services Limited (i.e., without margin as the Consolidation Regime is applied).

The procedures we performed to evaluate completeness of related party transactions included:

- Challenging whether all related party transactions had been included by comparing to our understanding of Horizon Energy Distribution Limited's operating model; and
- Assessing whether all related party transactions recorded for financial reporting purposes had been correctly identified and disclosed.

3. Completeness and accuracy of SAIDI and SAIFI. Refer to Schedule 10(i).

The accuracy and completeness of SAIDI and SAIFI (526 interruptions in the period resulting in SAIDI and SAIFI of 485.2 and 3.36 respectively) is a key assurance matter due to the following factors:

- the reliance on manual data entry to collect the interruption information coupled with the large volume of interruptions inherent in a large network of over 25,000 electricity connection points; and

The procedures we performed to evaluate accuracy of the dataset used to calculated SAIDI and SAIFI included amongst others:

- examining the effectiveness of controls related to Horizon Energy Distribution Limited's quality assurance program over data entry;
- Testing a sample of events by comparing the facts surrounding the events such as start time, number

The key assurance matter	How the matter was addressed in our assurance
<ul style="list-style-type: none"> - There are differences in the method of calculating normalised SAIDI and SAIFI between the Electricity Default-Price-Quality Path Determination 2020 and Electricity Information Disclosure determination, there is ambiguity as to which methodology should be used for calculating these statistics and included within the Annual Disclosure Statement and Horizon have elected to include both. 	<p>of customers affected and end time were consistent with the responding engineer's records and the electricity network design; and</p> <ul style="list-style-type: none"> — Recalculating SAIDI and SAIFI according to both the methodology of the Electricity Default-Price-Quality Path Determination 2020 and Electricity Information Disclosure determination. <p>The procedures we performed to evaluate completeness of the dataset used to calculate SAIDI and SAIFI included amongst others:</p> <ul style="list-style-type: none"> — Checking whether, on a sample basis, major storm and outage events recorded in the media were appropriately recorded in the dataset; — Assessing whether the correct data is extracted from the underlying systems in order to prepare the Annual Disclosure Statement; and — Challenging the dataset where no interruptions were recorded on a specific date, or where interruptions were recorded with zero SAIDI/SAIFI impact.

Standards we followed

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements SAE 3100 (Revised) *Assurance Engagements on Compliance*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In accordance with those standards we have:

- used our professional judgement to assess the risk of material misstatement and non-compliance and plan and perform the engagement to obtain reasonable assurance that the Annual Disclosure Statement is free from material misstatement and non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express an opinion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

How to interpret reasonable assurance and material misstatement

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement or non-compliance when it exists.

Misstatements, including omissions, within the Annual Disclosure Statement are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the Annual Disclosure Statement.

Use of this assurance Report

Our report is made solely for Horizon Energy Distribution Limited. Our assurance work has been undertaken so that we might state to Horizon Energy Distribution Limited those matters we are required to state to them in the assurance report and for no other purpose. We have also consented to the Commerce Commission receiving a copy of our report on a reliance basis for the purpose noted above. No other third party is intended to receive our report.

Our report should not be regarded as suitable to be used or relied on by any third parties other than Horizon Energy Distribution Limited and the New Zealand Commerce Commission ("Recipients") for any purpose or in any context. Any other party 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.

Our report is released to the Recipients on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to any party other than Horizon Energy Distribution Limited for our work, for this independent reasonable assurance report, or for the opinions we have reached.

Directors' responsibility for Annual Disclosure Statement

The Directors of the company are responsible for the preparation and fair presentation of the Annual Disclosure Statement in accordance with the Determination. This responsibility includes such internal control as the Directors determine is necessary to enable the preparation of the Annual Disclosure Statement that is free from material misstatement and non-compliance whether due to fraud or error.

Our responsibility

Our responsibility is to express an opinion to the directors on whether the preparation and presentation of the Annual Disclosure Statement is, in all material respects, in accordance with the Determination.

Our independence and quality control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to the company including the annual audit of financial statements, regulatory assurance services, agreed upon procedures in relation to Interim Financial Statements, taxation compliance and advisory services. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as assurance providers of the company for this engagement. The firm has no other relationship with, or interest in, the company.



KPMG
Auckland

01 August 2023