



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

For the Year Ended 31 March 2016

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INDEPENDENT AUDITOR'S ASSURANCE REPORT

DIRECTOR'S CERTIFICATE

INTRODUCTION

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

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

REPORTS

Company Name **Horizon Energy Distribution Limited**
 For Year Ended **31 March 2016**

SCHEDULE 1: ANALYTICAL RATIOS

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

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

sch ref

7 1(i): Expenditure metrics

	Expenditure per GWh energy delivered to ICPs (\$/GWh)	Expenditure per average no. of ICPs (\$/ICP)	Expenditure per MW maximum coincident system demand (\$/MW)	Expenditure per km circuit length (\$/km)	Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)
Operational expenditure	17,081	363	102,241	3,582	39,319
Network	6,714	143	40,190	1,408	15,456
Non-network	10,367	220	62,051	2,174	23,863
Expenditure on assets	13,901	295	83,204	2,915	31,998
Network	12,938	275	77,439	2,713	29,781
Non-network	963	20	5,765	202	2,217

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	58,188	1,236
Standard consumer line charge revenue	105,795	1,072
Non-standard consumer line charge revenue	14,771	339,382

23 1(iii): Service intensity measures

Demand density	35	Maximum coincident system demand per km of circuit length (for supply) (kW/km)
Volume density	210	Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
Connection point density	10	Average number of ICPs per km of circuit length (for supply) (ICPs/km)
Energy intensity	21,241	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

30 1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	9,005	28.98%
Pass-through and recoverable costs excluding financial incentives and wash-ups	9,153	29.46%
Total depreciation	5,526	17.78%
Total revaluations	663	2.13%
Regulatory tax allowance	823	2.65%
Regulatory profit/(loss) including financial incentives and wash-ups	7,230	23.27%
Total regulatory income	31,074	

40 1(v): Reliability

Interruption rate	9.39	Interruptions per 100 circuit km
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SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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

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sch ref

	CY-2	CY-1	Current Year CY
	31 Mar 14	31 Mar 15	31 Mar 16
	%	%	%
2(i): Return on Investment			
ROI – comparable to a post tax WACC			
Reflecting all revenue earned	6.60%	4.16%	6.32%
Excluding revenue earned from financial incentives	6.60%	4.16%	6.32%
Excluding revenue earned from financial incentives and wash-ups	6.60%	4.60%	6.32%
Mid-point estimate of post tax WACC	5.43%	6.10%	5.37%
25th percentile estimate	4.71%	5.39%	4.66%
75th percentile estimate	6.14%	6.82%	6.09%
ROI – comparable to a vanilla WACC			
Reflecting all revenue earned	7.28%	4.94%	6.51%
Excluding revenue earned from financial incentives	7.28%	4.94%	6.51%
Excluding revenue earned from financial incentives and wash-ups	7.28%	5.39%	6.51%
WACC rate used to set regulatory price path	8.77%	8.77%	7.19%
Mid-point estimate of vanilla WACC	6.11%	6.89%	6.02%
25th percentile estimate	5.39%	6.17%	5.30%
75th percentile estimate	6.83%	7.60%	6.74%
2(ii): Information Supporting the ROI			
			(\$000)
Total opening RAB value	113,283		
plus Opening deferred tax	(4,663)		
Opening RIV		108,619	
Line charge revenue		30,675	
Expenses cash outflow	18,158		
add Assets commissioned	6,488		
less Asset disposals	51		
add Tax payments	5,486		
less Other regulated income	399		
Mid-year net cash outflows		29,682	
Term credit spread differential allowance		-	
Total closing RAB value	114,857		
less Adjustment resulting from asset allocation	0		
less Lost and found assets adjustment	-		
plus Closing deferred tax	(0)		
Closing RIV		114,857	
ROI – comparable to a vanilla WACC			6.51%
Leverage (%)			44%
Cost of debt assumption (%)			5.26%
Corporate tax rate (%)			9%
ROI – comparable to a post tax WACC			6.32%

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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

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sch ref

2(iii): Information Supporting the Monthly ROI

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

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

92				
93				
94		Year-end ROI – comparable to a vanilla WACC		6.46%
95				
96		Year-end ROI – comparable to a post tax WACC		6.26%
97				

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

2(v): Financial Incentives and Wash-Ups

101				
102		Net recoverable costs allowed under incremental rolling incentive scheme		-
103		Purchased assets – avoided transmission charge		-
104		Energy efficiency and demand incentive allowance		-
105		Quality incentive adjustment		-
106		Other financial incentives		-
107		Financial incentives		-
108				
109		Impact of financial incentives on ROI		-
110				
111		Input methodology claw-back		-
112		Recoverable customised price-quality path costs		-
113		Catastrophic event allowance		-
114		Capex wash-up adjustment		-
115		Transmission asset wash-up adjustment		-
116		2013–2015 NPV wash-up allowance		-
117		Reconsideration event allowance		-
118		Other wash-ups		-
119		Wash-up costs		-
120				
121		Impact of wash-up costs on ROI		-

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

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

sch ref

3(i): Regulatory Profit		(\$000)
7	Income	
8	Line charge revenue	30,675
9		
10	plus Gains / (losses) on asset disposals	39
11	plus Other regulated income (other than gains / (losses) on asset disposals)	360
12		
13	Total regulatory income	31,074
14	Expenses	
15	less Operational expenditure	9,005
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	9,153
18		
19	Operating surplus / (deficit)	12,916
20		
21	less Total depreciation	5,526
22		
23	plus Total revaluations	663
24		
25	Regulatory profit / (loss) before tax	8,053
26		
27	less Term credit spread differential allowance	-
28		
29	less Regulatory tax allowance	823
30		
31	Regulatory profit/(loss) including financial incentives and wash-ups	7,230
32		
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)
34	Pass through costs	
35	Rates	208
36	Commerce Act levies	39
37	Industry levies	92
38	CPP specified pass through costs	-
39	Recoverable costs excluding financial incentives and wash-ups	
40	Electricity lines service charge payable to Transpower	6,630
41	Transpower new investment contract charges	-
42	System operator services	-
43	Distributed generation allowance	2,184
44	Extended reserves allowance	-
45	Other recoverable costs excluding financial incentives and wash-ups	-
46	Pass-through and recoverable costs excluding financial incentives and wash-ups	9,153
47		

Company Name **Horizon Energy Distribution Limited**
 For Year Ended **31 March 2016**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		(\$000)	
		CY-1	CY
		31 Mar 15	31 Mar 16
48	3(iii): Incremental Rolling Incentive Scheme		
49			
50			
51	Allowed controllable opex	-	-
52	Actual controllable opex	-	-
53			
54	Incremental change in year		-
55			
56			Previous years' incremental change
57	CY-5 31 Mar 11	-	-
58	CY-4 31 Mar 12	-	-
59	CY-3 31 Mar 13	-	-
60	CY-2 31 Mar 14	-	-
61	CY-1 31 Mar 15	-	-
62	Net incremental rolling incentive scheme		-
63			
64	Net recoverable costs allowed under incremental rolling incentive scheme		-
65	3(iv): Merger and Acquisition Expenditure		
66			(\$000)
67	Merger and acquisition expenditure		-
68	<i>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)</i>		
69	3(v): Other Disclosures		
70			(\$000)
71	Self-insurance allowance		-

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

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

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4(i): Regulatory Asset Base Value (Rolled Forward)		for year ended				
		RAB 31 Mar 12 (\$000)	RAB 31 Mar 13 (\$000)	RAB 31 Mar 14 (\$000)	RAB 31 Mar 15 (\$000)	RAB 31 Mar 16 (\$000)
	Total opening RAB value	101,071	101,722	104,498	110,624	113,283
	less Total depreciation	4,483	4,378	4,656	5,001	5,526
	plus Total revaluations	1,578	870	1,604	93	663
	plus Assets commissioned	3,976	6,688	9,279	7,726	6,488
	less Asset disposals	420	404	100	158	51
	plus Lost and found assets adjustment	-	-	-	-	-
	plus Adjustment resulting from asset allocation	-	0	0	(0)	0
	Total closing RAB value	101,722	104,498	110,624	113,283	114,857

4(ii): Unallocated Regulatory Asset Base		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
	Total opening RAB value		113,283		113,283
	less Total depreciation		5,526		5,526
	plus Total revaluations		663		663
	plus Assets commissioned (other than below)	1,033		1,033	
	Assets acquired from a regulated supplier	-		-	
	Assets acquired from a related party	5,455		5,455	
	Assets commissioned		6,488		6,488
	less Asset disposals (other than below)		51		51
	Asset disposals to a regulated supplier		-		-
	Asset disposals to a related party		-		-
	Asset disposals		51		51
	plus Lost and found assets adjustment		-		-
	plus Adjustment resulting from asset allocation				0
	Total closing RAB value		114,857		114,857

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

4(iii): Calculation of Revaluation Rate and Revaluation of Assets		CPI _t		CPI _{t-4}	
	CPI _t				1.200
	CPI _{t-4}				1.193
	Revaluation rate (%)				0.59%

		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
	Total opening RAB value	113,283		113,283	
	less Opening value of fully depreciated, disposed and lost assets	279		279	
	Total opening RAB value subject to revaluation	113,004		113,004	
	Total revaluations		663		663

4(iv): Roll Forward of Works Under Construction		Unallocated works under construction		Allocated works under construction	
	Works under construction—preceding disclosure year		1,614		1,614
	plus Capital expenditure	7,136		7,136	
	less Assets commissioned	6,488		6,488	
	plus Adjustment resulting from asset allocation				-
	Works under construction - current disclosure year		2,261		2,261
	Highest rate of capitalised finance applied				1.30%

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

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

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4(v): Regulatory Depreciation

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

Unallocated RAB +		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
4,839		4,839	
687		687	
-		-	
-		-	
	5,526		5,526

4(vi): Disclosure of Changes to Depreciation Profiles

(5000 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
0		-	-	-
0		-	-	-
0		-	-	-
0		-	-	-
0		-	-	-
0		-	-	-
0		-	-	-
0		-	-	-
0		-	-	-
0		-	-	-

* include additional rows if needed

4(vii): Disclosure by Asset Category

(5000 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	5,177	646	7,402	25,741	28,193	22,538	12,297	7,540	3,649	113,283
less Total depreciation	223	24	291	1,187	1,091	731	568	704	707	5,526
plus Total revaluations	30	4	43	151	165	132	73	44	21	663
plus Assets commissioned	14	101	(469)	228	1,755	1,753	1,477	893	736	6,488
less Asset disposals	-	-	-	-	19	3	20	-	9	51
plus Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
plus Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	-	-
plus Asset category transfers	-	-	-	-	-	-	-	-	-	-
Total closing RAB value	4,998	726	6,686	24,933	29,003	23,690	13,358	7,773	3,690	114,857
Asset Life										
Weighted average remaining asset life	27.0	35.2	31.5	26.7	32.7	36.9	29.9	20.2	6.9	(years)
Weighted average expected total asset life	57.2	50.3	49.7	58.7	49.3	52.4	38.3	31.6	9.3	(years)

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

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

sch ref

		(\$000)	
7	5a(i): Regulatory Tax Allowance		
8	Regulatory profit / (loss) before tax		8,053
9			
10	<i>plus</i> Income not included in regulatory profit / (loss) before tax but taxable	-	*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	4	*
12	Amortisation of initial differences in asset values	4,219	
13	Amortisation of revaluations	433	
14			4,656
15			
16	<i>less</i> Total revaluations	663	
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	2,450	
21			3,113
22			
23	Regulatory taxable income		9,595
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		9,595
27			
28	Corporate tax rate (%)	9%	
29	Regulatory tax allowance		823

* Workings to be provided in Schedule 14

5a(ii): Disclosure of Permanent Differences

In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).

		(\$000)	
34	5a(iii): Amortisation of Initial Difference in Asset Values		
35			
36	Opening unamortised initial differences in asset values	52,653	
37	<i>less</i> Amortisation of initial differences in asset values	4,219	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	-	
40	Closing unamortised initial differences in asset values		48,434
41			
42	Opening weighted average remaining useful life of relevant assets (years)		12
43			

Company Name **Horizon Energy Distribution Limited**
 For Year Ended **31 March 2016**

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

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

sch ref

5b(i): Summary—Related Party Transactions

	(\$000)
Total regulatory income	-
Operational expenditure	3,078
Capital expenditure	5,747
Market value of asset disposals	-
Other related party transactions	(71)

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

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

* include additional rows if needed

5b(iii): Related Party Transactions

Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
Horizon Services Limited	Capex	Construction of Network Assets	5,747	IM clause 2.2.11(5)(g)
Horizon Services Limited	Opex	Maintenance of Network Assets	3,018	ID clause 2.3.6(1)(b)
Horizon Services Limited	Opex	Rental Expense	60	ID clause 2.3.6(1)(a)
Eastern Bay Energy Trust	Capex	Contribution towards Undergrounding Works	(71)	IM clause 2.2.11(5)(g)

* include additional rows if needed

Company Name **Horizon Energy Distribution Limited**
 For Year Ended **31 March 2016**

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

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

sch ref

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

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

* include additional rows if needed

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

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

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

		Value allocated (\$000s)				OVABAA allocation increase (\$000s)
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	
5d(i): Operating Cost Allocations						
Service interruptions and emergencies						
	Directly attributable		789			
	Not directly attributable	-	-	-	-	-
	Total attributable to regulated service		789			
Vegetation management						
	Directly attributable		521			
	Not directly attributable	-	-	-	-	-
	Total attributable to regulated service		521			
Routine and corrective maintenance and inspection						
	Directly attributable		1,314			
	Not directly attributable	-	-	-	-	-
	Total attributable to regulated service		1,314			
Asset replacement and renewal						
	Directly attributable		916			
	Not directly attributable	-	-	-	-	-
	Total attributable to regulated service		916			
System operations and network support						
	Directly attributable		2,267			
	Not directly attributable	-	-	-	-	-
	Total attributable to regulated service		2,267			
Business support						
	Directly attributable		-			
	Not directly attributable	-	3,198	2,079	5,277	-
	Total attributable to regulated service		3,198			
	Operating costs directly attributable		5,806			
	Operating costs not directly attributable	-	3,198	2,079	5,277	-
	Operational expenditure		9,005			

		(\$000)
5d(ii): Other Cost Allocations		
Pass through and recoverable costs		
Pass through costs		
	Directly attributable	339
	Not directly attributable	-
	Total attributable to regulated service	339
Recoverable costs		
	Directly attributable	8,814
	Not directly attributable	-
	Total attributable to regulated service	8,814

		(\$000)	
		CY-1	Current Year (CY)
5d(iii): Changes in Cost Allocations* †			
Change in cost allocation 1			
Cost category	-	-	-
Original allocator or line items	-	-	-
New allocator or line items	-	-	-
Rationale for change			
Change in cost allocation 2			
Cost category	-	-	-
Original allocator or line items	-	-	-
New allocator or line items	-	-	-
Rationale for change			
Change in cost allocation 3			
Cost category	-	-	-
Original allocator or line items	-	-	-
New allocator or line items	-	-	-
Rationale for change			

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

Company Name
For Year Ended

Horizon Energy Distribution Limited
31 March 2016

SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

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

sch ref

7 **5e(i): Regulated Service Asset Values**

	Value allocated (\$000s) Electricity distribution services
Subtransmission lines	
Directly attributable	4,998
Not directly attributable	-
Total attributable to regulated service	4,998
Subtransmission cables	
Directly attributable	726
Not directly attributable	-
Total attributable to regulated service	726
Zone substations	
Directly attributable	6,686
Not directly attributable	-
Total attributable to regulated service	6,686
Distribution and LV lines	
Directly attributable	24,933
Not directly attributable	-
Total attributable to regulated service	24,933
Distribution and LV cables	
Directly attributable	29,003
Not directly attributable	-
Total attributable to regulated service	29,003
Distribution substations and transformers	
Directly attributable	23,690
Not directly attributable	-
Total attributable to regulated service	23,690
Distribution switchgear	
Directly attributable	13,358
Not directly attributable	-
Total attributable to regulated service	13,358
Other network assets	
Directly attributable	7,773
Not directly attributable	-
Total attributable to regulated service	7,773
Non-network assets	
Directly attributable	-
Not directly attributable	3,690
Total attributable to regulated service	3,690
Regulated service asset value directly attributable	111,166
Regulated service asset value not directly attributable	3,690
Total closing RAB value	114,857

51 **5e(ii): Changes in Asset Allocations* †**

		(\$000)	
		CY-1	Current Year (CY)
Change in asset value allocation 1			
Asset category	-	Original allocation	-
Original allocator or line items	-	New allocation	-
New allocator or line items	-	Difference	-
Rationale for change			
Change in asset value allocation 2			
Asset category	-	Original allocation	-
Original allocator or line items	-	New allocation	-
New allocator or line items	-	Difference	-
Rationale for change			
Change in asset value allocation 3			
Asset category	-	Original allocation	-
Original allocator or line items	-	New allocation	-
New allocator or line items	-	Difference	-
Rationale for change			

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

† include additional rows if needed

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

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

sch ref

		(\$000)	(\$000)
7	6a(i): Expenditure on Assets		
8	Consumer connection		144
9	System growth		234
10	Asset replacement and renewal		5,594
11	Asset relocations		-
12	Reliability, safety and environment:		
13	Quality of supply	427	
14	Legislative and regulatory	108	
15	Other reliability, safety and environment	313	
16	Total reliability, safety and environment		848
17	Expenditure on network assets		6,820
18	Expenditure on non-network assets		508
19			
20	Expenditure on assets		7,328
21	plus Cost of financing		78
22	less Value of capital contributions		270
23	plus Value of vested assets		-
24			
25	Capital expenditure		7,136

		(\$000)
26	6a(ii): Subcomponents of Expenditure on Assets (where known)	
27	Energy efficiency and demand side management, reduction of energy losses	-
28	Overhead to underground conversion	618
29	Research and development	-

		(\$000)	(\$000)
30	6a(iii): Consumer Connection		
31	<i>Consumer types defined by EDB*</i>		
32	130 - Customer Connection - NCI assets created	144	
33		-	
34		-	
35		-	
36		-	
37	<i>* include additional rows if needed</i>		
38	Consumer connection expenditure		144
39			
40	less Capital contributions funding consumer connection expenditure	2	
41	Consumer connection less capital contributions		143

		System Growth and Asset Replacement and Renewal	
		(\$000)	(\$000)
42	6a(iv): System Growth and Asset Replacement and Renewal		
43			
44			
45	Subtransmission	-	-
46	Zone substations	79	1,049
47	Distribution and LV lines	4	207
48	Distribution and LV cables	10	1,454
49	Distribution substations and transformers	93	1,224
50	Distribution switchgear	46	1,063
51	Other network assets	2	598
52	System growth and asset replacement and renewal expenditure	234	5,594
53	less Capital contributions funding system growth and asset replacement and renewal	-	234
54	System growth and asset replacement and renewal less capital contributions	234	5,361
55			

		(\$000)	(\$000)
56	6a(v): Asset Relocations		
57	<i>Project or programme*</i>		
58		-	
59		-	
60		-	
61		-	
62		-	
63	<i>* include additional rows if needed</i>		
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 the 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		-	
72		-	
73		-	
74		-	
75		-	
76	<i>* include additional rows if needed</i>		
77	All other projects programmes - quality of supply	427	
78	Quality of supply expenditure		427
79	less Capital contributions funding quality of supply	-	
80	Quality of supply less capital contributions		427
81	6a(vii): Legislative and Regulatory		
82	<i>Project or programme*</i>	(\$000)	(\$000)
83		-	
84		-	
85		-	
86		-	
87		-	
88	<i>* include additional rows if needed</i>		
89	All other projects or programmes - legislative and regulatory	108	
90	Legislative and regulatory expenditure		108
91	less Capital contributions funding legislative and regulatory	-	
92	Legislative and regulatory less capital contributions		108
93	6a(viii): Other Reliability, Safety and Environment		
94	<i>Project or programme*</i>	(\$000)	(\$000)
95		-	
96		-	
97		-	
98		-	
99		-	
100	<i>* include additional rows if needed</i>		
101	All other projects or programmes - other reliability, safety and environment	313	
102	Other reliability, safety and environment expenditure		313
103	less Capital contributions funding other reliability, safety and environment	35	
104	Other reliability, safety and environment less capital contributions		278
105			
106	6a(ix): Non-Network Assets		
107	Routine expenditure		
108	<i>Project or programme*</i>	(\$000)	(\$000)
109	Plant & Equipment	6	
110	Vehicles	56	
111	Intangible - Software	246	
112	Other Information Technology	200	
113		-	
114	<i>* include additional rows if needed</i>		
115	All other projects or programmes - routine expenditure	-	
116	Routine expenditure		508
117	Atypical expenditure		
118	<i>Project or programme*</i>	(\$000)	(\$000)
119		-	
120		-	
121		-	
122		-	
123		-	
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		508

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

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

sch ref

		(\$000)	(\$000)	
7	6b(i): Operational Expenditure			
8	Service interruptions and emergencies	789		
9	Vegetation management	521		
10	Routine and corrective maintenance and inspection	1,314		
11	Asset replacement and renewal	916		
12	Network opex		3,540	
13	System operations and network support	2,267		
14	Business support	3,198		
15	Non-network opex		5,465	
16				
17	Operational expenditure		9,005	
18	6b(ii): Subcomponents of Operational Expenditure (where known)			
19	Energy efficiency and demand side management, reduction of energy losses		-	
20	Direct billing*		-	
21	Research and development		-	
22	Insurance		-	
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers			

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

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

sch ref

7 (i): Revenue		Target (\$000) ¹	Actual (\$000)	% variance
8	Line charge revenue	30,597	30,675	0%
7 (ii): Expenditure on Assets		Forecast (\$000) ²	Actual (\$000)	% variance
10	Consumer connection	365	144	(60%)
11	System growth	919	234	(75%)
12	Asset replacement and renewal	5,253	5,594	6%
13	Asset relocations	36	-	(100%)
14	Reliability, safety and environment:			
15	Quality of supply	702	427	(39%)
16	Legislative and regulatory	227	108	(52%)
17	Other reliability, safety and environment	1,304	313	(76%)
18	Total reliability, safety and environment	2,234	848	(62%)
19	Expenditure on network assets	8,808	6,820	(23%)
20	Expenditure on non-network assets	484	508	5%
21	Expenditure on assets	9,291	7,328	(21%)
7 (iii): Operational Expenditure				
23	Service interruptions and emergencies	836	789	(6%)
24	Vegetation management	608	521	(14%)
25	Routine and corrective maintenance and inspection	770	1,314	71%
26	Asset replacement and renewal	664	916	38%
27	Network opex	2,878	3,540	23%
28	System operations and network support	2,404	2,267	(6%)
29	Business support	3,177	3,198	1%
30	Non-network opex	5,581	5,465	(2%)
31	Operational expenditure	8,459	9,005	6%
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	-	618	-
35	Research and development	-	-	-
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	-	-	-

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

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)

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 EDR 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(i): Billed Quantities by Price Component

Billed quantities by price component

Price component

Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Variable
Days	kVA/Day	kVA/Month	kW/Month	Light/Month	Month	kWh

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

Add extra columns for additional billed quantities 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)	Average no. of ICPS in disclosure year	Energy delivered to ICPS in disclosure year (MWh)	
(N1R) General Rural N1 Group	Capacity	Standard	916	3,279	
(N1U) General Urban N1 Group	Capacity	Standard	621	3,639	
(N2R) General Rural N2 Group	Capacity	Standard	1,707	24,898	
(N2U) General Urban N2 Group	Capacity	Standard	802	13,174	
(N3R) General Rural N3 Group	Capacity	Standard	323	15,266	
(N3U) General Urban N3 Group	Capacity	Standard	266	10,378	
(N4R) General Rural N4 Group	Capacity	Standard	36	2,151	
(N4U) General Urban N4 Group	Capacity	Standard	45	2,462	
(N5R) General Rural N5 Group	Capacity	Standard	26	1,261	
(N5U) General Urban N5 Group	Capacity	Standard	30	2,343	
(LUDR) Domestic LFC Rural	Domestic	Standard	3,696	19,564	
(LUDU) Domestic LFC Urban	Domestic	Standard	7,763	39,332	
Rural	Domestic	Standard	413	1,087	
Urban	Domestic	Standard	273	954	
(SDR) Domestic Standard Rural	Domestic	Standard	3,245	27,851	
(SDU) Domestic Standard Urban	Domestic	Standard	4,354	33,454	
(NMD) Network Maximum Demand	Network Maximum Demand	Standard	148	48,154	
(EF) Electric Fence	Special	Standard	15	-	
(PCM24) Telecom 24 hour	Special	Standard	85	-	
(PCMN) Telecom Night	Special	Standard	7	-	
(SL) Streetlight	Special	Standard	21	2,203	
(UV) Underveranda Lighting	Special	Standard	14	-	
Majors	Industrial	Non-standard	12	275,711	
Standard consumer totals				24,806	251,450
Non-standard consumer totals				12	275,711
Total for all consumers				24,818	527,161

335,267	-	-	-	-	-	3,279,085
227,372	-	-	-	-	-	3,638,529
624,776	-	-	-	-	-	24,897,665
293,620	-	-	-	-	-	13,174,241
118,340	-	-	-	-	-	15,265,983
97,422	-	-	-	-	-	10,378,469
13,272	-	-	-	-	-	2,151,355
16,365	-	-	-	-	-	2,462,211
-	1,694,094	-	-	-	-	1,261,296
-	1,860,546	-	-	-	-	2,342,652
1,352,736	-	-	-	-	-	19,563,517
2,841,224	-	-	-	-	-	39,331,758
151,235	-	-	-	-	-	1,087,090
99,930	-	-	-	-	-	953,985
1,187,574	-	-	-	-	-	27,851,382
1,593,659	-	-	-	-	-	33,454,388
-	-	454,590	272,076	-	-	48,153,680
5,483	-	-	-	-	-	-
-	-	-	-	-	1,017	-
-	-	-	-	-	78	-
-	-	-	-	4,690	-	2,202,760
5,124	-	-	-	-	-	-
-	-	-	-	-	144	275,711,010
8,963,399	3,554,640	454,590	272,076	4,690	1,095	251,450,046
-	-	-	-	-	144	275,711,010
8,963,399	3,554,640	454,590	272,076	4,690	1,239	527,161,056

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

8	Voltage	Asset category	Asset class	Units	Items at start of	Items at end of	Net change	Data accuracy
					year (quantity)	year (quantity)		(1-4)
9	All	Overhead Line	Concrete poles / steel structure	No.	18,307	18,318	11	2
10	All	Overhead Line	Wood poles	No.	1,946	1,929	(17)	2
11	All	Overhead Line	Other pole types	No.	46	74	28	2
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	179	178	(1)	1
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	4	4	-	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	N/A
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	10	10	-	3
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	-	-	-	N/A
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	-	-	-	4
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	20	21	1	1
29	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	N/A
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	10	10	-	2
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	9	9	-	2
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	54	54	-	4
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	6	6	-	4
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	15	15	-	4
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,447	1,446	(2)	3
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	N/A
37	HV	Distribution Line	SWER conductor	km	63	63	(0)	3
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	161	163	2	2
39	HV	Distribution Cable	Distribution UG PILC	km	34	34	0	2
40	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	N/A
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	102	103	1	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	-	-	-	N/A
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	4,157	4,129	(28)	1
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	-	-	-	N/A
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	229	240	11	3
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	2,488	2,491	3	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	736	750	14	2
48	HV	Distribution Transformer	Voltage regulators	No.	1	1	-	4
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	754	765	11	2
50	LV	LV Line	LV OH Conductor	km	265	277	12	2
51	LV	LV Cable	LV UG Cable	km	342	348	6	2
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	233	236	3	2
53	LV	Connections	OH/UG consumer service connections	No.	24,820	24,848	28	3
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	99	105	6	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
56	All	Capacitor Banks	Capacitors including controls	No.	1	2	1	4
57	All	Load Control	Centralised plant	Lot	4	4	-	4
58	All	Load Control	Relays	No.	-	-	-	N/A
59	All	Civils	Cable Tunnels	km	-	-	-	N/A

Company Name **Horizon Energy Distribution Limited**

For Year Ended **31 March 2016**

Network / Sub-network Name

SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES

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

sch ref

9				
10	Circuit length by operating voltage (at year end)			Total circuit length (km)
11	> 66kV	Overhead (km)	Underground (km)	
12	50kV & 66kV	–	–	–
13	33kV	179	4	183
14	SWER (all SWER voltages)	63	–	63
15	22kV (other than SWER)	–	–	–
16	6.6kV to 11kV (inclusive—other than SWER)	1,446	197	1,642
17	Low voltage (< 1kV)	277	348	625
18	Total circuit length (for supply)	1,964	549	2,514
19				
20	Dedicated street lighting circuit length (km)	–	20	20
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			458
22				
23	Overhead circuit length by terrain (at year end)	Circuit length (km)	(% of total overhead length)	
24	Urban	218	11%	
25	Rural	1,011	51%	
26	Remote only	164	8%	
27	Rugged only	364	19%	
28	Remote and rugged	120	6%	
29	Unallocated overhead lines	87	4%	
30	Total overhead length	1,964	100%	
31				
32		Circuit length (km)	(% of total circuit length)	
33	Length of circuit within 10km of coastline or geothermal areas (where known)	1,877	75%	
34		Circuit length (km)	(% of total overhead length)	
35	Overhead circuit requiring vegetation management	1,964	100%	

Company Name **Horizon Energy Distribution Limited**

For Year Ended **31 March 2016**

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

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

sch ref

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

Company Name **Horizon Energy Distribution Limited**

For Year Ended **31 March 2016**

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		
9	<i>Number of ICPs connected in year by consumer type</i>		
10	<i>Consumer types defined by EDB*</i>	Number of connections (ICPs)	
11	Domestic	114	
12	Capacity	14	
13	Network Maximum Demand	9	
14	Majors	0	
15	Specials	0	
16	<i>* include additional rows if needed</i>		
17	Connections total	137	
18			
19	Distributed generation		
20	Number of connections made in year	25	connections
21	Capacity of distributed generation installed in year	0	MVA
22	9e(ii): System Demand		
23			
24		Demand at time of maximum coincident demand (MW)	
25	Maximum coincident system demand		
26	GXP demand	85	
27	plus Distributed generation output at HV and above	3	
28	Maximum coincident system demand	88	
29	less Net transfers to (from) other EDBs at HV and above	-	
30	Demand on system for supply to consumers' connection points	88	
31	Electricity volumes carried	Energy (GWh)	
32	Electricity supplied from GXPs	477	
33	less Electricity exports to GXPs	-	
34	plus Electricity supplied from distributed generation	79	
35	less Net electricity supplied to (from) other EDBs	-	
36	Electricity entering system for supply to consumers' connection points	556	
37	less Total energy delivered to ICPs	527	
38	Electricity losses (loss ratio)	29	5.2%
39			
40	Load factor	0.72	
41	9e(iii): Transformer Capacity		
42		(MVA)	
43	Distribution transformer capacity (EDB owned)	229	
44	Distribution transformer capacity (Non-EDB owned, estimated)	79	
45	Total distribution transformer capacity	308	
46			
47	Zone substation transformer capacity	88	

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

8	10(i): Interruptions		
9	Interruptions by class	Number of interruptions	
10	Class A (planned interruptions by Transpower)	1	
11	Class B (planned interruptions on the network)	143	
12	Class C (unplanned interruptions on the network)	91	
13	Class D (unplanned interruptions by Transpower)	1	
14	Class E (unplanned interruptions of EDB owned generation)	-	
15	Class F (unplanned interruptions of generation owned by others)	-	
16	Class G (unplanned interruptions caused by another disclosing entity)	-	
17	Class H (planned interruptions caused by another disclosing entity)	-	
18	Class I (interruptions caused by parties not included above)	-	
19	Total	236	
20			
21	Interruption restoration	≤3Hrs	>3hrs
22	Class C interruptions restored within	74	17
23			
24	SAIFI and SAIDI by class	SAIFI	SAIDI
25	Class A (planned interruptions by Transpower)	0.04	9.3
26	Class B (planned interruptions on the network)	0.37	44.5
27	Class C (unplanned interruptions on the network)	1.39	109.2
28	Class D (unplanned interruptions by Transpower)	0.05	1.4
29	Class E (unplanned interruptions of EDB owned generation)	-	-
30	Class F (unplanned interruptions of generation owned by others)	-	-
31	Class G (unplanned interruptions caused by another disclosing entity)	-	-
32	Class H (planned interruptions caused by another disclosing entity)	-	-
33	Class I (interruptions caused by parties not included above)	-	-
34	Total	1.85	164.4
35			
36	Normalised SAIFI and SAIDI	Normalised SAIFI	Normalised SAIDI
37	Classes B & C (interruptions on the network)	1.76	153.9
38			
39	Quality path normalised reliability limit	SAIFI reliability limit	SAIDI reliability limit
40	SAIFI and SAIDI limits applicable to disclosure year*	2.22	175.8
41	* not applicable to exempt EDBs		
42	10(ii): Class C Interruptions and Duration by Cause		
43			
44	Cause	SAIFI	SAIDI
45	Lightning	-	-
46	Vegetation	0.16	9.2
47	Adverse weather	0.15	15.8
48	Adverse environment	-	-
49	Third party interference	0.15	11.7
50	Wildlife	0.13	6.2
51	Human error	0.09	0.5
52	Defective equipment	0.40	48.9
53	Cause unknown	0.32	16.9
54			

Company Name **Horizon Energy Distribution Limited**

For Year Ended **31 March 2016**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

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

Main equipment involved

	SAIFI	SAIDI
Subtransmission lines	-	-
Subtransmission cables	-	-
Subtransmission other	-	-
Distribution lines (excluding LV)	0.34	32.4
Distribution cables (excluding LV)	0.05	12.2
Distribution other (excluding LV)	-	-

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

Main equipment involved

	SAIFI	SAIDI
Subtransmission lines	0.35	20.4
Subtransmission cables	-	-
Subtransmission other	-	-
Distribution lines (excluding LV)	0.76	65.8
Distribution cables (excluding LV)	0.28	23.0
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	179	3.92
Subtransmission cables	-	4	-
Subtransmission other	-	-	-
Distribution lines (excluding LV)	77	1,509	5.10
Distribution cables (excluding LV)	7	197	3.56
Distribution other (excluding LV)	-	-	-
Total	91		

Company Name	<u>Horizon Energy Distribution Limited</u>
For Year Ended	<u>31 March 2016</u>

Schedule 14 Mandatory Explanatory Notes

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

Return on Investment (Schedule 2)

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

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

Regulatory Profit (Schedule 3)

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

Box 2: Explanatory comment on regulatory profit
 \$ 66,292 Fiji Restoration Project
 \$143,350 Insurance proceeds for Network Assets
 \$ 93,800 Application Fees
 \$ 47,028 Miscellaneous Network Service Income
 \$ 4,041 EBET Takeover recoveries
\$ 5,221 Bad debts recovered
 \$359,732 Total

There were no reclassified items during the disclosure year.

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

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

Box 3: Explanatory comment on merger and acquisition expenditure

There was no merger and acquisition activity during the year.

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

Value of the Regulatory Asset Base (Schedule 4)

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

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

The Regulatory Asset Base has been calculated in accordance with the IM Determination.

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

Schedule 4(iii) – Calculation of Revaluation Rate and Revaluation on Assets contains a revaluation rate utilising the consumer price index stipulated in the “All Groups Index SE9A” as published by Statistics New Zealand. The index figure of 1193 for the March 2015 quarter (CPI_4^{-4}) equals the CPI_4 figure used in the 2015 annual disclosures.

This March 2015 index figure of 1193 was the figure available in the “All Groups Index SE9A” as published by Statistics New Zealand when the 2015 annual disclosures were completed.

The March 2015 index figure of 1193 differs from the March 2015 index figure of 1195 that is now currently available in the “All Groups Index SE9A” as published by Statistics New Zealand, due to Statistics New Zealand revising the March 2015 index figure subsequent to the 2015 annual disclosures being completed.

Horizon Energy has continued to use the index figure of 1193 for the March 2015 quarter (CPI_4^{-4}) within the 2016 annual disclosures as this is the approach the Commerce Commission has accepted as being appropriate in order to account for the March 2015 index change introduced by Statistics New Zealand.

This treatment has had the effect of increasing the total revaluations in the 2016 annual disclosures by \$190,000 (from \$473,000 to \$663,000), which equates to a 0.17% increase in the total closing regulatory asset base value.

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

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

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

Box 5: Regulatory tax allowance: permanent differences

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

Nil

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

\$2,000	Non Deductible Professional Fees
\$2,000	Entertainment Non Deductible
\$0	Provision for Doubtful Debts
\$65,000	Provisions Relating to Employee Costs
<u>(\$65,000)</u>	Movement in Bonus Provision
\$4,000	Total

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

Revaluation from schedule 4 (iii) \$473,000

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

Nil

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

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

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

(\$67,200)	Movement in DPP Breach Provision
\$0	Provision for Doubtful Debts
\$ 14,670	Movement in Leave Provisions
(\$18,063)	Movement in Bonus Provision
<u>\$ 3,601</u>	ACC Accrual
(\$66,993)	Total

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

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

Box 7: Related party transactions

Schedule 5b contains disclosure of all related party transactions.

Cost allocation (Schedule 5d)

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

Box 8: Cost allocation

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

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

No items have been reclassified during the disclosure year.

Asset allocation (Schedule 5e)

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

Box 9: Commentary on asset allocation

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

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

No items have been reclassified during the disclosure year.

Capital Expenditure for the Disclosure Year (Schedule 6a)

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

Box 10: Explanation of capital expenditure for the disclosure year

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

There were no reclassified items during the disclosure year.

Operational Expenditure for the Disclosure Year (Schedule 6b)

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

Box 11: Explanation of operational expenditure for the disclosure year

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

There were no reclassified items during the disclosure year.

Variance between forecast and actual expenditure (Schedule 7)

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

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

Customer Connection: Continues to be lower than historic levels as fewer new connections are requiring capacity upgrades.

System Growth: The Opotiki substation forecast (\$700k) in 2015/16 was committed in the period with construction commencing in 2016/17.

Asset Replacement and Renewal: Both asset and operational expenditure higher than forecast mainly due to the additional work required to support the Transpower 33kV ODID project and the unexpected failure of the Kope T1 transformer bushing.

Quality of supply: Lower than forecast due to re-evaluation of project business cases under the new QoS incentive regime, purchase of a second mobile generator postponed until closer to capacity constraint levels at Opotiki.

Routine and corrective maintenance and inspection operational expenditure: higher than forecast due to additional work with the unexpected failure of the Kope T1 transformer bushing and replacement work required to support the Transpower 33kV ODID project.

There were no reclassified items during the disclosure year.

Information relating to revenues and quantities for the disclosure year

16. In the box below provide-
- 16.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and sub clause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and
 - 16.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

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

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

Network Reliability for the Disclosure Year (Schedule 10)

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

Box 14: Commentary on network reliability for the disclosure year

The normalised SAIDI / SAIFI figures have been calculated in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated in 2015) as opposed to the requirements under the Electricity Distribution Services Default Price-Quality Path Determination 2015.

Insurance cover

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

Box 15: Explanation of insurance cover

Property insurance coverage for 2015-16 includes Material Damage and Business Interruption with an insured value of \$69.2M. Other insurance lines include Motor Vehicle insurance with third party coverage at \$20M.

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

Amendments to previously disclosed information

19. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:
- 19.1 a description of each error; and
- 19.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 16: Disclosure of amendment to previously disclosed information

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

Company Name	<u>Horizon Energy Distribution Limited</u>
For Year Ended	<u>31 March 2016</u>

Schedule 15 Voluntary Explanatory Notes

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.
2. Information in this schedule is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.
3. Provide additional explanatory comment in the box below.

Box 1: Voluntary explanatory comment on disclosed information

Schedule 5a(i) - Regulatory Tax Allowance includes a Corporate Tax Rate of 9% due to Horizon Energy Distribution Limited being exempt from income tax under the charities tax exemption as of 1 August 2015.

This is due to the Eastern Bay Energy Trust, 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.

The impact of becoming tax exempt is also recognised within Schedule 5a(vi) – Calculation of Deferred Tax Balance with the reversal of the closing deferred tax balance on the row titled “Deferred tax cost allocation adjustment” (Row 74).

This treatment is consistent with Horizon Energy Distribution Limited’s 31 March 2016 Financial Statements which are prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

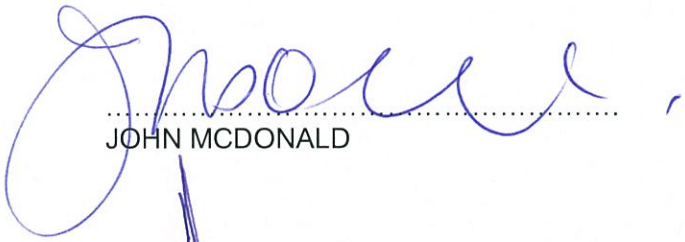
Certification for Year-end Disclosures

Clause 2.9.2

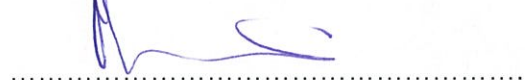
We, ANTHONY DE FARIAS and JOHN MCDONALD, being directors of HORIZON ENERGY DISTRIBUTION LIMITED certify that, having made all reasonable enquiry, to the best of our knowledge-

- 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 8 day of AUGUST 2016



.....
JOHN MCDONALD



.....
ANTHONY DE FARIAS



Independent auditor's reasonable assurance report

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

Report on the Electricity Distribution Information Disclosure requirements 2012 for the year ended 31 March 2016

We were engaged by the board of directors of Horizon Energy Distribution Limited to report on Horizon Energy Distribution Limited's Electricity Distribution Information Disclosure Requirements Information Templates comprising the following; Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(iv)) and 14 (boxes 1-12) as at March 2016 for the year then ended (the "schedules") in the form of an independent reasonable assurance conclusion about whether the schedules are prepared, in all material respects, in compliance with the Commerce Commission Information Disclosure Determination 2012 and the related Reasons Paper and Input Methodologies (together "the determination").

Horizon Energy Distribution Limited's responsibility

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

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

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

Our responsibility

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

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements SAE 3100 *Compliance Engagements* issued by the External Reporting Board of New Zealand and accordingly included such tests and procedures as we considered necessary in the circumstances. Our procedures included obtaining an understanding of the schedules and examination, on a test basis, of evidence supporting the schedules. These procedures have been undertaken to form an opinion whether, in all material respects, the schedules have been prepared in compliance with the determination for the year ended 31 March 2016.

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

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

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

Conclusion

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

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

In our opinion;

- Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(iv)) and 14 (boxes 1-12) as at 31 March 2016 for the year then ended are prepared in compliance with the determination, in all material respects;
- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the schedules as at 31 March 2016 have been kept by Horizon Energy Distribution Limited, and;
- The information used in the preparation of the schedules as at 31 March 2016 has been properly extracted from Horizon Energy Distribution Limited's accounting and other records and has been sourced, where appropriate, from Horizon Energy Distribution Limited's financial and non-financial systems.

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

Restriction of distribution and use

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



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

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

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

KPMG signature

KPMG
Auckland
8 August 2016