



# **GAS DISTRIBUTION SERVICES INFORMATION DISCLOSURE 2014**

26 March 2015

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## 1 INTRODUCTION

This disclosure of information is submitted by Powerco Limited (“Powerco”) pursuant to subpart 9 of Part 4 of the Commerce Act 1986 and in accordance with the Commerce Commission’s Gas Distribution Information Disclosure Determination 2012 (“IDD”).

Part 4 of the Commerce Act 1986 (“the Act”) provides a regulatory regime for gas pipeline services and sets out the requirements of information disclosure regulation. The purpose of the information disclosure regulation is to ensure that sufficient information is readily available to enable interested persons to assess whether the purpose of Part 4 of the Act is being met. The purpose of Part 4 is to promote the long-term benefit of consumers by promoting outcomes that are consistent with those produced in competitive markets.

For the purpose of regulatory compliance, Powerco is a provider of “gas pipeline services”, as defined by section 55A of the Act, and is required to comply with the requirements of Part 4 of the Act.

The IDD requires disclosure of the following information for the 2014 disclosure year:

<b>Schedule</b>	<b>Information provided</b>
1	Analytical ratios
2	Return on investment
3	Regulatory profit
4	Regulatory asset base (rolled forward)
5a	Regulatory tax allowance
5b	Related party transactions
5c	Term credit spread differential
5d	Report on cost allocation
5e	Report on asset allocation
6a	Capital expenditure
6b	Operational expenditure
7	Actual capital and operation expenditure compared to forecast
8	Billed quantities and line charge revenues
9a	Asset register
9b	Asset age profile
9c	Pipeline data
9d	Network demand
10a	Network reliability and interruptions
10b	Network integrity and customer service

The IDD also requires that network and billed quantity information be provided for each sub-network (i.e. each geographically separate part) of a supplier’s network. Powerco has two sub-networks in the North Island which it terms the Central Network and Lower Network. These sub-networks are shown in Map 1.

The following schedules are provided for Powerco Limited, Powerco’s Central Network and Powerco’s Lower Network:

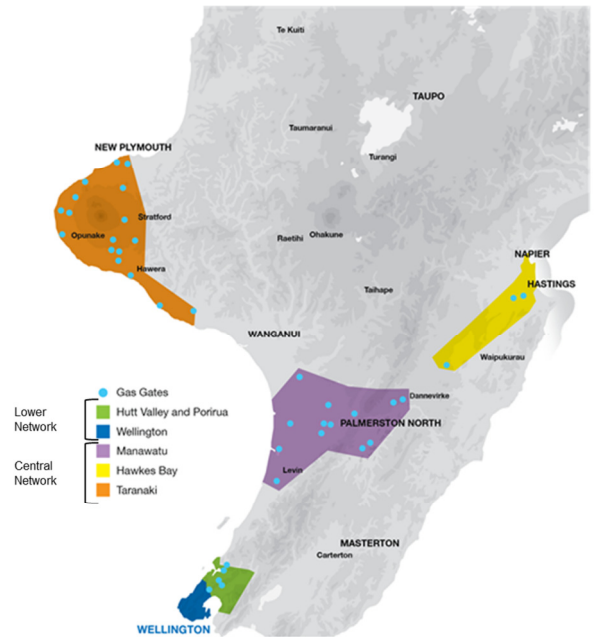
- Schedule 8 Billed quantities and line charge revenue
- Schedule 9a Asset register
- Schedule 9b Asset age profile
- Schedule 9c Pipeline data
- Schedule 9d Network demand
- Schedule 10a Network reliability and interruptions
- Schedule 10b Network integrity and customer service

All sections of Schedule 6a have been completed for the 2014 disclosure year as the transitional exemption of the first year of the IDD has expired.

Schedules 14 and 15 provide mandatory and voluntary notes to accompany the schedules relating to the current disclosure year.

Directors’ certification of the 2014 information disclosure is included at the end of this document.

Forecast information on expenditure, asset condition and network utilisation included in this document was previously published in September 2014 and accompanied the update to Powerco’s Asset Management Plan (“AMP”). Powerco’s 2014 AMP update is available on our website.



Map 1: Powerco's sub-networks

**2 SCHEDULE 1: ANALYTICAL RATIOS**

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

**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.

sch ref

7	<b>1(i): Expenditure Metrics</b>				
				Ratio of expenditure to maximum monthly amount of gas entering network (\$ per GJ/month)	
8		Expenditure per TJ energy delivered to ICPs (\$/TJ)	Expenditure per average no. of ICPs (\$/ICP)		Expenditure per km of pipeline for supply (\$/km)
9	Operational expenditure	1,706	147	15	2,629
10	Network	584	50	5	899
11	Non-network	1,123	97	10	1,729
12					
13	Expenditure on assets	1,194	103	10	1,839
14	Network	1,020	88	9	1,572
15	Non-network	173	15	2	267
16					
17					
18	<b>1(ii): Revenue Metrics</b>				
		Revenue per TJ energy delivered to ICPs (\$/TJ)	Revenue per average no. of ICPs (\$/ICP)		
19	Total line charge revenue	5,520	477		
20	Standard consumer line charge revenue	9,794	424		
21	Non-standard consumer line charge revenue	1,241	23,600		
22					
23					
24	<b>1(iii): Service Intensity Measures</b>				
25					
26	Demand density	177		<i>Maximum monthly amount of gas entering network (GJ/month)/Total pipeline length</i>	
27	Volume density	2		<i>Total TJ delivered to ICPs/Total pipeline length</i>	
28	Connection point density	18		<i>Average number of ICPs in disclosure year/Total pipeline length</i>	
29	Energy intensity	86		<i>Total GJ delivered to ICPs/Average number of ICPs in disclosure year</i>	
30					
31	<b>1(iv): Composition of Revenue Requirement</b>				
32		(\$000)	% of revenue		
33	Operational expenditure	15,191	30.33%		
34	Pass-through and recoverable costs	1,775	3.54%		
35	Total depreciation	9,454	18.88%		
36	Total revaluation	3,435	6.86%		
37	Regulatory tax allowance	5,160	10.30%		
38	Regulatory profit/loss	21,940	43.81%		
39	<b>Total regulatory income</b>	50,084			
40					
41	<b>1(v): Reliability</b>			Interruptions per 100km of pipeline length	
42	Interruption rate			20.28	

**3 SCHEDULE 2: RETURN ON INVESTMENT**

		Company Name <b>Powerco Limited</b>		
		For Year Ended <b>30 September 2014</b>		
<b>SCHEDULE 2: REPORT ON RETURN ON INVESTMENT</b>				
This schedule requires information on the Return on Investment (ROI) for the GDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. GDBs 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 a GDB makes this election, information supporting this calculation must be provided in 2(iii). GDBs 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 the ID determination), and so is subject to the assurance report required by section 2.8.				
sch ref				
7	<b>2(i): Return on Investment</b>			
8		for year ended	CY-2 30 Sep 12	CY-1 30 Sep 13
9				Current Year CY 30 Sep 14
10	<b>Post tax WACC</b>		%	%
11	ROI—comparable to a post tax WACC		4.07%	5.30%
12	<b>Mid-point estimate of post tax WACC</b>		6.55%	6.12%
13	25th percentile estimate		5.74%	5.31%
14	75th percentile estimate		7.36%	6.93%
15				
16				
17	<b>Vanilla WACC</b>			
18	ROI—comparable to a vanilla WACC		4.81%	6.01%
19				
20	<b>Mid-point estimate of vanilla WACC</b>		7.30%	6.83%
21	25th percentile estimate		6.49%	6.02%
22	75th percentile estimate		8.11%	7.64%
23				
24				
25	<b>2(ii): Information Supporting the ROI</b>			
26				(\$000)
27	Total opening RAB value		339,835	
28	plus Opening deferred tax		(15,338)	
29	Opening RIV			324,496
30				
31	Operating surplus / (deficit)		33,118	
32	less Regulatory tax allowance		5,160	
33	less Assets commissioned		6,931	
34	plus Asset disposals		33	
35	<b>Notional net cash flows</b>			21,060
36				
37	Total closing RAB value		340,539	
38	less Adjustment resulting from asset allocation		(175)	
39	less Lost and found assets adjustment		-	
40	plus Closing deferred tax		(19,354)	
41	<b>Closing RIV</b>			321,361
42				
43	ROI—comparable to a vanilla WACC			5.71%
44				
45	Leverage (%)			44%
46	Cost of debt assumption (%)			6.35%
47	Corporate tax rate (%)			28%
48				
49	ROI—comparable to a post tax WACC			4.92%
50				
51				
52				
53				
54				
55				
56				
57	<b>2(iii): Information Supporting the Monthly ROI</b>			
58				(\$000)
59	<b>Cash flows</b>			
60		Total regulatory income	Expenses	Tax payments
61	Month 1			
62	Month 2			
63	Month 3			
64	Month 4			
65	Month 5			
66	Month 6			
67	Month 7			
68	Month 8			
69	Month 9			
70	Month 10			
71	Month 11			
72	Month 12			
73	<b>Total</b>			
74				
75				
76		Opening / closing RAB	Adjustment resulting from asset allocation	Loss and found assets adjustment
77	Monthly ROI - opening RIV	339,835		(15,338)
78				
79	Monthly ROI - closing RIV	340,539	(175)	(19,354)
80	Monthly ROI - closing RIV less term credit spread differential allowance			
81	Monthly ROI—comparable to a vanilla WACC			
82				N/A
83	Monthly ROI—comparable to a post-tax WACC			
84				N/A
85	<b>2(iv): Year-End ROI Rates for Comparison Purposes</b>			
86				
87	Year-end ROI—comparable to a vanilla WACC			6.69%
88				
89	Year-end ROI—comparable to a post-tax WACC			5.91%
90				
91				

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

**4 SCHEDULE 3: REGULATORY PROFIT**

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

**SCHEDULE 3: REPORT ON REGULATORY PROFIT**

This schedule requires information on the calculation of regulatory profit for the GDB for the disclosure year. GDBs must complete all sections and must 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)
7	<b>3(i): Regulatory Profit</b>	
8	<b>Income</b>	
9	Line charge revenue	49,144
10	plus Gains / (losses) on asset disposals	(33)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	973
12		
13	<b>Total regulatory income</b>	<b>50,084</b>
14	<b>Expenses</b>	
15	less Operational expenditure	15,191
16		
17	less Pass through and recoverable costs	1,775
18		
19	<b>Operating surplus / (deficit)</b>	<b>33,118</b>
20		
21	less Total depreciation	9,454
22		
23	plus Total revaluation	3,435
24		
25	<b>Regulatory profit / (loss) before tax &amp; term credit spread differential allowance</b>	<b>27,100</b>
26		
27	less Term credit spread differential allowance	-
28		
29	<b>Regulatory profit / (loss) before tax</b>	<b>27,100</b>
30		
31	less Regulatory tax allowance	5,160
32		
33	<b>Regulatory profit / (loss)</b>	<b>21,940</b>
34		
35	<b>3(ii): Pass-Through and Recoverable Costs</b>	(\$000)
36		
37	<b>Pass-through costs</b>	
38	Rates	1,373
39	Commerce Act levies	360
40	GIC levies	42
41	Other specified pass-through costs	-
42	<b>Recoverable costs</b>	
43	Net recoverable costs allowed under incremental rolling incentive scheme	-
44	Input Methodology claw-back	-
45	Recoverable customised price-quality path costs	-
46	<b>Pass-through and recoverable costs</b>	<b>1,775</b>
47		
55	<b>3(iii): Incremental Rolling Incentive Scheme</b>	(\$000)
56		
57		CY-1                      CY
58	Allowed controllable opex	30 Sep 13                      30 Sep 14
59	Actual controllable opex	-
60		
61	<b>Incremental change in year</b>	-
62		
63		Previous years' incremental change adjusted for inflation
64	CY-5                      30 Sep 09	-
65	CY-4                      30 Sep 10	-
66	CY-3                      30 Sep 11	-
67	CY-2                      30 Sep 12	-
68	CY-1                      30 Sep 13	-
69	<b>Net incremental rolling incentive scheme</b>	-
70		
71	<b>Net recoverable costs allowed under incremental rolling incentive scheme</b>	-
72		
73	<b>3(iv): Merger and Acquisition Expenditure</b>	
74		
75	Merger and acquisition expenses	-
76		
77	Provide commentary on the benefits of merger and acquisition expenditure to the gas distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)	
78	<b>3(v): Other Disclosures</b>	
79	Self-insurance allowance	-



**5 SCHEDULE 4: VALUE OF REGULATORY ASSET BASE**

Company Name: **Powerco Limited**  
 For Year Ended: **30 September 2014**

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

sch ref		for year ended				
		RAB 30 Sep 10 (\$000)	RAB 30 Sep 11 (\$000)	RAB 30 Sep 12 (\$000)	RAB 30 Sep 13 (\$000)	RAB 30 Sep 14 (\$000)
7	<b>4(i): Regulatory Asset Base Value (Rolled Forward)</b>					
8						
9						
10	Total opening RAB value	316,842	323,904	331,587	337,842	339,835
11						
12	less Total depreciation	8,054	8,245	8,669	9,077	9,454
13						
14	plus Total revaluations	4,630	8,226	2,568	4,614	3,435
15						
16	plus Assets commissioned	10,490	7,714	12,450	6,633	6,931
17						
18	less Asset disposals	-	-	65	135	33
19						
20	plus Lost and found assets adjustment	-	-	-	-	-
21						
22	plus Adjustment resulting from asset allocation	(4)	(11)	(29)	(43)	(175)
23						
24	Total closing RAB value	323,904	331,587	337,842	339,835	340,539
25	<b>4(ii): Unallocated Regulatory Asset Base</b>					
26						
27						
28	Total opening RAB value		Unallocated RAB * (\$000)		RAB (\$000)	
29	less		369,121		339,835	
30	Total depreciation		10,785		9,454	
31	plus					
32	Total revaluations		3,731		3,435	
33	plus					
34	Assets commissioned (other than below)		11,342		6,931	
35	Assets acquired from a regulated supplier					
36	Assets acquired from a related party					
37	Assets commissioned		11,342		6,931	
38	less					
39	Asset disposals (other than below)		3		33	
40	Asset disposals to a regulated supplier					
41	Asset disposals to a related party					
42	Asset disposals		3		33	
43	plus					
44	Lost and found assets adjustment					
45	plus					
46	Adjustment resulting from asset allocation					(175)
47						
48	Total closing RAB value		373,406		340,539	
49						
50						
51						
52						
53						
54						
55						
56						
57	<b>4(iii): Calculation of Revaluation Rate and Revaluation of Assets</b>					
58						
59	CPI <sub>1</sub>					1,199
60	CPI <sub>2</sub> <sup>4</sup>					1,187
61	Revaluation rate (%)					1,01%
62						
63						
64						
65	Total opening RAB value		Unallocated RAB * (\$000)		RAB (\$000)	
66	less		369,121		339,835	
67	Opening RAB value of fully depreciated, disposed and lost assets		32		32	
68	Total opening RAB value subject to revaluation		369,089		339,803	
69	Total revaluations					3,435
70						

\* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide gas distribution services without any allowance being made for the allocation of costs to non-regulated services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.

71	<b>4(iv): Roll Forward of Works Under Construction</b>									
72										
73	Works under construction—preceding disclosure year									
74	plus Capital expenditure									
75	less Assets commissioned									
76	plus Adjustment resulting from asset allocation									
77	Works under construction - current disclosure year									
78	Highest rate of capitalised finance applied									
79										
87	<b>4(v): Regulatory Depreciation</b>									
88										
89	Depreciation - standard									
90	Depreciation - no standard life assets									
91	Depreciation - modified life assets									
92	Depreciation - alternative depreciation in accordance with CPP									
93	Total depreciation									
94										
95										
96	<b>4(vi): Disclosure of Changes to Depreciation Profiles</b>									
97										
98	Asset or assets with changes to depreciation									
99										
100										
101										
102										
103										
104										
105										
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## 6 SCHEDULE 5A: REGULATORY TAX ALLOWANCE

Company Name **Powerco Limited**  
For Year Ended **30 September 2014**

### 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). GDBs 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

7 <b>5a(i): Regulatory Tax Allowance</b>			(\$000)
8	<b>Regulatory profit / (loss) before tax</b>		27,100
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	41	*
12	Amortisation of initial differences in asset values	2,307	
13	Amortisation of revaluations	705	
14			3,053
15			
16	<i>less</i> Income included in regulatory profit / (loss) before tax but not taxable	3,435	*
18	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	(502)	*
19	Notional deductible interest	8,792	
20			11,725
21			
22	<b>Regulatory taxable income</b>		18,428
23			
24	<i>less</i> Utilised tax losses	-	
25	<b>Regulatory net taxable income</b>		18,428
26			
27	Corporate tax rate (%)	28%	
28	<b>Regulatory tax allowance</b>		5,160

\* Workings to be provided in Schedule 14

### 5a(ii): Disclosure of Permanent Differences

In Schedule 14, Box 8, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).

### 5a(iii): Amortisation of Initial Difference in Asset Values

(\$000)

35	Opening unamortised initial differences in asset values	83,050	
37	Amortisation of initial differences in asset values	2,307	
38	Adjustment for unamortised initial differences in assets acquired	-	
39	Adjustment for unamortised initial differences in assets disposed	9	
40	Closing unamortised initial difference in asset values		80,734
41			
42	Opening weighted average remaining asset life (years)		36

### 5a(iv): Amortisation of Revaluations

(\$000)

44	Opening Sum of RAB values without revaluations	320,018	
45			
47	Adjusted depreciation	8,749	
48	Total depreciation	9,454	
49	Amortisation of revaluations		705

57	<b>5a(v): Reconciliation of Tax Losses</b>		(\$000)
58			
59	Opening tax losses	-	
60	plus Current period tax losses	-	
61	less Utilised tax losses	-	
62	Closing tax losses		-
63	<b>5a(vi): Calculation of Deferred Tax Balance</b>		(\$000)
64			
65	Opening deferred tax	(15,338)	
66			
67	plus Tax effect of adjusted depreciation	2,450	
68			
69	less Tax effect of total tax depreciation	4,668	
70			
71	plus Tax effect of other temporary differences*	58	
72			
73	less Tax effect of amortisation of initial differences in asset values	646	
74			
75	plus Deferred tax balance relating to assets acquired in the disclosure year	-	
76			
77	less Deferred tax balance relating to assets disposed in the disclosure year	1,293	
78			
79	plus Deferred tax cost allocation adjustment	84	
80			
81	Closing deferred tax		(19,354)
82			
83	<b>5a(vii): Disclosure of Temporary Differences</b>		
84			
85	In Schedule 14, Box 9, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).		
86	<b>5a(viii): Regulatory Tax Asset Base Roll-Forward</b>		
87			(\$000)
88	Opening Sum of regulatory tax asset values	184,208	
89	less Tax depreciation	16,673	
90	plus Regulatory tax asset value of assets commissioned	6,931	
91	less Regulatory tax asset value of asset disposals	4,648	
92	plus Lost and found assets adjustment	-	
93	plus Other adjustments to the RAB tax value	(563)	
94	Closing sum of regulatory tax asset values		169,256

**7 SCHEDULE 5B: RELATED PARTY TRANSACTIONS**

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

**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*

7 <b>5b(i): Summary—Related Party Transactions</b>		(S000)
8	Total regulatory income	-
9	Operational expenditure	-
10	Capital expenditure	-
11	Market value of asset disposals	-
12	Other related party transactions	-

13 <b>5b(ii): Entities Involved in Related Party Transactions</b>	
14 Name of related party	Related party relationship
15	
16	
17	
18	
19	
20	

*\* include additional rows if needed*

21 <b>5b(iii): Related Party Transactions</b>				
22 Name of related party	Related party transaction type	Description of transaction	Value of transaction (S000)	Basis for determining value
23	(Select one)			
24	(Select one)			
25	(Select one)			
26	(Select one)			
27	(Select one)			
28	(Select one)			
29	(Select one)			
30	(Select one)			
31	(Select one)			
32	(Select one)			
33	(Select one)			
34	(Select one)			
35	(Select one)			
36	(Select one)			
37	(Select one)			

*\* include additional rows if needed*

**8 SCHEDULE 5C: TERM CREDIT SPREAD DIFFERENTIAL**

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

**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
2004 Guaranteed Bonds - 3	29/03/2004	25/03/2004	11.3	6.53%	50,000,000	51,758,159	75,000	8,153	(97,222)
2005 Guaranteed Bonds - 2	28/09/2005	26/09/2005	12.0	6.74%	50,000,000	49,633,183	75,000	9,544	(102,083)
USPP (2003) US\$56m/NZ\$94.2m	25/11/2003	24/09/2003	11.0	BKBM+0.89%	94,165,125	66,108,051	141,248	-	(179,770)
USPP (2003) US\$54m/NZ\$90.8m	25/11/2003	24/09/2003	12.0	BKBM+0.88%	90,802,085	66,211,221	136,203	-	(185,388)
USPP (2003) US\$65m/NZ\$109.3m	25/11/2003	24/09/2003	13.0	BKBM+0.88%	109,298,806	82,513,443	163,948	-	(235,413)
USPP (2011) US\$72m/NZ\$91.4m	7/06/2011	7/06/2011	9.0	BKBM+1.945%	91,370,558	90,118,596	147,655	-	(142,132)
USPP (2011) US\$90m/NZ\$114.2m	7/06/2011	7/06/2011	12.0	BKBM+1.835%	114,213,198	115,205,673	171,320	-	(233,185)
USPP (2011) US\$83m/NZ\$105.3m	7/06/2011	7/06/2011	15.0	BKBM+1.980%	105,329,949	107,699,233	157,995	-	(245,770)
2011 Wholesale Bond - Fixed rate	20/12/2011	20/12/2011	7.0	6.31%	65,000,000	64,836,208	97,500	12,955	(65,000)
2011 Wholesale Bond - Floating rate	20/12/2011	20/12/2011	7.0	BKBM + 2.60%	35,000,000	36,133,734	52,500	7,220	(35,000)
USPP(2013) US\$25m/NZ\$30.4m	23/01/2013	1/11/2012	12.0	BKBM + 2.20%	30,439,547	27,767,575	45,659	-	(62,147)
USPP(2013) US\$80m/NZ\$97.4m	23/01/2013	1/11/2012	15.0	BKBM + 2.21%	97,406,551	91,541,727	146,110	-	(227,282)
						849,526,803	1,410,138	37,872	(1,810,392)

\* include additional rows if needed

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

Gross term credit spread differential	(362,383)
Total book value of interest bearing debt	1,059,867
Leverage	44%
Average opening and closing RAB values	340,187
Attribution Rate (%)	14%
Term credit spread differential allowance	-

# 9 SCHEDULE 5D: COST ALLOCATIONS

Company Name **Powerco Limited**  
For Year Ended **30 September 2014**

## SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

5d(i): Operating Cost Allocations		Value allocated (\$000s)			
		Arm's length deduction	Gas distribution services	Non-gas distribution services	Total
<b>Service interruptions, incidents and emergencies</b>					
	Directly attributable		358		
	Not directly attributable				
	<b>Total attributable to regulated service</b>		358		
<b>Routine and corrective maintenance and inspection</b>					
	Directly attributable		2,177		
	Not directly attributable				
	<b>Total attributable to regulated service</b>		2,177		
<b>Asset replacement and renewal</b>					
	Directly attributable		2,662		
	Not directly attributable				
	<b>Total attributable to regulated service</b>		2,662		
<b>System operations and network support</b>					
	Directly attributable		3,790		
	Not directly attributable		133	550	683
	<b>Total attributable to regulated service</b>		3,923		
<b>Business support</b>					
	Directly attributable		802		
	Not directly attributable		5,270	24,024	29,294
	<b>Total attributable to regulated service</b>		6,072		
	<b>Operating costs directly attributable</b>		9,788		
	<b>Operating costs not directly attributable</b>		5,403	24,574	29,977
	<b>Operating expenditure</b>		15,191		

5d(ii): Other Cost Allocations					
<b>Pass through and recoverable costs</b>					
<b>Pass through costs</b>					
	Directly attributable		1,733		
	Not directly attributable		42	118	160
	<b>Total attributable to regulated service</b>		1,775		
<b>Recoverable costs</b>					
	Directly attributable				
	Not directly attributable				
	<b>Total attributable to regulated service</b>				

5d(iii): Changes in Cost Allocations* †		(\$000)			
		CY-1		Current Year (CY)	
		30 Sep 13	30 Sep 14	30 Sep 13	30 Sep 14
<b>Change in cost allocation 1</b>					
Cost category	Business Support-corporate services	Original allocation	1,294	1,351	
Original allocator or line items	Line charge Revenue	New allocation	1,735	1,824	
New allocator or line items	Distribution line charge revenue	Difference	(441)	(473)	
Rationale for change	Transmission costs have been removed from our revenue allocator as they are not a significant driver of corporate services expenditure.				
<b>Change in cost allocation 2</b>					
Cost category	Business Support - Information services and projects	Original allocation	2,311	1,794	
Original allocator or line items	Fixed Assets - Historic Cost	New allocation	2,298	1,890	
New allocator or line items	Fixed Assets - Depreciated Cost	Difference	12	(96)	
Rationale for change	Our fixed assets allocator has been adjusted to depreciated cost to align with the allocator we use for asset allocation.				
<b>Change in cost allocation 3</b>					
Cost category	Business support -Human Resource department	Original allocation	122	256	
Original allocator or line items	Net Line Revenue	New allocation	227	445	
New allocator or line items	Employee numbers	Difference	(106)	(189)	
Rationale for change	Employee numbers are considered a more accurate driver of HR department expenses.				
<b>Change in cost allocation 4</b>					
Cost category	Business support -insurance	Original allocation	237	220	
Original allocator or line items	Fixed Assets-Historic Cost	New allocation	151	127	
New allocator or line items	Vehicle numbers/Employee numbers/indemnity value	Difference	83	93	
Rationale for change	Disaggregation of our insurance costs has enabled more causal relationships to be established.				
<b>Change in cost allocation 5</b>					
Cost category	Business support -facility costs	Original allocation	340	316	
Original allocator or line items	Fixed assets - historical cost	New allocation	461	461	
New allocator or line items	Employee numbers/Fixed Assets-NBV	Difference	(121)	(145)	
Rationale for change	Employee numbers by location area are also an important driver of facility costs				

\* 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

# 10 SCHEDULE 5E: ASSET ALLOCATIONS

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

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

sch ref

5e(i): Regulated Service Asset Values		Value allocated (\$000s)
		<b>Gas distribution services</b>
10	<b>Main pipe</b>	
11	Directly attributable	223,390
12	Not directly attributable	-
13	<b>Total attributable to regulated service</b>	223,390
14	<b>Service pipe</b>	
15	Directly attributable	96,718
16	Not directly attributable	-
17	<b>Total attributable to regulated service</b>	96,718
18	<b>Stations</b>	
19	Directly attributable	5,984
20	Not directly attributable	-
21	<b>Total attributable to regulated service</b>	5,984
22	<b>Line valve</b>	
23	Directly attributable	2,218
24	Not directly attributable	-
25	<b>Total attributable to regulated service</b>	2,218
26	<b>Special crossings</b>	
27	Directly attributable	348
28	Not directly attributable	-
29	<b>Total attributable to regulated service</b>	348
30	<b>Other network assets</b>	
31	Directly attributable	3,670
32	Not directly attributable	-
33	<b>Total attributable to regulated service</b>	3,670
34	<b>Non-network assets</b>	
35	Directly attributable	-
36	Not directly attributable	8,211
37	<b>Total attributable to regulated service</b>	8,211
39	<b>Regulated service asset value directly attributable</b>	332,328
40	<b>Regulated service asset value not directly attributable</b>	8,211
41	<b>Total closing RAB value</b>	340,539

5e(ii): Changes in Asset Allocations* †		(\$000)	
		CY-1 30 Sep 13	Current Year (CY) 30 Sep 14
<b>Change in asset value allocation 1</b>			
54	Asset category		
55	Original allocator or line items		
56	New allocator or line items		
57			
58	Rationale for change		
59			
<b>Change in asset value allocation 2</b>			
61	Asset category		
62	Original allocator or line items		
63	New allocator or line items		
64			
65	Rationale for change		
66			
<b>Change in asset value allocation 3</b>			
68	Asset category		
69	Original allocator or line items		
70	New allocator or line items		
71			
72	Rationale for change		
73			

\* 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



# 11 SCHEDULE 6A: CAPITAL EXPENDITURE

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

## 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. GDBs 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	<b>6a(i): Expenditure on Assets</b>		
8	Consumer connection		4,169
9	System growth		319
10	Asset replacement and renewal		853
11	Asset relocations		69
12	Reliability, safety and environment:		
13	Quality of supply	2,236	
14	Legislative and regulatory	-	
15	Other reliability, safety and environment	1,439	
16	<b>Total reliability, safety and environment</b>		3,675
17	<b>Expenditure on network assets</b>		9,085
18	Non-network assets		1,544
19			
20	<b>Expenditure on assets</b>		10,629
21	plus Cost of financing		78
22	less Value of capital contributions		218
23	plus Value of vested assets		-
24			
25	<b>Capital expenditure</b>		10,489
26	<b>6a(ii): Subcomponents of Expenditure on Assets (where known)</b>		(\$000)
27	Research and development		-
28	<b>6a(iii): Consumer Connection</b>		
29	Consumer types defined by GDB*	(\$000)	(\$000)
30	Residential / Small Commercial	3,537	
31	Commercial	632	
32			
33			
34			
35	* include additional rows if needed		
36	<b>Consumer connection expenditure</b>		4,169
37			
38	less Capital contributions funding consumer connection expenditure	134	
39	<b>Consumer connection less capital contributions</b>		4,035
47	<b>6a(iv): System Growth and Asset Replacement and Renewal</b>		
48		System Growth (\$000)	Asset Replacement and Renewal (\$000)
49			
50	<b>Intermediate pressure</b>		
51	Main pipe	-	-
52	Service pipe	-	-
53	Stations	-	81
54	Line valve	-	66
55	Special crossings	-	231
56	<b>Intermediate pressure - total</b>		379
57	<b>Medium pressure</b>		
58	Main pipe	526	294
59	Service pipe	-	50
60	Stations	-	-
61	Line valve	-	21
62	Special crossings	-	96
63	<b>Medium pressure - total</b>	526	461
64	<b>Low pressure</b>		
65	Main pipe	-	-
66	Service pipe	-	-
67	Line valve	-	-
68	Special crossings	-	-
69	<b>Low pressure - total</b>	-	-
70	<b>Other network assets</b>		
71	Monitoring and control systems	-	30
72	Cathodic protection systems	16	89
73	Other	(222)	(106)
74	<b>Other network assets - total</b>	(206)	13
75			
76	<b>System growth and asset replacement and renewal expenditure</b>	319	853
77	less Capital contributions funding system growth and asset replacement and renewal	82	-
78	<b>System growth and asset replacement and renewal less capital contributions</b>	237	853

79	<b>6a(v): Asset Relocations</b>		
80	<i>Project or programme*</i>		
81	Memorial Park NZTA underpass Wellington	44	
82		-	
83		-	
84		-	
85		-	
86	<i>* include additional rows if needed</i>		
87	All other asset relocations projects or programmes	24	
88	<b>Asset relocations expenditure</b>		69
89	less Capital contributions funding asset relocations	3	
90	<b>Asset relocations less capital contributions</b>		66
91	<b>6a(vi): Quality of Supply</b>		
92	<i>Project or programme*</i>		
93	Whitby(Mana) Reinforcement (Hutt Valley-Porirua)	905	
94	Wellington CBD upgrade	695	
95	Eastbourne pressure upgrade	276	
96	Waterloo DRS replacement	170	
97		-	
98	<i>* include additional rows if needed</i>		
99	All other quality of supply projects or programmes	189	
100	<b>Quality of supply expenditure</b>		2,236
101	less Capital contributions funding quality of supply	-	
102	<b>Quality of supply less capital contributions</b>		2,236
110	<b>6a(vii): Legislative and Regulatory</b>		
111	<i>Project or programme*</i>		
112	Nil	-	
113		-	
114		-	
115		-	
116		-	
117	<i>* include additional rows if needed</i>		
118	All other legislative and regulatory projects or programmes	-	
119	<b>Legislative and regulatory expenditure</b>		-
120	less Capital contributions funding legislative and regulatory	-	
121	<b>Legislative and regulatory less capital contributions</b>		-
122			
123	<b>6a(viii): Other Reliability, Safety and Environment</b>		
124	<i>Project or programme*</i>		
125	Westshore overlay and DRS upgrade (Hawke's Bay)	540	
126	Hyderabad Road-relocation of IP mains	243	
127	Replace the cover and protection of an exposed gas main	174	
128	JPP Signage Renewal	148	
129		-	
130	<i>* include additional rows if needed</i>		
131	All other reliability, safety and environment projects or programmes	334	
132	<b>Other reliability, safety and environment expenditure</b>		1,439
133	less Capital contributions funding other reliability, safety and environment	-	
134	<b>Other reliability, safety and environment less capital contributions</b>		1,439
135	<b>6a(ix): Non-Network Assets</b>		
136	<b>Routine expenditure</b>		
137	<i>Project or programme*</i>		
138	Improve and expand network data and tools	275	
139	Improve network operations	114	
140	IT renewal	189	
141		-	
142		-	
143	<i>* include additional rows if needed</i>		
144	All other routine expenditure projects or programmes	421	
145	<b>Routine expenditure</b>		998
146	<b>Atypical expenditure</b>		
147	<i>Project or programme*</i>		
148	Improve network operations	531	
149		-	
150		-	
151		-	
152		-	
153	<i>* include additional rows if needed</i>		
154	All other atypical expenditure projects or programmes	15	
155	<b>Atypical expenditure</b>		546
156			
157	<b>Non-network assets expenditure</b>		1,544

## 12 SCHEDULE 6B: OPERATIONAL EXPENDITURE

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

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

This schedule requires a breakdown of operating expenditure incurred in the current disclosure year. GDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operating 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	<b>6b(i): Operational Expenditure</b>		
8	Service interruptions, incidents and emergencies	358	
9	Routine and corrective maintenance and inspection	2,177	
10	Asset replacement and renewal	2,662	
11	<b>Network opex</b>		5,196
12	System operations and network support	3,923	
13	Business support	6,072	
14	<b>Non-network opex</b>		9,995
15			
16	<b>Operational expenditure</b>		15,191
17	<b>6b(ii): Subcomponents of Operational Expenditure (where known)</b>		
18	Research and development		-
19	Insurance		127

## 13 SCHEDULE 7: FORECAST V ACTUAL EXPENDITURE

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**

### 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.

GDBs 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*

8	<b>7(i): Revenue</b>	Target (\$000) <sup>1</sup>	Actual (\$000)	% variance
9	Line charge revenue	50,000	49,144	(2%)
10	<b>7(ii): Expenditure on Assets</b>	Forecast (\$000) <sup>2</sup>	Actual (\$000)	% variance
11	Consumer connection	3,707	4,169	12%
12	System growth	3,177	319	(90%)
13	Asset replacement and renewal	1,736	853	(51%)
14	Asset relocations	116	69	(40%)
15	Reliability, safety and environment:			
16	Quality of supply	2,534	2,236	(12%)
17	Legislative and regulatory	-	-	-
18	Other reliability, safety and environment	1,620	1,439	(11%)
19	<b>Total reliability, safety and environment</b>	4,154	3,675	(12%)
	<b>Expenditure on network assets</b>	12,889	9,085	(30%)
21	Non-network capex	859	1,544	80%
22	<b>Expenditure on assets</b>	13,749	10,629	(23%)
23	<b>7(iii): Operational Expenditure</b>			
24	Service interruptions, incidents and emergencies	350	358	2%
25	Routine and corrective maintenance and inspection	2,342	2,177	(7%)
26	Asset replacement and renewal	2,831	2,662	(6%)
27	<b>Network opex</b>	5,524	5,196	(6%)
28	System operations and network support	4,183	3,923	(6%)
29	Business support	6,674	6,072	(9%)
30	<b>Non-network opex</b>	10,857	9,995	(8%)
31	<b>Operational expenditure</b>	16,381	15,191	(7%)
32	<b>7(iv): Subcomponents of Expenditure on Assets (where known)</b>			
33	Research and development	-	-	-
34	<b>7(v): Subcomponents of Operational Expenditure (where known)</b>			
35	Research and development	-	-	-
36	Insurance	280	127	(55%)

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

<sup>2</sup> From the nominal dollar expenditure forecast and disclosed in the second to last AMP as the year CY+1 forecast

# 14 SCHEDULE 8: BILLED QUANTITIES AND LINE CHARGE REVENUE

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**  
 Network / Sub-Network Name **Powerco Limited**

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

This schedule requires the billed quantities and associated line charge revenues for the disclosure year for each consumer group or price category code used by the GDB 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(i): Billed quantities by price component					Billed quantities by price component			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	Quantity of gas delivered to ICPs (T) per annum in disclosure year	Price component	Fixed	Variable	
					Unit charging basis (eg. days, GJ, etc.)	Days	GJ	
G06	Residential	Standard	25,060	351			351,214	
G11	Residential / Small Commercial	Standard	75,205	2,583		27,449,643	2,583,144	
G12	Commercial	Standard	1,706	413		622,690	413,361	
G14	Commercial	Standard	535	410		195,275	409,957	
G16	Commercial	Standard	279	520		101,835	520,132	
G18	Commercial	Standard	58	176		20,988	176,056	
G30	Commercial	Non-standard	131	484		33,545	484,003	
G40	Industrial	Non-standard	104	3,965		31,620	3,965,085	
		(Select one)						
		(Select one)						
		(Select one)						
		(Select one)						
<b>Standard consumer totals</b>						28,390,430	4,453,863	
<b>Non-standard consumer totals</b>						65,165	4,449,089	
<b>Total for all consumers</b>						28,455,595	8,902,952	

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 (if applicable)	Price component	Fixed	Variable	
					Rate (eg. \$/day, \$/GJ, etc.)	\$/day	\$/GJ	
G06	Residential	Standard	\$6,059				\$6,059	
G11	Residential / Small Commercial	Standard	\$28,784			\$14,369	\$14,415	
G12	Commercial	Standard	\$2,715			\$602	\$2,112	
G14	Commercial	Standard	\$2,602			\$842	\$1,760	
G16	Commercial	Standard	\$2,683			\$589	\$2,095	
G18	Commercial	Standard	\$780			\$199	\$580	
G30	Commercial	Non-standard	\$1,302			\$389	\$912	
G40	Industrial	Non-standard	\$4,221			\$1,503	\$2,718	
		(Select one)						
		(Select one)						
		(Select one)						
		(Select one)						
<b>Standard consumer totals</b>						\$16,601	\$27,020	
<b>Non-standard consumer totals</b>						\$1,892	\$3,630	
<b>Total for all consumers</b>						\$18,493	\$30,651	

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

This schedule requires the billed quantities and associated line charge revenues for the disclosure year for each consumer group or price category code used by the GDB in its pricing schedules. Information is also required on the number of ICPS that are included in each consumer

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**8(i): Billed quantities by price component**

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPS in disclosure year	Quantity of gas delivered to ICPS (TJ per annum) in disclosure year
G06	Residential	Standard	11,915	165
G11	Residential / Small Commercial	Standard	30,649	921
G12	Commercial	Standard	667	185
G14	Commercial	Standard	282	228
G16	Commercial	Standard	171	294
G18	Commercial	Standard	34	122
G30	Commercial	Non-standard	24	144
G40	Industrial	Non-standard	73	3,332
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
<b>Standard consumer totals</b>			<b>43,716</b>	<b>1,915</b>
<b>Non-standard consumer totals</b>			<b>96</b>	<b>3,477</b>
<b>Total for all consumers</b>			<b>43,812</b>	<b>5,392</b>

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

Price component Unit charging basis (eg, days, GJ, etc.)	Billed quantities by price component		
	Fixed Days	Variable GJ	
	11,186,703	164,853	
	243,273	184,859	
	103,930	227,868	
	62,233	293,730	
	12,228	122,324	
	5,889	144,498	
	24,572	3,332,194	
	<b>11,607,365</b>	<b>1,915,069</b>	
	<b>30,461</b>	<b>3,476,693</b>	
	<b>11,637,826</b>	<b>5,391,761</b>	

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

**8(ii): Line charge revenues (\$000) by price component**

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone (if applicable)
G06	Residential	Standard	\$2,072	-
G11	Residential / Small Commercial	Standard	\$12,129	-
G12	Commercial	Standard	\$1,252	-
G14	Commercial	Standard	\$1,277	-
G16	Commercial	Standard	\$1,307	-
G18	Commercial	Standard	\$442	-
G30	Commercial	Non-standard	\$502	-
G40	Industrial	Non-standard	\$3,370	-
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
	{select one}	{select one}	-	-
<b>Standard consumer totals</b>			<b>\$19,379</b>	
<b>Non-standard consumer totals</b>			<b>\$3,872</b>	
<b>Total for all consumers</b>			<b>\$23,252</b>	

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

Price component Rate (eg, \$/day, \$/GJ, etc.)	Line charge revenues (\$000) by price component		
	Fixed Days	Variable GJ	
		\$2,072	
	\$6,821	\$5,308	
	\$345	\$906	
	\$419	\$858	
	\$290	\$1,018	
	\$110	\$333	
	\$130	\$373	
	\$1,292	\$2,078	
	<b>\$7,985</b>	<b>\$11,394</b>	
	<b>\$1,422</b>	<b>\$2,450</b>	
	<b>\$9,407</b>	<b>\$13,844</b>	

Add extra columns for additional line charge revenues 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 the disclosure year for each consumer group or price category code used by the GDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer

**8(i): Billed quantities by price component**

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Quantity of gas delivered to ICPs (TJ per annum) in disclosure year	Price component	Billed quantities by price component			Add extra columns for additional billed quantities by price component as necessary	
						Unit charging basis (eg, days, GJ, etc.)	Fixed	Variable		
							Days	GJ		
G06	Residential	Standard	13,146	186						
G11	Residential / Small Commercial	Standard	44,556	1,662						
G12	Commercial	Standard	1,040	229						
G14	Commercial	Standard	253	192						
G16	Commercial	Standard	109	226						
G18	Commercial	Standard	24	54						
G30	Commercial	Non-standard	107	340						
G40	Industrial	Non-standard	31	633						
		(Select one)								
		(Select one)								
		(Select one)								
		(Select one)								
<b>Standard consumer totals</b>										
<b>Non-standard consumer totals</b>										
<b>Total for all consumers</b>										

**8(ii): Line charge revenues (\$000) by price component**

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone (if applicable)	Price component	Line charge revenues (\$000) by price component			Add extra columns for additional line charge revenues by price component as necessary	
						Rate (eg, \$/day, \$/GJ, etc.)	Fixed	Variable		
							Days	GJ		
G06	Residential	Standard	\$3,095							
G11	Residential / Small Commercial	Standard	\$16,610							
G12	Commercial	Standard	\$1,461							
G14	Commercial	Standard	\$1,327							
G16	Commercial	Standard	\$1,379							
G18	Commercial	Standard	\$340							
G30	Commercial	Non-standard	\$798							
G40	Industrial	Non-standard	\$882							
		(Select one)								
		(Select one)								
		(Select one)								
		(Select one)								
<b>Standard consumer totals</b>										
<b>Non-standard consumer totals</b>										
<b>Total for all consumers</b>										

**15 SCHEDULE 9A : ASSET REGISTER**

Company Name	<b>Powerco Limited</b>
For Year Ended	<b>30 September 2014</b>
Network / Sub-network Name	<b>Powerco Limited</b>

**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.

sch ref

sch ref	Operating Pressure	Asset Category	Asset Class	Units	Items at start of	Items at end of	Net change	Data accuracy (1-4)
					year (quantity)	year (quantity)		
8	Intermediate Pressure	Main pipe	IP PE main pipe	km	1	1	(0)	3
9	Intermediate Pressure	Main pipe	IP steel main pipe	km	264	264	(0)	3
11	Intermediate Pressure	Main pipe	IP other main pipe	km	1	1	(0)	3
12	Intermediate Pressure	Service pipe	IP PE service pipe	km	0	0	(0)	3
13	Intermediate Pressure	Service pipe	IP steel service pipe	km	11	11	(0)	3
14	Intermediate Pressure	Service pipe	IP other service pipe	km	1	1	(0)	3
15	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	139	148	9	2
16	Intermediate Pressure	Line valve	IP line valves	No.	931	933	2	3
17	Intermediate Pressure	Special crossings	IP crossings	No.	12	79	67	2
18	Medium Pressure	Main pipe	MP PE main pipe	km	3,353	3,373	20	3
19	Medium Pressure	Main pipe	MP steel main pipe	km	154	154	(0)	3
20	Medium Pressure	Main pipe	MP other main pipe	km	35	35	(0)	3
21	Medium Pressure	Service pipe	MP PE service pipe	km	1,737	1,759	23	3
22	Medium Pressure	Service pipe	MP steel service pipe	km	53	53	0	3
23	Medium Pressure	Service pipe	MP other service pipe	km	54	54	0	3
24	Medium Pressure	Stations	Medium pressure DRS	No.	95	103	8	2
25	Medium Pressure	Line valve	MP line valves	No.	1,514	1,537	23	3
26	Medium Pressure	Special crossings	MP special crossings	No.	374	320	(54)	2
27	Low Pressure	Main pipe	LP PE main pipe	km	40	40	0	3
28	Low Pressure	Main pipe	LP steel main pipe	km	6	6	(0)	3
29	Low Pressure	Main pipe	LP other main pipe	km	3	3	(0)	3
30	Low Pressure	Service pipe	LP PE service pipe	km	19	19	(0)	3
31	Low Pressure	Service pipe	LP steel service pipe	km	3	2	(1)	3
32	Low Pressure	Service pipe	LP other service pipe	km	1	1	0	3
33	Low Pressure	Line valve	LP line valves	No.	281	294	13	3
34	Low Pressure	Special crossings	LP special crossings	No.	16	5	(11)	2
35	All	Monitoring & control systems	Remote terminal units	No.	64	65	1	4
36	All	Cathodic protection systems	Cathodic protection	No.	25	25	-	2



Company Name

Powerco Limited

For Year Ended

30 September 2014

Network / Sub-network Name

Central Network

**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.

sch ref

8	Operating Pressure	Asset Category	Asset Class	Units	Items at start of	Items at end of	Net change	Data accuracy (1-4)
					year (quantity)	year (quantity)		
9	Intermediate Pressure	Main pipe	IP PE main pipe	km	1	1	(0)	3
10	Intermediate Pressure	Main pipe	IP steel main pipe	km	105	105	(0)	3
11	Intermediate Pressure	Main pipe	IP other main pipe	km	0	0	(0)	3
12	Intermediate Pressure	Service pipe	IP PE service pipe	km	0	0	(0)	3
13	Intermediate Pressure	Service pipe	IP steel service pipe	km	3	3	(0)	3
14	Intermediate Pressure	Service pipe	IP other service pipe	km	0	0	(0)	3
15	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	55	57	2	2
16	Intermediate Pressure	Line valve	IP line valves	No.	188	180	(8)	3
17	Intermediate Pressure	Special crossings	IP crossings	No.	3	33	30	2
18	Medium Pressure	Main pipe	MP PE main pipe	km	1,770	1,778	9	3
19	Medium Pressure	Main pipe	MP steel main pipe	km	141	141	(0)	3
20	Medium Pressure	Main pipe	MP other main pipe	km	22	22	(0)	3
21	Medium Pressure	Service pipe	MP PE service pipe	km	955	962	8	3
22	Medium Pressure	Service pipe	MP steel service pipe	km	42	42	0	3
23	Medium Pressure	Service pipe	MP other service pipe	km	29	29	0	3
24	Medium Pressure	Stations	Medium pressure DRS	No.	65	66	1	2
25	Medium Pressure	Line valve	MP line valves	No.	932	937	5	3
26	Medium Pressure	Special crossings	MP special crossings	No.	223	206	(17)	2
27	Low Pressure	Main pipe	LP PE main pipe	km	2	2	0	3
28	Low Pressure	Main pipe	LP steel main pipe	km	5	5	(0)	3
29	Low Pressure	Main pipe	LP other main pipe	km	2	2	(0)	3
30	Low Pressure	Service pipe	LP PE service pipe	km	3	3	(0)	3
31	Low Pressure	Service pipe	LP steel service pipe	km	1	1	(0)	3
32	Low Pressure	Service pipe	LP other service pipe	km	1	1	0	3
33	Low Pressure	Line valve	LP line valves	No.	4	6	2	3
34	Low Pressure	Special crossings	LP special crossings	No.	11	-	(11)	2
35	All	Monitoring & control systems	Remote terminal units	No.	31	31	-	4
36	All	Cathodic protection systems	Cathodic protection	No.	15	15	-	2

Company Name

Powerco Limited

For Year Ended

30 September 2014

Network / Sub-network Name

Lower Network

**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.

sch ref

8	Operating Pressure	Asset Category	Asset Class	Units	Items at start of	Items at end of	Net change	Data accuracy (1-4)
					year (quantity)	year (quantity)		
9	Intermediate Pressure	Main pipe	IP PE main pipe	km	0	-	(0)	3
10	Intermediate Pressure	Main pipe	IP steel main pipe	km	159	159	0	3
11	Intermediate Pressure	Main pipe	IP other main pipe	km	1	1	(0)	3
12	Intermediate Pressure	Service pipe	IP PE service pipe	km	0	0	(0)	3
13	Intermediate Pressure	Service pipe	IP steel service pipe	km	8	8	(0)	3
14	Intermediate Pressure	Service pipe	IP other service pipe	km	1	1	(0)	3
15	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	84	91	7	2
16	Intermediate Pressure	Line valve	IP line valves	No.	743	753	10	3
17	Intermediate Pressure	Special crossings	IP crossings	No.	9	46	37	2
18	Medium Pressure	Main pipe	MP PE main pipe	km	1,584	1,595	11	3
19	Medium Pressure	Main pipe	MP steel main pipe	km	13	13	0	3
20	Medium Pressure	Main pipe	MP other main pipe	km	14	13	(0)	3
21	Medium Pressure	Service pipe	MP PE service pipe	km	782	797	15	3
22	Medium Pressure	Service pipe	MP steel service pipe	km	11	11	(0)	3
23	Medium Pressure	Service pipe	MP other service pipe	km	25	25	0	3
24	Medium Pressure	Stations	Medium pressure DRS	No.	30	37	7	2
25	Medium Pressure	Line valve	MP line valves	No.	582	600	18	3
26	Medium Pressure	Special crossings	MP special crossings	No.	151	114	(37)	2
27	Low Pressure	Main pipe	LP PE main pipe	km	37	37	0	3
28	Low Pressure	Main pipe	LP steel main pipe	km	1	1	(0)	3
29	Low Pressure	Main pipe	LP other main pipe	km	0	0	(0)	3
30	Low Pressure	Service pipe	LP PE service pipe	km	16	16	(0)	3
31	Low Pressure	Service pipe	LP steel service pipe	km	2	1	(0)	3
32	Low Pressure	Service pipe	LP other service pipe	km	0	0	0	3
33	Low Pressure	Line valve	LP line valves	No.	277	288	11	3
34	Low Pressure	Special crossings	LP special crossings	No.	5	5	-	2
35	All	Monitoring & control systems	Remote terminal units	No.	33	34	1	4
36	All	Cathodic protection systems	Cathodic protection	No.	10	10	-	2

# 16 SCHEDULE 9B: ASSET AGE PROFILE

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Powerco Limited

## 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.

sch ref	Disclosure Year (year ended)	30 September 2014	Number of assets at disclosure year end by installation date																							No. with age unknown	Total assets at year end	No. with default dates	Data accuracy (1-4)
			pre-1970	1970-1974	1975-1979	1980-1984	1985-1989	1990-1994	1995-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014					
9	Operating Pressure	Asset Category	Asset Class	Units																									
10	Intermediate Pressure	Main pipe	IP PE main pipe	km		0												1					1	0			3		
11	Intermediate Pressure	Main pipe	IP steel main pipe	km	8	66	34	91	44	12	4	4	0	0	0	0	0	0	0	0	0	0	0	0			3		
12	Intermediate Pressure	Main pipe	IP other main pipe	km	0	0	0	0	0	0	0																3		
13	Intermediate Pressure	Service pipe	IP PE service pipe	km														0	0	0	0	0	0	0			3		
14	Intermediate Pressure	Service pipe	IP steel service pipe	km	0	2	1	4	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0			3		
15	Intermediate Pressure	Service pipe	IP other service pipe	km		0	0	1	0		0																3		
16	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	1	4	4	52	33	32	4					2	1	3	2	2	1	1	1	1			2		
17	Intermediate Pressure	Line valve	IP line valves	No.	20	55	50	155	417	94	21	2	1	1	4	2	14	9	9	10	29	16	11	4				3	
18	Intermediate Pressure	Special crossings	IP crossings	No.		7	6	47	8	5	4	2															2		
19	Medium Pressure	Main pipe	MP PE main pipe	km	2	46	202	599	645	713	635	60	55	33	33	49	53	39	53	41	22	23	22	27	14	6	3		
20	Medium Pressure	Main pipe	MP steel main pipe	km	7	58	28	24	23	8	6	1	0															3	
21	Medium Pressure	Main pipe	MP other main pipe	km	0	2	3	11	10	4	3	0	0	0	0	0	0	0	0	0	0	0	0	0			3		
22	Medium Pressure	Service pipe	MP PE service pipe	km	2	19	90	329	317	366	291	34	30	28	25	25	24	23	25	19	18	23	20	22	20	10	3		
23	Medium Pressure	Service pipe	MP steel service pipe	km	1	10	15	8	7	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3		
24	Medium Pressure	Service pipe	MP other service pipe	km	0	1	2	25	14	8	2	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	3		
25	Medium Pressure	Stations	Medium pressure DRS	No.		1		20	54	13	1	1			2	1	3	1			1		2	3			2		
26	Medium Pressure	Line valve	MP line valves	No.	5	18	37	93	661	269	31	4	1	13	13	32	24	34	37	30	37	54	62	54	19	9	3		
27	Medium Pressure	Special crossings	MP special crossings	No.	4	23	8	127	86	33	19	4	5	2		3	1			3	1					1	2		
28	Low Pressure	Main pipe	LP PE main pipe	km		0	0	4	6	22	3	0	0	0	0	1	0	0	1	0	1	0	0	0	0	0	3		
29	Low Pressure	Main pipe	LP steel main pipe	km				0	1	3	1	0															3		
30	Low Pressure	Main pipe	LP other main pipe	km	0			0	0	1	0	0	0														3		
31	Low Pressure	Service pipe	LP PE service pipe	km	0	0	0	2	3	8	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3		
32	Low Pressure	Service pipe	LP steel service pipe	km	0	0	0	0	0	1	0	0	0														3		
33	Low Pressure	Service pipe	LP other service pipe	km	0			0	0	0	0	0															3		
34	Low Pressure	Line valve	LP line valves	No.		1	2	4	11	173	5			1	1	2	2	2	24	34	4	4	9	6	6	1	1		
35	Low Pressure	Special crossings	LP special crossings	No.						1	4																2		
36	All	Monitoring & control systems	Remote terminal units	No.																20	20	24					4		
37	All	Cathodic protection systems	Cathodic protection	No.																					25	25	2		



**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.

sch ref

sch ref	Disclosure Year (year ended)	Number of assets at disclosure year end by installation date																									No. with age unknown	Total assets at year end	No. with default dates	Data accuracy (1-4)	
		30 September 2014	pre-1970	1970-1974	1975-1979	1980-1984	1985-1989	1990-1994	1995-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014							
9	Operating Pressure	Asset Category	Asset Class	Units	pre-1970	1970-1974	1975-1979	1980-1984	1985-1989	1990-1994	1995-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014					
10	Intermediate Pressure	Main pipe	IP PE main pipe	km																											
11	Intermediate Pressure	Main pipe	IP steel main pipe	km	6	53	27	34	25	5	4	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	Intermediate Pressure	Main pipe	IP other main pipe	km	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
13	Intermediate Pressure	Service pipe	IP PE service pipe	km																										0	
14	Intermediate Pressure	Service pipe	IP steel service pipe	km	0	1	1	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8
15	Intermediate Pressure	Service pipe	IP other service pipe	km	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
16	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	1	4	4	51	1	17	3				2				2	1	1	1		3						91	
17	Intermediate Pressure	Line valve	IP line valves	No.	20	55	50	142	313	61	19	2	1	1	4	1	9	9	9	8	8	8	21	14	5	1				753	
18	Intermediate Pressure	Special crossings	IP crossings	No.	4	3	3	29		5	3	2																		46	
19	Medium Pressure	Main pipe	MP PE main pipe	km	0	25	136	219	198	421	355	26	25	13	19	31	19	11	21	20	11	10	8	12	9	4				1,595	
20	Medium Pressure	Main pipe	MP steel main pipe	km	3	3	3	3	1	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				13	
21	Medium Pressure	Main pipe	MP other main pipe	km	0	0	2	5	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				13	
22	Medium Pressure	Service pipe	MP PE service pipe	km	0	5	20	161	96	171	159	17	18	17	14	14	13	11	13	10	9	11	11	11	11	6				797	
23	Medium Pressure	Service pipe	MP steel service pipe	km	0	1	1	2	0	3	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				11	
24	Medium Pressure	Service pipe	MP other service pipe	km	0	0	1	19	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				25	
25	Medium Pressure	Stations	Medium pressure DRS	No.				18	2	7	1				1	1	1	1			1		2	2						37	
26	Medium Pressure	Line valve	MP line valves	No.	2	10	25	56	145	131	14		1	6	5	18	12	17	24	16	22	27	28	26	8	7				600	
27	Medium Pressure	Special crossings	MP special crossings	No.	3	1	8	65	1	16	13		3			1	1				2									114	
28	Low Pressure	Main pipe	LP PE main pipe	km	0	0	0	4	6	21	3	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0				37	
29	Low Pressure	Main pipe	LP steel main pipe	km				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				1	
30	Low Pressure	Main pipe	LP other main pipe	km	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0	
31	Low Pressure	Service pipe	LP PE service pipe	km	0	0	0	2	3	7	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				16	
32	Low Pressure	Service pipe	LP steel service pipe	km	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				1	
33	Low Pressure	Service pipe	LP other service pipe	km	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0	
34	Low Pressure	Line valve	LP line valves	No.		1	2	4	5	173	5		2	1	2	2	2	24	34	4	4	9	6	6	1	1				288	
35	Low Pressure	Special crossings	LP special crossings	No.						1	4																			5	
36	All	Monitoring & control systems	Remote terminal units	No.																	10	16	7							34	
37	All	Cathodic protection systems	Cathodic protection	No.																										10	

**17 SCHEDULE 9C: REPORT ON PIPELINE DATA**

Company Name **Powerco Limited**  
 For Year Ended **30 September 2014**  
 Network / Sub-network Name **Powerco Limited**

**SCHEDULE 9c: REPORT ON PIPELINE DATA**

This schedule requires a summary of the key characteristics of the pipeline network.

sch ref

**Network Information (end of year)**

Length of pipeline by material (defined by GDB)	Length (km)	%
PE	5,193	89.85%
Steel	491	8.50%
Other	96	1.65%
	-	-
	-	-
	-	-
<b>Total length of pipeline</b>	<b>5,779</b>	<b>100.00%</b>

By operating pressure:	Pipe length (km) (at year end)	Weighted average pipe diameter (mm)	Number of ICPs (at year end)	Gas conveyed for
				Persons not involved in the GDB (TJ)
Intermediate pressure	279	133	334	2,298
Medium pressure	5,429	42	101,585	374
Low pressure	71	75	1,439	6,231
<b>Total</b>	<b>5,779</b>	<b>47</b>	<b>103,358</b>	<b>8,903</b>

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Central Network

### SCHEDULE 9c: REPORT ON PIPELINE DATA

This schedule requires a summary of the key characteristics of the pipeline network.

sch ref

#### Network Information (end of year)

Length of pipeline by material (defined by GDB)	Length (km)	%
PE	2,748	88.66%
Steel	297	9.57%
Other	55	1.77%
	-	-
	-	-
<b>Total length of pipeline</b>	<b>3,099</b>	<b>100.00%</b>

By operating pressure:	Pipe length (km) (at year end)	Weighted average pipe diameter (mm)	Number of ICPs (at year end)	Gas conveyed for
				Persons not involved in the GDB (TJ)
Intermediate pressure	110	132	79	1,836
Medium pressure	2,975	40	43,549	3,550
Low pressure	14	51	200	5
<b>Total</b>	<b>3,099</b>	<b>43</b>	<b>43,828</b>	<b>5,391</b>

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Lower Network

### SCHEDULE 9c: REPORT ON PIPELINE DATA

This schedule requires a summary of the key characteristics of the pipeline network.

sch ref

#### Network Information (end of year)

Length of pipeline by material (defined by GDB)	Length (km)	%
PE	2,445	91.22%
Steel	194	7.25%
Other	41	1.52%
	-	-
	-	-
<b>Total length of pipeline</b>	<b>2,680</b>	<b>100.00%</b>

By operating pressure:	Pipe length (km) (at year end)	Weighted average pipe diameter (mm)	Number of ICPs (at year end)	Gas conveyed for
				Persons not involved in the GDB (TJ)
Intermediate pressure	169	135	255	462
Medium pressure	2,455	45	58,036	2,681
Low pressure	57	81	1,239	369
<b>Total</b>	<b>2,680</b>	<b>51</b>	<b>59,530</b>	<b>3,512</b>

## 18 SCHEDULE 9D: NETWORK DEMAND

Company Name **Powerco Limited**

For Year Ended **30 September 2014**

Network / Sub-network Name **Powerco Limited**

### SCHEDULE 9d: REPORT ON DEMAND

This schedule requires a summary of the key measures of network demand for the disclosure year (number of new connections including, maximum monthly loads and total gas conveyed)

sch ref

8

#### 9d(i): Consumer Connections

Number of ICPs connected in year by consumer type

<i>Consumer types defined by GDB</i>	Number of connections (ICPs)
Residential / Small Commercial	1,361
Commercial	101
Industrial	-
[GDB consumer type]	-
[GDB consumer type]	-
<b>Total</b>	<b>1,462</b>

#### 9d(ii): Gas Delivered

Number of ICPs at year end	103,358	connections
Maximum daily load	42,857	(GJ/day)
Maximum monthly load	1,023,976	(GJ/month)
Number of directly billed ICPs	-	(at year end)
Total gas conveyed	8,942,366	(GJ/annum)
Average daily delivery	24,500	(GJ/day)
Maximum monthly amount of gas entering network (GJ/month)	1,023,976	
Load factor	72.77%	



Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Central network

### SCHEDULE 9d: REPORT ON DEMAND

This schedule requires a summary of the key measures of network demand for the disclosure year (number of new connections including, maximum monthly loads and total gas conveyed)

sch ref

8

9

#### 9d(i): Consumer Connections

Number of ICPs connected in year by consumer type

10

11

12

Consumer types defined by GDB

Number of connections (ICPs)

13

Residential / Small Commercial

497

14

Commercial

38

15

Industrial

-

16

[GDB consumer type]

-

17

[GDB consumer type]

-

18

Total

535

19

#### 9d(ii): Gas Delivered

20

21

Number of ICPs at year end

43,828

connections

22

Maximum daily load

22,247

(GJ/day)

23

Maximum monthly load

538,527

(GJ/month)

24

Number of directly billed ICPs

-

(at year end)

25

Total gas conveyed

5,405,999

(GJ/annum)

26

Average daily delivery

14,811

(GJ/day)

27

28

Maximum monthly amount of gas entering network (GJ/month)

538,527

29

Load factor

83.65%

Company Name **Powerco Limited**

For Year Ended **30 September 2014**

Network / Sub-network Name **Lower network**

### SCHEDULE 9d: REPORT ON DEMAND

This schedule requires a summary of the key measures of network demand for the disclosure year (number of new connections including, maximum monthly loads and total gas conveyed)

sch ref

8

9

#### 9d(i): Consumer Connections

Number of ICPs connected in year by consumer type

10

11

12

13

14

15

16

17

18

<i>Consumer types defined by GDB</i>	<b>Number of connections (ICPs)</b>
Residential / Small Commercial	864
Commercial	63
Industrial	-
[GDB consumer type]	-
[GDB consumer type]	-
<b>Total</b>	<b>927</b>

19

#### 9d(ii): Gas Delivered

20

21

22

23

24

25

26

27

28

29

Number of ICPs at year end	59,530	connections
Maximum daily load	20,610	(GJ/day)
Maximum monthly load	485,449	(GJ/month)
Number of directly billed ICPs	-	(at year end)
Total gas conveyed	3,536,367	(GJ/annum)
Average daily delivery	9,689	(GJ/day)
Maximum monthly amount of gas entering network (GJ/month)	485,449	
Load factor	60.71%	

# 19 SCHEDULE 10A: NETWORK RELIABILITY AND INTERRUPTIONS

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Powerco Limited

## SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and CAIDI) for the disclosure year. GDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates). The SAIDI and SAIFI 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

### 10a(i): Interruptions

#### Interruptions by class

	Actual
Class A (planned interruptions by GTB)	-
Class B (planned interruptions on the network)	225
Class C (unplanned interruptions on the network)	685
Class D (unplanned interruptions by GTB)	-
Class I (unplanned interruptions caused by third party damage)	262
<b>Total</b>	<b>1,172</b>

#### Number of unplanned outage events (interruptions that affect more than 5 ICPs)

	Actual
Wellington	2
Hutt Valley and Porirua	1
Taranaki	-
Manawatu & Horowhenua	-
Hawke's Bay	-

#### Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)

	Actual
Wellington	1
Hutt Valley and Porirua	1
Taranaki	-
Manawatu & Horowhenua	-
Hawke's Bay	-

### 10a(ii): Reliability

#### Overall reliability

	SAIDI	SAIFI	CAIDI
Based on the total number of interruptions	1,033	13	95.48
Class I (unplanned interruptions caused by third party damage)	183	3	67.43

#### Class B (planned interruptions on the network)

	SAIDI	SAIFI	CAIDI
Wellington	731	7	105.32
Hutt Valley and Porirua	98	1	107.37
Taranaki	14	0	64.75
Manawatu & Horowhenua	54	0	225.00
Hawke's Bay	2,874	11	256.02

#### Class C (unplanned interruptions on the network)

	SAIDI	SAIFI	CAIDI
Wellington	364	4	91.53
Hutt Valley and Porirua	1,010	11	90.82
Taranaki	252	3	86.60
Manawatu & Horowhenua	114	2	62.29
Hawke's Bay	28	0	135.00

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Central Network

### SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and CAIDI) for the disclosure year. GDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates). The SAIDI and SAIFI 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

#### 10a(i): Interruptions

##### Interruptions by class

	Actual
Class A (planned interruptions by GTB)	-
Class B (planned interruptions on the network)	19
Class C (unplanned interruptions on the network)	171
Class D (unplanned interruptions by GTB)	-
Class I (unplanned interruptions caused by third party damage)	126
<b>Total</b>	<b>316</b>

##### Number of unplanned outage events (interruptions that affect more than 5 ICPs)

	Actual
Taranaki	-
Manawatu & Horowhenua	-
Hawke's Bay	-
	-

##### Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)

	Actual
Taranaki	-
Manawatu & Horowhenua	-
Hawke's Bay	-
	-

#### 10a(ii): Reliability

##### Overall reliability

	SAIDI	SAIFI	CAIDI
Based on the total number of interruptions	717	6	111.32
Class I (unplanned interruptions caused by third party damage)	208	3	71.58

##### Class B (planned interruptions on the network)

	SAIDI	SAIFI	CAIDI
Taranaki	14	0	64.75
Manawatu & Horowhenua	54	0	225.00
Hawke's Bay	2,874	11	256.02
	-	-	-

##### Class C (unplanned interruptions on the network)

	SAIDI	SAIFI	CAIDI
Taranaki	252	3	86.60
Manawatu & Horowhenua	114	2	62.29
Hawke's Bay	28	0	135.00
	-	-	-

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Lower Network

### SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and CAIDI) for the disclosure year. GDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates). The SAIDI and SAIFI 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

#### 10a(i): Interruptions

##### Interruptions by class

	Actual
Class A (planned interruptions by GTB)	-
Class B (planned interruptions on the network)	206
Class C (unplanned interruptions on the network)	514
Class D (unplanned interruptions by GTB)	-
Class I (unplanned interruptions caused by third party damage)	136
<b>Total</b>	<b>856</b>

##### Number of unplanned outage events (interruptions that affect more than 5 ICPs)

	Actual
Wellington	2
Hutt Valley and Porirua	1

##### Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)

	Actual
Wellington	1
Hutt Valley and Porirua	1

#### 10a(ii): Reliability

##### Overall reliability

	SAIDI	SAIFI	CAIDI
Based on the total number of interruptions	1,267	14	90.11
Class I (unplanned interruptions caused by third party damage)	165	3	63.98

##### Class B (planned interruptions on the network)

	SAIDI	SAIFI	CAIDI
Wellington	731	7	105.32
Hutt Valley and Porirua	98	1	107.37
			-
			-

##### Class C (unplanned interruptions on the network)

	SAIDI	SAIFI	CAIDI
Wellington	364	4	91.53
Hutt Valley and Porirua	1,010	11	90.82
			-
			-

## 20 SCHEDULE 10B: NETWORK INTEGRITY AND CONSUMER SERVICE

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Powerco Limited

### SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE

This schedule requires a summary of the key measures of network Integrity (gas escapes, response time to emergencies etc) for the disclosure year.

sch ref

#### 8 10b(i): System Condition and Integrity

Number of confirmed public reported gas escapes / total length of pipeline (escapes/1000 km)	Actual
Wellington	132
Hutt Valley and Porirua	110
Taranaki	84
Manawatu & Horowhenua	96
Hawke's Bay	12

Number of leaks detected by routine survey / total length of pipeline (leaks/1000 km)	Actual
Wellington	9
Hutt Valley and Porirua	21
Taranaki	8
Manawatu & Horowhenua	26
Hawke's Bay	16

Number of third party damage events / total length of pipeline (events/km)	Actual
Wellington	55
Hutt Valley and Porirua	55
Taranaki	58
Manawatu & Horowhenua	64
Hawke's Bay	33

Number of poor pressure events due to network causes	Actual
Wellington	1
Hutt Valley and Porirua	-
Taranaki	-
Manawatu & Horowhenua	-
Hawke's Bay	-

Number of telephone calls to emergency numbers answered within 30 seconds / total number of calls	Actual
Powerco	92%

Powerco is not required to report this information by region in its 2014 disclosure

Product control—safety of distribution gas	Actual
Number of non-compliant odour tests	5

#### 42 10b(ii): Consumer Service

Response time to emergencies (RTE)	Proportion of emergencies responded to within 1 hour (%)	Proportion of emergencies responded to within 3 hours (%)	Average call response time (hours)	Number of emergencies
Wellington	100.00%	100.00%	0.10	5
Hutt Valley and Porirua	100.00%	100.00%	0.18	4
Taranaki	-	100.00%	1.15	1
Manawatu & Horowhenua	100.00%	100.00%	0.05	1
Hawke's Bay	100.00%	100.00%	0.04	1

Number of complaints	Actual
Number of complaints per average total consumer numbers	0.00023

Company Name	Powerco Limited
For Year Ended	30 September 2014
Network / Sub-network Name	Central Network

**SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE**

This schedule requires a summary of the key measures of network Integrity (gas escapes, response time to emergencies etc) for the disclosure year.

sch ref

8 **10b(i): System Condition and Integrity**

9 **Number of confirmed public reported gas escapes / total length of pipeline (escapes/1000 km)** Actual

10 Taranaki	84
11 Manawatu & Horowhenua	96
12 Hawke's Bay	12
13	
14	

15 **Number of leaks detected by routine survey / total length of pipeline (leaks/1000 km)** Actual

16 Taranaki	8
17 Manawatu & Horowhenua	26
18 Hawke's Bay	16
19	
20	

21 **Number of third party damage events / total length of pipeline (events/km)** Actual

22 Taranaki	58
23 Manawatu & Horowhenua	64
24 Hawke's Bay	33
25	
26	

27 **Number of poor pressure events due to network causes** Actual

28 Taranaki	-
29 Manawatu & Horowhenua	-
30 Hawke's Bay	-
31	
32	
33	

34 **Number of telephone calls to emergency numbers answered within 30 seconds / total number of calls** Actual

35	
36	
37	
38	
39	

Powerco is not required to report this information by subnetwork in its 2014 disclosure

40 **Product control—safety of distribution gas** Actual

41 Number of non-compliant odour tests 5

42 **10b(ii): Consumer Service**

43 **Response time to emergencies (RTE)**

	Proportion of emergencies responded to within 1 hour (%)	Proportion of emergencies responded to within 3 hours (%)	Average call response time (hours)	Number of emergencies
44 Taranaki	-	100.00%	1.15	1
45 Manawatu & Horowhenua	100.00%	100.00%	0.05	1
46 Hawke's Bay	100.00%	100.00%	0.04	1
47				
48				

49 **Number of complaints** Actual

50 Number of complaints per average total consumer numbers 0.00021

Company Name

Powerco Limited

For Year Ended

30 September 2014

Network / Sub-network Name

Lower network

**SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE**

This schedule requires a summary of the key measures of network Integrity (gas escapes, response time to emergencies etc) for the disclosure year.

sch ref

**10b(i): System Condition and Integrity****Number of confirmed public reported gas escapes / total length of pipeline (escapes/1000 km)**

Actual

Wellington	132
Hutt Valley and Porirua	110

**Number of leaks detected by routine survey / total length of pipeline (leaks/1000 km)**

Actual

Wellington	9
Hutt Valley and Porirua	21

**Number of third party damage events / total length of pipeline (events/km)**

Actual

Wellington	55
Hutt Valley and Porirua	55

**Number of poor pressure events due to network causes**

Actual

Wellington	1
Hutt Valley and Porirua	-

**Number of telephone calls to emergency numbers answered within 30 seconds / total number of calls**

Actual


Powerco is not required to report this information by subnetwork in its 2014 disclosure

**Product control—safety of distribution gas**

Actual

Number of non-compliant odour tests

-
---

**10b(ii): Consumer Service****Response time to emergencies (RTE)**

Proportion of emergencies responded to within 1 hour (%)

Proportion of emergencies responded to within 3 hours (%)

Average call response time (hours)

Number of emergencies

Wellington	100.00%	100.00%	0.10	5
Hutt Valley and Porirua	100.00%	100.00%	0.18	4

**Number of complaints**

Actual

Number of complaints per average total consumer numbers

0.00025
---------



## 21 SCHEDULE 14: MANDATORY EXPLANATORY NOTES

Schedule 14 contains mandatory explanatory notes required by the IDD. All clause references refer to the Gas Distribution Information Disclosure Determination 2012

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

This box comments on return on investment as disclosed in Schedule 2. It includes information on reclassified items in accordance with clause 2.7.1(2).

**Box 1: Explanatory comment on return on investment**

ROI is lower than the previous disclosure due to the lower than forecast CPI in 2014 reducing the RAB revaluation. The increase in deferred tax has also impacted negatively on ROI.

### **Regulatory Profit (Schedule 3)**

This box comments on regulatory profit for the disclosure year and includes—

- a. a description of material items included in ‘other regulatory line income’ other than gains and losses on asset sales, as disclosed in Schedule 3(i)
- b. information on reclassified items in accordance with clause 2.7.1(2).

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

There have been no reclassified items in the 2014 disclosure year (DY).

Other regulatory income includes recoveries from consumers for operation activities and the recovery of bad debts.

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

Information on merger and acquisitions expenditure during the disclosure year is provided below and includes—

- a. information on reclassified items in accordance with clause 2.7.1(2)
- b. any other commentary on the benefits of the merger and acquisition expenditure to the GTB.

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

No merger and acquisition expenditure has been incurred during the disclosure year.

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

The comments below refer to the value of the regulatory asset base (rolled forward) in Schedule 4 and include information on reclassified items in accordance with clause 2.7.1(2).

**Box 4: Explanatory comment on the value of the regulatory asset based (rolled forward)**  
The regulatory asset base (rolled forward) has not increased significantly and is lower than expected. This is primarily the result of a lower than forecast CPI increase during the year reducing the expected revaluation of the RAB and also lower than forecast commissioned assets.

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

This narrative provides descriptions and workings of the following items, as recorded in the asterisked categories in of Schedule 5a(i)—

- a. Income not included in regulatory profit / (loss) before tax but taxable
- b. Expenditure or loss in regulatory profit / (loss) before tax but not deductible
- c. Income included in regulatory profit / (loss) before tax but not taxable
- d. Expenditure or loss deductible but not in regulatory profit / (loss) before tax

**Box 5: Regulatory tax allowance: permanent differences**  
The majority of the permanent differences relate to \$502,000 in disposal of buildings in the tax register for which an adjustment is required to ensure the deferred tax balance is correct. Other permanent differences are Entertainment \$35,000, Donations \$4,000 and capital expenditure treated as maintenance for tax of \$2,000.  
  
A revaluation gain on RAB of \$3,435,000 included in Regulatory Profit is not taxable.

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

The box below provides descriptions and workings of items recorded in the asterisked category ‘Tax effect of other temporary differences’ in Schedule 5a(i).

**Box 6: Temporary differences**  
Temporary differences relate to the movement in provision for Employee entitlements of \$58,000, Health Insurance (\$2,000), ACC (\$1,000) and Doubtful Debts provision (\$1,000).

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

Related party transactions beyond those disclosed in Schedule 5b are described below. This includes identification and descriptions as to the nature of directly attributable costs disclosed under clause 2.3.7(2)(b).

#### **Box 7: Related party transactions**

There have been no related party transactions in DY14.

### **Cost allocation (Schedule 5d)**

Comments on cost allocation as disclosed in Schedule 5d. This comment must include information on reclassified items in accordance with clause 2.7.1(2).

#### **Box 8: Cost allocation**

Powerco has adopted a fully distributed cost approach to allocate shared costs and shared assets between Powerco's gas distribution business and electricity distribution business.

Costs have been allocated on the following basis:

- direct allocation of all components of financial statement items which are directly attributable to the specific business; and
- for any components of financial statement items that are not directly attributable to a specific business, costs have been allocated between the businesses using allocators that are based on key cost drivers such as directly allocated revenue, employee numbers and the carrying value of network fixed assets.

Powerco has refined the cost allocators applied to its disclosure accounts and, where possible, has allocated shared service costs at a greater level of disaggregation than in the 2013 disclosure year. This allows for the use of more causal allocators. Further information on the change in allocators and the effect of this change on the disclosure accounts is provided in schedule 5d.

### **Asset allocation (Schedule 5e)**

Comments on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with clause 2.7.1(2).

#### **Box 9: Commentary on asset allocation**

Non-network assets have been allocated to the regulatory asset base (RAB) based on the split of accounting net book value between the electricity and gas businesses.

There have been no reclassifications in the period reported.

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

The box below includes comment on capital expenditure for the disclosure year, as disclosed in Schedule 6a. This comment must include—

- a. a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;
- b. information on reclassified items in accordance with clause 2.7.1(2).

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

(1) Materiality threshold

A materiality threshold of \$150k has been applied to identify material projects and programmes described in schedule 6a. Network projects or programmes of work have also been considered material if their costs make up 40 per cent or more of the total costs in the expenditure category or 10% or more of the total costs in the other reliability, safety and environment category.

<b>Expenditure category</b>	<b>Threshold</b>
<ul style="list-style-type: none"><li>• Asset relocations</li></ul>	Projects exceed 40% of total costs for that category in the disclosure year
<ul style="list-style-type: none"><li>• Quality of supply</li><li>• Non-network capex</li></ul>	Project costs exceed \$150k in the disclosure year
<ul style="list-style-type: none"><li>• Other reliability, safety and environment</li></ul>	Projects greater than 10% of total costs for that category in the disclosure year

(2) Items reclassified

During the 2014 disclosure year Powerco has reviewed the cost category allocated to projects. As a result Powerco has reclassified items of expenditure from one category to another. As required by clause 2.7.2 of the 2012 information disclosure determination, we provide the following information:

- a) The nature of the item is expenditure associated with network reinforcement.
  - The value of the item in DY13 was \$21k.
  - The value reported for the item in DY14 is \$905k. This includes the cost code correction of \$21k incurred in DY13.
  - In DY13 this item was classified as System Growth and in DY14 this item was reclassified as Quality of Supply.
  - This item was reclassified because analysis of the expenditure determined Quality of Supply to be a more appropriate primary driver of the costs.
- b) The nature of the item is expenditure associated with maintaining appropriate pressure levels during peak periods.
  - The value of the item in DY13 was \$69k.
  - The value reported for the item in DY14 is \$276k. This includes the cost code correction of \$69k incurred in DY13.
  - In DY13 this item was classified as System Growth and in DY14 this item was

reclassified as Quality of Supply.

- This item was reclassified because analysis of the expenditure determined Quality of Supply to be a more appropriate primary driver of the costs.
- c) The nature of the item is expenditure associated with the installation of fire valves to increase safety on the District Regulating Stations (DRS).
- The value of the item in DY13 was \$56k
  - The value reported for the item in DY14 is \$136k. This includes the cost code correction of \$56k incurred in DY13.
  - In DY13 this item was classified as System Growth and in DY14 this item was reclassified as Other Reliability, Safety and Environment.
  - This item was reclassified because analysis of the expenditure determined the Other Reliability, Safety and Environment cost category to be a more appropriate primary driver of the costs.
- d) The nature of the item is expenditure associated with the improvement of network safety through replacing the cover and protection of an exposed gas main.
- The value of the item in DY13 was \$11k.
  - The value reported for the item in DY14 is \$174k. This includes the cost code correction of \$11k incurred in DY11.
  - In DY13 this item was classified as Asset Replacement and Renewal and in DY14 this item was reclassified as Other Reliability, Safety and Environment.
  - This item was reclassified because analysis of the expenditure determined the Other Reliability, Safety and Environment cost category to be a more appropriate primary driver of the costs.

(3) Other network assets credit balance reported in system growth

System growth expenditure is disaggregated by asset class in schedule 6a(iv). During DY2014 Powerco had expenditure of \$541k on assets attributed to system growth. After adjusting for items transferred to other categories of -\$222k, the reported total expenditure in the system growth category is \$319k for DY14. The \$222k of transfers from this category are disclosed as credits against other network assets as below:

- \$73k relates to a spare DRS unit purchased in the 2013 disclosure year and subsequently applied to the Whitby reinforcement project held in the quality of supply capital expenditure category; and
- Reclassification of projects as stated above.

(4) Other network assets credit balance reported in asset replacement and renewal

- Asset replacement and renewal expenditure is disaggregated to asset class in schedule 6a(iv). During DY2014 \$958k of capital expenditure was attributed to asset replacement and renewal. After adjusting for items transferred to other categories of -\$106k, the reported total expenditure in the asset replacement and renewal category is \$853k for DY14. The \$106k of transfers from this category are described below:
- \$48k identified as gas metering and transferred to the gas metering work in progress account;
- Corrections from capital to operational expenditure of \$38k for work that was identified as being operational in nature and for which costs were transferred to opex categories; and
- \$20k of coding corrections where an invoice was applied to asset replacement and renewal in error.

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

The box below comments on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment includes—

- a. Commentary on assets replaced or renewed with asset replacement and renewal operating expenditure, as reported Schedule 6b(i);
- b. Information on reclassified items in accordance with clause 2.7.1(2);
- c. 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 11: Explanation of operational expenditure for the disclosure year**

**Asset replacement and renewal**

Powerco has asset replacement and renewal expenditure of \$2.6m for the period. Replacement and renewal maintenance is operating expenditure where the primary driver is the maintenance of asset integrity to address the progressive deterioration or obsolescence of particular assets, or the need to maintain physical security.

Because there is a potential cross-over between this expenditure and routine and corrective maintenance and inspection expenditure, Powerco interprets asset replacement and renewal maintenance to include defect remedy of a non-routine nature that requires the replacement of a capitalised asset or subcomponent in order to maintain the asset in its current state. Corrective maintenance includes renewal of subcomponents or short sections of pipe that are less than 50 metres.

**Reclassified items**

During the 2014 disclosure year Powerco has reviewed the types of costs allocated to non-network opex. As a result, Powerco has reclassified one item of expenditure in DY14. As required under 2.7.2 of the 2012 information disclosure determination, we provide the following information:

- a) The nature of the item is expenditure associated with network information services management
  - The value of the item in DY13 was \$200k.
  - The value reported for the item in DY14 is \$133k.
  - In DY13 this item was classified as Business Support and in DY14 this item was reclassified as System Operations and Network Support.
  - This item was reclassified because analysis of the expenditure determined System Operations and Network Support to be a more appropriate primary driver of the costs.

**Atypical expenditure**

There was no material Atypical operational expenditure in the 2014 disclosure year.

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

This section comments 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 clause 2.7.1(2).



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

**Expenditure on Assets**

DY14 expenditure is compared to the expenditure profile forecast in the asset management plan (the “AMP”) published in September 2013. Powerco’s expenditure on assets for DY14 is \$3.1m lower than forecast in the AMP. Forecasting expenditure is difficult in an industry where approximately 55% of our forecast capex is reactive and therefore not within our control.

Since publishing the AMP Powerco has continued to develop and refine our asset management approach including enhanced whole-of life options analysis and project justification. This change in approach, coupled with delays during the transition to new field service and engineering arrangements has resulted in some network projects forecast to occur in DY13 and DY14 being deferred or cancelled.

The key contributors to the \$3.1m variance to forecast are:

- Asset replacement and renewal expenditure of \$340k planned for the renewal of cathodic protection systems has been delayed and the projects are now expected to occur between DY15 and DY18.
- Other minor asset replacement and renewal projects of \$390k in total have been deferred.
- System growth expenditure has decreased against forecast as—
  - Reticulation of the Maymorn valley, forecast at \$564k, has been deferred until DY16 to align with the timeframe set by the Hutt City Council;
  - Lower than forecast subdivision activity across all regions resulted in reduced expenditure of \$855k in this category.
- Quality of supply expenditure is close to that forecast with the variance being attributed to revised phasing of major projects—
  - Rephasing of the Wellington CBD upgrade, Whitby reinforcement, DRS replacement at Waterloo, and Eastbourne pressure elevation projects resulted in \$112k being deferred to DY15.
- The purchase of flow measurement equipment for DRS stations planned to occur in DY14 did not occur as the equipment selected for trial did not meet performance requirements (\$280k).
- Non-network expenditure increased \$148k due to a higher allocation to the gas distribution business of shared asset costs in DY14 compared to the AMP and higher non-network capex for the period than planned as a consequence of Powerco continuing to invest in technology projects to improve network operations.

The information disclosure determination released in October 2012 specified the categories to use for the reporting of costs. These categories were not directly transferrable to Powerco’s gas business at that time. In DY14, the allocation of projects to cost categories was reviewed and resulted in some project costs being allocated to a category different to that specified in the AMP.

### **Operational expenditure**

Powerco's operational expenditure is close to that forecast. A slightly lower than expected expenditure forecast was initially highlighted in the 2014 AMP update and reflects the continuing trend in expenditure and recognises the effect of efficiencies gained through new field services contracts. Powerco's expected network operational expenditure has been revised downward after a review of projects held in the 2013 AMP. A copy of the relevant 2013 AMP schedules have been included in section 23.

In DY14, non-network opex costs associated with Network Information Services management have been applied to the systems network and operational support category. This expenditure was categorised as business support in the 2013 AMP.

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

- a. Commentary in the box below explains the reasons for any material differences between target revenue disclosed before the start of the pricing year in accordance with clauses 2.4.1 and 2.4.3(3), and total billed line charge revenue for the disclosure year as disclosed in Schedule 8.

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

Total billed line charge revenue disclosed in Schedule 8 is \$856k below the target revenue forecast in the pricing methodology for the 2014 disclosure (and pricing) year.

Revenue was lower than forecasted for the residential consumers due to a warmer than average year affecting energy volumes.

- b. Commentary in the box below explains the effect of any change in price category codes, or consumer groups (as applicable) in the disclosure year, on the allocation of ICPs, quantities and revenues between consumer groups disclosed in Schedule 8.

#### **Box 14: Explanatory comment relating to changed prices or price category codes**

Other than the permitted DPP CPI adjustment to distribution prices effective 1 October 2014, there have been no changes to prices or price category codes in the disclosure year.

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

The box below provides commentary on network reliability for the disclosure year, as disclosed in Schedule 10a.

### **Box 15: Commentary on network reliability for the disclosure year**

The disclosed interruption data in the 2014 disclosure has been prepared in accordance with the Commerce Commission's October 2013 decision regarding the definition of planned interruptions. The impact of the decision to reduce the period of notice required for an interruption to be considered planned, from 10 days under the Authorisation to 24 hours under the IDD, has resulted in a decrease in interruptions being classified as Class C (unplanned interruptions on the network) and an increase in Class B (planned interruptions on the network). The total number of Class B and C interruptions has increased by 47.

An increased number of repairs on service pipes in the Wellington region and the removal of asbestos pipe in Westshore (Hawke's Bay region), as mentioned in the 2013 AMP, have increased the SAIDI and SAIFI for the year.

### **Insurance cover**

Details of insurance cover for the assets used to provide gas distribution services are given below, including—

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

**Box 16: Explanation of insurance cover**

Powerco holds significant insurance cover relating to material damage and business interruption. This includes full cover for gas district regulating stations and special earthquake cover for gas metering.

Powerco's insurance strategy strikes a balance between providing the benefit to its customers of accessing material damage insurance cover that is available, and the practical imperative of managing the associated cost burden to customers. Cover for poles, wires and pipes (commonly referred to as transmission and distribution cover) are, for all practical purposes, unavailable in NZ. Where it may be available in small amounts in our geographic region, the cost is uneconomic to our customers, as there is a restricted retained limit and a premium cost of 10-15% of the sum insured.

To manage Powerco's exposure to a catastrophic event affecting its uninsured assets, the company maintains headroom in its debt facilities as explained below. The geographically diverse nature of Powerco's assets, and the resilience of those assets, also provides some practical mitigation of seismic risks.

Powerco maintains debt facilities, in excess of net (drawn) debt, that would be available for use should events occur which require extra funds to be made available quickly. This headroom amount is in excess of our day-to-day working capital requirements.

The value of this facility headroom, currently \$70 million, is partly based on an assessment of the uninsured damage to Powerco's network assets undertaken by Marsh Risk Consulting. This analysis reviewed the catastrophic risk and expected loss from a catastrophic event, and was last assessed at \$50-70 million.

The cost of maintaining this debt facility headroom equates to approximately \$750,000 per annum.

Powerco's regulatory framework under Part 4 of the Commerce Act also allows for the recovery, subject to Commission approval, of prudent, unforeseen costs associated with a catastrophic event, via the Customised Price Quality Path ("CPP") provisions contained within Part 4 of the Commerce Act.

Insurance costs are allocated to Powerco's separate businesses following Powerco's allocation policies discussed earlier in this document.

## 22 SCHEDULE 15: VOLUNTARY EXPLANATORY NOTES

This section includes notes, which supplement the mandatory notes set out in Schedule 14, and provides additional information to aid understanding of the required disclosure schedules.

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

### 22.1 Financial Schedules

#### Monthly ROI

The calculation of monthly ROI in schedule 2 is not required in 2014. The IDD specifies that a monthly ROI calculation must only be disclosed if, during the first three months or last three months of the disclosure year, the value of assets commissioned exceeded 10% of total opening regulatory asset values or the notional net cash flows exceed 40% of the annual notional net cash flows.

Neither of these criteria were met in 2014 and Powerco has elected not to calculate a monthly ROI.

#### Deferred tax balance relating to assets disposed in the disclosure year

In regulatory tax allowance schedule 5a (vi) Calculation of Deferred Tax Balance, in the row headed "Deferred tax balance relating to assets disposed in the disclosure year", there is a tax effect adjustment of \$1,155,000 relating to accumulated depreciation in the tax fixed asset register for the period 27 February 2009 to 31 March 2014 for which no tax depreciation was claimed. Powerco has sought the services of tax specialists and will claim a deduction in its March 2014 tax return. To align the regulatory tax base with the tax fixed asset register we have included this amount as a tax disposal in the current regulatory period.

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

In the 30 September 2013 disclosures the weighted average remaining asset life (WARL) for line valves was incorrectly stated as being 35 years due to an error in the WARL calculation. The correct number should have been 43 years.

#### Levies

The report on regulatory profit (schedule 3) includes a breakdown of levies. The EGCC (Electricity and Gas Complaints Commission) levies are not specified in the breakdown in Schedule 3. For the purposes of this disclosure, the EGCC levies have been included with GIC levies.

#### Weighted Average Remaining Useful Life

Powerco does not currently have systems to maintain our RAB at an individual asset level and therefore we have made an assumption to determine individual opening RAB values by

applying each asset’s financial asset register Net Book Value to generate the Weighted Average Remaining Useful Life as disclosed in Schedule 4(vii).

**Regulatory depreciation**

Depreciation in Schedule 4 includes depreciation on assets with no standard life. Non-network assets commissioned after 30 September 2009 are considered to be assets with no standard life. Depreciation on these assets is reported as “depreciation – no standard life” in segment 4(v) of Schedule 4.

**Opening Balance of Unallocated works under construction**

The DY2013 closing balance of the Unallocated works under construction was overstated as the Assets commissioned cell (highlighted orange) in the calculation was not populated. The closing balance of Unallocated works under construction has no dependencies in the disclosure workbook so the error had no further impact on any other figures. When corrected the closing balance of the Unallocated works under construction figure is \$8,492,000 rather than \$20,564,000 as stated in the DY2013 disclosure. The correction is shown below. The corrected balance is used as the opening balance for unallocated works under construction in the DY2014 accounts.

		Unallocated works under construction	Allocated works under construction
72			
73	Works under construction - preceding disclosure year	7,475	5,020
74	plus Capital expenditure	15,089	7,085
75	less Assets commissioned	12,072	6,622
76	plus Adjustment resulting from asset allocation		(34)
77	Works under construction - current disclosure year	8,492	5,469
78			

**22.2 Billed Quantities and Revenues (Schedule 8)**

**Consumer types**

Powerco has identified four consumer types that are typical of the consumers connected to our network and described in table one below.

*Table 1: Typical consumers in the different consumer categories*

Consumer type	Price category	Typical characteristics
Residential	G06	Low-volume residential customers.
Residential/Small Commercial	G11	Standard residential customers and small commercial customers such as small cafes, fish and chip stores and pizza stores.
Commercial	G12 to G18	Commercial consumers are diverse in nature and include restaurants, office buildings and small industries.
	G30	Individually priced customers who do not have a time of use (TOU) meter, e.g. large commercial customers and large hotels.

Industrial	G40	Individually priced customers with a TOU meter and with an annual volume generally greater than 10TJ. Included in this group tend to be small manufacturing and industrial businesses such as dairy, meat or food processing plants.
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For the purposes of schedule 9d, new connections for the G06 and G11 groups are reported together under the consumer type “residential/small commercial”.

## 22.3 Asset Information (Schedules 9a-9c)

### Sources of information

Powerco’s network is made up of several discrete, legacy gas distribution networks that have been amalgamated over time. This diversity of networks has created ongoing data and systems integration and improvement challenges for Powerco.

Schedules 9a and 9b require Powerco to estimate a level of accuracy around the presented results, which are drawn from the GIS. The underlying GIS data comprises a comprehensive set of network information that is generally complete and consistently applied. However, a small proportion of the asset data is either internally conflicting or not wholly reliable and, for a small number of asset categories, there are also gaps in the attribute information. These data inconsistencies and data gaps are not material for disclosure purposes. However, for completeness, Powerco has noted these issues in the data accuracy column in schedule 9a.

Powerco has initiated a programme of work focused on incremental improvements to data quality and depth over the next three years. Further information on this programme of work is available in section 8.8 of Powerco’s Gas Asset Management Plan 2013 available on our website or by request.

The asset age profile (schedule 9b) includes some unknown references in the two asset classes: special crossings and cathodic protection. There are no assets with default dates on the gas network. In preparation for the ODV calculation in 2005 and 2006, Powerco reviewed asset dates and verified dates where previously there were default dates. Further investigation into line valves operating pressure has increased asset knowledge and resulted in a transfer of line valves between pressure categories.

### Pipeline length

The 5,779 kilometres of pipeline reported in Schedule 9c, and used as a divisor in the metrics for schedule 10b, is the active pipeline length on Powerco’s distribution network. Powerco’s network includes approximately a further 500km of pipeline that is currently inactive (i.e. does not currently convey gas).

## **22.4 Network Demand (Schedule 9d)**

### **ICP numbers**

There has been a net increase of 564 billable ICPs during 2014. While 1,462 new connections have been added to the network, 898 ICPs have either become inactive or have disconnected from the network in 2014.

### **Network demand**

Section 9(ii) – gas delivered measures the amount of gas entering the network (i.e. as measured at the respective gas gates) during the disclosure year. The gas delivered to ICPs in schedule 8 is the billed quantity of gas in the disclosure year which includes a loss adjustment calculated from the UFG recorded in the prior year.

## **22.5 Network reliability, integrity and customer service (Schedules 10a and 10b)**

Powerco strives to ensure that our gas assets perform reliably. This consideration takes into account not just the standard reliability measures of SAIDI and SAIFI, but also the integrity of our network and the level of customer service Powerco provides.

Schedule 10a focuses on the level of interruptions to gas distribution supply on Powerco's network including those caused by incidents or outages on the transmission network or by third parties.

Schedule 10b considers various metrics considered useful in determining the integrity of a gas distribution network and the level of service Powerco's customers receive.

### **SAIDI and SAIFI**

Overall, Powerco's network reliability as measured by SAIDI and SAIFI has decreased in 2014 compared to previous years' reported results for these reliability metrics.

However, it is useful to consider that as our gas networks are underground they are inherently secure. When an outage does occur, the time to reinstate can be long. The process of reinstatement requires the careful purging of the network and the re-commissioning of each customer. Powerco's network does not incur many interruptions and therefore SAIDI and SAIFI metrics are sensitive to even a small change in the number of interruptions occurring.

SAIDI and SAIFI results for GDBs are multiplied by 1000 in order to be visible for reporting purposes.

### **Customer service – telephone calls**

The IDD requires the disclosure of the number of phone calls to the emergency line answered within 30 seconds as a percentage of total calls to the emergency line.



Powerco is unable to disclose this result by region or sub-network. Operationally, all calls to Powerco's emergency number are answered at a single location and all calls are treated equally regardless of the originating region. In most cases the network region for an incoming call cannot be determined from the call log. Determining the location of the incoming call is made especially difficult when calls are received from cell phones.

As a result, Powerco has reported this metric on a whole of business basis for all regions and sub-networks as permitted by the Commerce Commission's two year exemption (disclosure years 2014 and 2015) issued on 3 October 2014.

### **Customer service – response time to emergencies (RTE)**

Powerco has reviewed the categorisation of emergencies used to report RTE performance and amended the measure to better align with the definition in the Gas Distribution Services Default Price-Quality Path Determination 2013, which defines an emergency as being:

- An unplanned escape or ignition of gas that requires the active involvement of any emergency service (e.g. fire service or ambulance); or
- An unplanned disruption in the supply of gas that affects more than five ICPs; or
- An evacuation of premises as the result of the escape or ignition of gas.

Powerco interprets active involvement to be actions such as establishing safety cordons, the use of firefighting equipment or providing medical or first aid treatment.

In prior years, RTE has included any incident involving an emergency service to any extent. This included fire service call-outs where no intervention was required and public reports relayed to Powerco via the Fire Service. As a result, the number of emergencies reported in the RTE measure has reduced significantly.

## 23 FORECAST AND ASSET CONDITION INFORMATION

The following schedules are copies of the forecast and asset condition information previously published to accompany the 2014 update to Powerco's Asset Management Plan ("AMP"). These schedules are as disclosed with the 2014 AMP Update and have not been updated. The 2014 update and the full AMP published in 2013 are available on Powerco's website and a hardcopy may be requested from Powerco's main office.

The schedules are:

- Schedule 11a: Report on Forecast Capital Expenditure
- Schedule 11b: Report on Forecast Operational Expenditure
- Schedule 12a: Report on Asset Condition
- Schedule 12b: Report on Forecast Utilisation
- Schedule 12c: Report on Forecast Demand
- Schedule 14a: Mandatory Explanatory Notes on Forecast Information

## 23.1 Schedule 11a: Report on Forecast Capital Expenditure

Company Name **Powerco Limited**  
 AMP Planning Period **1 October 2014 – 30 September 2024**

### SCHEDULE 11a: REPORT ON FORECAST CAPITAL EXPENDITURE

This schedule requires a breakdown of forecast expenditure on assets for the current disclosure year and a 10 year planning period. The forecasts should be consistent with the supporting information set out in the AMP. The forecast is to be expressed in both constant price and nominal dollar terms. Also required is a forecast of the value of commissioned assets (i.e., the value of RAB additions).  
 GDBs must provide explanatory comment on the difference between constant price and nominal dollar forecasts of expenditure on assets in Schedule 14a (Mandatory Explanatory Notes).  
 This information is not part of audited disclosure information.

sch ref

	for year ended	Current Year CY 30 Sep 14	CY+1 30 Sep 15	CY+2 30 Sep 16	CY+3 30 Sep 17	CY+4 30 Sep 18	CY+5 30 Sep 19	CY+6 30 Sep 20	CY+7 30 Sep 21	CY+8 30 Sep 22	CY+9 30 Sep 23	CY+10 30 Sep 24
<b>11a(i): Expenditure on Assets Forecast</b>												
<b>\$000 (nominal dollars)</b>												
Consumer connection		3,990	4,080	4,248	4,388	4,541	4,653	4,732	4,822	4,918	5,008	5,105
System growth		1,200	2,394	2,253	1,965	1,901	2,389	2,291	2,303	2,188	2,195	2,271
Asset replacement and renewal		1,550	2,533	2,941	2,813	3,272	3,164	3,218	3,279	3,344	3,406	3,471
Asset relocations		76	115	118	120	124	127	129	131	134	136	139
Reliability, safety and environment:												
Quality of supply		2,473	2,259	2,983	3,676	1,544	1,582	1,801	1,836	1,672	1,703	1,736
Legislative and regulatory		-	-	-	-	-	-	-	-	-	-	-
Other reliability, safety and environment		1,873	1,258	1,412	1,485	973	1,070	1,177	1,309	1,802	1,998	2,235
<b>Total reliability, safety and environment</b>		<b>4,347</b>	<b>3,517</b>	<b>4,395</b>	<b>5,161</b>	<b>2,517</b>	<b>2,652</b>	<b>2,979</b>	<b>3,145</b>	<b>3,474</b>	<b>3,701</b>	<b>3,971</b>
<b>Expenditure on network assets</b>		<b>11,163</b>	<b>12,639</b>	<b>13,955</b>	<b>14,447</b>	<b>12,356</b>	<b>12,984</b>	<b>13,348</b>	<b>13,679</b>	<b>14,059</b>	<b>14,446</b>	<b>14,957</b>
Non-network assets		1,620	2,045	2,275	2,171	1,522	1,178	1,163	1,159	1,182	1,206	1,230
<b>Expenditure on assets</b>		<b>12,783</b>	<b>14,684</b>	<b>16,231</b>	<b>16,618</b>	<b>13,878</b>	<b>14,162</b>	<b>14,511</b>	<b>14,839</b>	<b>15,241</b>	<b>15,652</b>	<b>16,187</b>
plus Cost of financing		-	15	31	32	31	31	32	33	34	35	36
less Value of capital contributions		542	610	626	640	653	667	680	693	707	721	736
plus Value of vested assets		-	-	-	-	-	-	-	-	-	-	-
<b>Capital expenditure forecast</b>		<b>12,241</b>	<b>14,089</b>	<b>15,635</b>	<b>16,010</b>	<b>13,255</b>	<b>13,527</b>	<b>13,863</b>	<b>14,179</b>	<b>14,568</b>	<b>14,965</b>	<b>15,486</b>
Value of commissioned assets		11,629	13,996	15,558	15,991	13,393	13,513	13,846	14,163	14,548	14,945	15,460
<b>\$000 (in constant prices)</b>												
Consumer connection		3,990	4,001	4,078	4,118	4,179	4,197	4,185	4,181	4,181	4,174	4,171
System growth		1,200	2,347	2,162	1,845	1,749	2,155	2,026	1,997	1,860	1,829	1,856
Asset replacement and renewal		1,550	2,484	2,823	2,640	3,011	2,854	2,846	2,843	2,843	2,838	2,836
Asset relocations		76	113	113	112	114	114	114	114	114	114	113
Reliability, safety and environment:												
Quality of supply		2,473	2,216	2,864	3,450	1,421	1,427	1,593	1,592	1,422	1,419	1,418
Legislative and regulatory		-	-	-	-	-	-	-	-	-	-	-
Other reliability, safety and environment		1,873	1,234	1,355	1,394	896	965	1,041	1,135	1,532	1,665	1,826
<b>Total reliability, safety and environment</b>		<b>4,347</b>	<b>3,449</b>	<b>4,219</b>	<b>4,844</b>	<b>2,316</b>	<b>2,392</b>	<b>2,635</b>	<b>2,727</b>	<b>2,954</b>	<b>3,084</b>	<b>3,245</b>
<b>Expenditure on network assets</b>		<b>11,163</b>	<b>12,395</b>	<b>13,395</b>	<b>13,559</b>	<b>11,369</b>	<b>11,713</b>	<b>11,805</b>	<b>11,861</b>	<b>11,951</b>	<b>12,039</b>	<b>12,221</b>
Non-network assets		1,620	2,006	2,184	2,038	1,401	1,063	1,029	1,005	1,005	1,005	1,005
<b>Expenditure on assets</b>		<b>12,783</b>	<b>14,400</b>	<b>15,579</b>	<b>15,597</b>	<b>12,770</b>	<b>12,776</b>	<b>12,834</b>	<b>12,866</b>	<b>12,957</b>	<b>13,044</b>	<b>13,226</b>

45	<b>Subcomponents of expenditure on assets (where known)</b>											
46	Research and development	-	-	-	-	-	-	-	-	-	-	-
47												
48		<i>Current Year CY</i>	<i>CY+1</i>	<i>CY+2</i>	<i>CY+3</i>	<i>CY+4</i>	<i>CY+5</i>	<i>CY+6</i>	<i>CY+7</i>	<i>CY+8</i>	<i>CY+9</i>	<i>CY+10</i>
49	for year ended	30 Sep 14	30 Sep 15	30 Sep 16	30 Sep 17	30 Sep 18	30 Sep 19	30 Sep 20	30 Sep 21	30 Sep 22	30 Sep 23	30 Sep 24
50	<b>Difference between nominal and constant price forecasts</b>											
51		<b>\$000</b>										
52	Consumer connection	-	79	171	270	363	455	547	641	737	834	934
53	System growth	-	47	90	121	152	234	265	306	328	366	415
54	Asset replacement and renewal	-	49	118	173	261	310	372	436	501	567	635
55	Asset relocations	-	2	4	7	10	12	15	17	20	23	25
56	Reliability, safety and environment:											
57	Quality of supply	-	44	120	226	123	155	208	244	251	284	317
58	Legislative and regulatory	-	-	-	-	-	-	-	-	-	-	-
59	Other reliability, safety and environment	-	24	57	91	78	105	136	174	270	333	409
60	<b>Total reliability, safety and environment</b>	-	68	176	317	201	260	344	418	521	616	726
61	<b>Expenditure on network assets</b>	-	244	560	887	986	1,271	1,543	1,818	2,108	2,406	2,736
62	Non-network assets	-	39	91	133	122	115	134	154	177	201	225
63	<b>Expenditure on assets</b>	-	283	651	1,021	1,108	1,386	1,677	1,972	2,285	2,607	2,961
70												
71												
72	<b>11a(ii): Consumer Connection</b>	<i>Current Year CY</i>	<i>CY+1</i>	<i>CY+2</i>	<i>CY+3</i>	<i>CY+4</i>	<i>CY+5</i>					
73		30 Sep 14	30 Sep 15	30 Sep 16	30 Sep 17	30 Sep 18	30 Sep 19					
74	<i>Consumer types defined by GDB*</i>	<b>\$000 (in constant prices)</b>										
75	Residential / Small Commercial	3,527	3,537	3,614	3,657	3,712	3,729					
76	Commercial	378	379	379	377	381	383					
77	Industrial	86	85	85	84	85	86					
78	-	-	-	-	-	-	-					
79	-	-	-	-	-	-	-					
80	<i>*include additional rows if needed</i>											
81	Consumer connection expenditure	3,990	4,001	4,078	4,118	4,179	4,197					
82	less Capital contributions funding consumer connection	542	599	601	601	601	601					
83	<b>Consumer connection less capital contributions</b>	3,449	3,402	3,477	3,518	3,578	3,596					
84	<b>11a(iii): System Growth</b>											
85	<b>Intermediate pressure</b>											
86	Main pipe	41	79	393	63	60	74					
87	Service pipe	17	33	23	26	25	31					
88	Stations	-	-	226	-	-	-					
89	Line valve	1	1	1	1	1	1					
90	Special crossings	0	0	0	0	0	0					
91	<b>Intermediate Pressure total</b>	59	113	643	90	86	106					
92	<b>Medium pressure</b>											
93	Main pipe	785	1,511	1,045	1,206	1,144	1,409					
94	Service pipe	329	633	438	506	479	591					
95	Stations	-	-	-	-	-	-					
96	Line valve	12	24	16	19	18	22					
97	Special crossings	1	1	1	1	1	1					
98	<b>Medium Pressure total</b>	1,127	2,169	1,500	1,732	1,642	2,023					

98	Low Pressure						
99	Main pipe	10	20	14	16	15	19
100	Service pipe	4	8	6	7	6	8
101	Line valve	0	0	0	0	0	0
102	Special crossings	0	0	0	0	0	0
103	Low Pressure total	15	28	20	23	22	27
104	Other assets						
105	Monitoring and control systems	-	37	-	-	-	-
106	Cathodic protection systems	-	-	-	-	-	-
107	Other assets (other than above)	-	-	-	-	-	-
108	Other total	-	37	-	-	-	-
109							
110	System growth expenditure	1,200	2,347	2,162	1,845	1,749	2,155
111	less Capital contributions funding system growth	-	-	-	-	-	-
112	System growth less capital contributions	1,200	2,347	2,162	1,845	1,749	2,155
120							
121		Current Year CY	CY+1	CY+2	CY+3	CY+4	CY+5
	for year ended	30 Sep 14	30 Sep 15	30 Sep 16	30 Sep 17	30 Sep 18	30 Sep 19
122	<b>11a(iv): Asset Replacement and Renewal</b>						
123	Intermediate pressure	<b>\$000 (in constant prices)</b>					
124	Main pipe	19	23	46	46	58	58
125	Service pipe	8	10	19	19	24	24
126	Stations	43	318	-	-	-	-
127	Line valve	257	526	1	1	1	1
128	Special crossings	98	259	0	0	0	0
129	Intermediate Pressure total	425	1,136	66	66	84	84
130	Medium pressure						
131	Main pipe	729	665	1,682	1,674	1,916	1,924
132	Service pipe	305	497	705	702	803	806
133	Station	56	-	-	-	-	-
134	Line valve	20	7	14	14	18	18
135	Special crossings	0	0	1	1	1	1
136	Medium Pressure total	1,111	1,168	2,401	2,390	2,737	2,749
137	Low Pressure						
138	Main pipe	5	6	12	12	15	15
139	Service pipe	2	2	5	5	6	6
140	Line valve	0	0	0	0	0	0
141	Special crossings	0	0	0	0	0	0
142	Low Pressure total	7	8	17	17	21	21
143	Other assets						
144	Monitoring and control systems	-	-	-	-	-	-
145	Cathodic protection systems	7	171	339	168	170	-
146	Other assets (other than above)	-	-	-	-	-	-
147	Other total	7	171	339	168	170	-
148							
149	Asset replacement and renewal expenditure	1,550	2,484	2,823	2,640	3,011	2,854
150	less Capital contributions funding asset replacement and renewal	-	-	-	-	-	-
151	Asset replacement and renewal less capital contributions	1,550	2,484	2,823	2,640	3,011	2,854

11a(v): Asset Relocations							
Project or programme*							
153	Nil	-	-	-	-	-	-
154	-	-	-	-	-	-	-
155	-	-	-	-	-	-	-
156	-	-	-	-	-	-	-
157	-	-	-	-	-	-	-
158	-	-	-	-	-	-	-
159	-	-	-	-	-	-	-
160	* include additional rows if needed						
161	All other asset relocations projects or programmes	76	113	113	112	114	114
162	<b>Asset relocations expenditure</b>	<b>76</b>	<b>113</b>	<b>113</b>	<b>112</b>	<b>114</b>	<b>114</b>
163	less Capital contributions funding asset relocations	-	-	-	-	-	-
164	<b>Asset relocations less capital contributions</b>	<b>76</b>	<b>113</b>	<b>113</b>	<b>112</b>	<b>114</b>	<b>114</b>

11a(vi): Quality of Supply							
for year ended	Current Year CY 30 Sep 14	CY+1 30 Sep 15	CY+2 30 Sep 16	CY+3 30 Sep 17	CY+4 30 Sep 18	CY+5 30 Sep 19	
Project or programme*							
<b>\$000 (in constant prices)</b>							
175	Milson reinforcement (Manawatu)	67	-	-	-	-	-
176	Bell Block - Links Drive transfer (Taranaki)	-	112	-	-	-	-
	Waterloo DRS replacement (Hutt Valley - Porirua)	92	279	-	-	-	-
	Base Hospital DRS installation (Taranaki)	-	168	-	-	-	-
	Wellington CBD Upgrade (Wellington)	802	425	-	-	-	-
	Huatoki Street Looping (Taranaki)	-	-	68	-	-	-
	Ferndale Southern Looping (Taranaki)	-	-	248	405	-	-
	Hokowhitu reinforcement (Manawatu)	-	-	565	-	-	-
177	Palmerston North IP extension (Manawatu)	-	-	571	1,630	-	-
178	DRS flow measurement equipment (All regions)	57	348	282	281	284	285
179	Eastbourne pressure upgrade (Hutt Valley - Porirua)	276	-	-	-	-	-
180	Whitby (Mana) Reinforcement (Hutt Valley - Porirua)	897	-	-	-	-	-
181	* include additional rows if needed						
182	All other quality of supply projects or programmes	282	884	1,129	1,135	1,137	1,142
183	<b>Quality of supply expenditure</b>	<b>2,473</b>	<b>2,216</b>	<b>2,864</b>	<b>3,450</b>	<b>1,421</b>	<b>1,427</b>
184	less Capital contributions funding quality of supply	-	-	-	-	-	-
185	<b>Quality of supply less capital contributions</b>	<b>2,473</b>	<b>2,216</b>	<b>2,864</b>	<b>3,450</b>	<b>1,421</b>	<b>1,427</b>

11a(vii): Legislative and Regulatory							
Project or programme							
188	Nil	-	-	-	-	-	-
189	-	-	-	-	-	-	-
190	-	-	-	-	-	-	-
191	-	-	-	-	-	-	-
192	-	-	-	-	-	-	-
193	-	-	-	-	-	-	-
194	* include additional rows if needed						
195	All other legislative and regulatory projects or programmes	-	-	-	-	-	-
196	<b>Legislative and regulatory expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
197	less Capital contributions funding legislative and regulatory	-	-	-	-	-	-
198	<b>Legislative and regulatory less capital contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

199	<b>11a(viii): Other Reliability, Safety and Environment</b>						
200	<i>Project or programme*</i>						
201	DRS protection programme (All regions)	201	706	1,129	1,124	568	571
202	Hyderabad Road IP pipe realignment (Hawkes Bay)	-	279	-	-	-	-
203	IP signage renewal (All regions)	503	-	-	-	-	-
204	Westshore (Hawkes Bay)	502	-	-	-	-	-
205	-	-	-	-	-	-	-
206	<i>* include additional rows if needed</i>						
207	All other reliability, safety and environment projects or programmes	667	248	226	270	327	395
208	<b>Other reliability, safety and environment expenditure</b>	<b>1,873</b>	<b>1,234</b>	<b>1,355</b>	<b>1,394</b>	<b>896</b>	<b>965</b>
209	<i>less</i> Capital contributions funding other reliability, safety and environment	-	-	-	-	-	-
210	<b>Other Reliability, safety and environment less capital contributions</b>	<b>1,873</b>	<b>1,234</b>	<b>1,355</b>	<b>1,394</b>	<b>896</b>	<b>965</b>
211	<b>11a(ix): Non-Network Assets</b>						
212	<b>Routine expenditure</b>						
213	<i>Project or programme*</i>						
214	Nil	-	-	-	-	-	-
215	-	-	-	-	-	-	-
216	-	-	-	-	-	-	-
217	-	-	-	-	-	-	-
218	-	-	-	-	-	-	-
219	<i>* include additional rows if needed</i>						
220	All other routine expenditure projects or programmes	1,620	1,960	1,537	1,173	1,129	1,063
221	<b>Routine expenditure</b>	<b>1,620</b>	<b>1,960</b>	<b>1,537</b>	<b>1,173</b>	<b>1,129</b>	<b>1,063</b>
222	<b>Atypical expenditure</b>						
223	<i>Project or programme*</i>						
224	Enterprise Asset Management System	-	46	646	865	272	-
225	-	-	-	-	-	-	-
226	-	-	-	-	-	-	-
227	-	-	-	-	-	-	-
228	-	-	-	-	-	-	-
229	<i>* include additional rows if needed</i>						
230	All other atypical expenditure projects or programmes	-	-	-	-	-	-
231	<b>Atypical expenditure</b>	<b>-</b>	<b>46</b>	<b>646</b>	<b>865</b>	<b>272</b>	<b>-</b>
232							
233	<b>Non-network assets expenditure</b>	<b>1,620</b>	<b>2,006</b>	<b>2,184</b>	<b>2,038</b>	<b>1,401</b>	<b>1,063</b>

## 23.2 Schedule 11b: Report on Forecast Operational Expenditure

Company Name **Powerco Limited**  
 AMP Planning Period **1 October 2014 – 30 September 2024**

### SCHEDULE 11b: REPORT ON FORECAST OPERATIONAL EXPENDITURE

This schedule requires a breakdown of forecast operational expenditure for the disclosure year and a 10 year planning period. The forecasts should be consistent with the supporting information set out in the AMP. The forecast is to be expressed in both constant price and nominal dollar terms. GDBs must provide explanatory comment on the difference between constant price and nominal dollar operational expenditure forecasts in Schedule 14a (Mandatory Explanatory Notes). This information is not part of audited disclosure information.

sch ref

	for year ended	Current year CY 30 Sep 14	CY+1 30 Sep 15	CY+2 30 Sep 16	CY+3 30 Sep 17	CY+4 30 Sep 18	CY+5 30 Sep 19	CY+6 30 Sep 20	CY+7 30 Sep 21	CY+8 30 Sep 22	CY+9 30 Sep 23	CY+10 30 Sep 24
<b>Operational Expenditure Forecast</b>												
		<b>\$000 (in nominal dollars)</b>										
10	Service interruptions, incidents and emergencies	349	357	367	377	387	396	406	417	427	438	449
11	Routine and corrective maintenance and inspection	1,968	1,854	1,904	1,956	2,006	2,056	2,107	2,160	2,215	2,270	2,327
12	Asset replacement and renewal	3,135	3,030	3,111	3,198	3,278	3,360	3,445	3,531	3,620	3,711	3,804
13	<b>Network opex</b>	<b>5,452</b>	<b>5,241</b>	<b>5,382</b>	<b>5,531</b>	<b>5,670</b>	<b>5,813</b>	<b>5,953</b>	<b>6,108</b>	<b>6,261</b>	<b>6,419</b>	<b>6,580</b>
14	System operations and network support	3,510	3,615	3,752	3,806	3,952	3,992	4,039	4,120	4,202	4,286	4,372
15	Business support	7,025	7,108	7,153	7,036	6,995	7,174	7,350	7,497	7,647	7,800	7,956
16	<b>Non-network opex</b>	<b>10,534</b>	<b>10,723</b>	<b>10,905</b>	<b>10,843</b>	<b>10,947</b>	<b>11,166</b>	<b>11,389</b>	<b>11,617</b>	<b>11,850</b>	<b>12,087</b>	<b>12,328</b>
17	<b>Operational expenditure</b>	<b>15,986</b>	<b>15,964</b>	<b>16,287</b>	<b>16,374</b>	<b>16,617</b>	<b>16,979</b>	<b>17,348</b>	<b>17,725</b>	<b>18,111</b>	<b>18,505</b>	<b>18,908</b>
		<b>\$000 (in constant prices)</b>										
21	Service interruptions, incidents and emergencies	349	351	352	354	356	358	359	361	363	365	367
22	Routine and corrective maintenance and inspection	1,968	1,818	1,827	1,836	1,845	1,855	1,864	1,873	1,883	1,892	1,901
23	Asset replacement and renewal	3,135	2,972	2,986	3,001	3,016	3,031	3,047	3,062	3,077	3,093	3,108
24	<b>Network opex</b>	<b>5,452</b>	<b>5,140</b>	<b>5,166</b>	<b>5,192</b>	<b>5,218</b>	<b>5,244</b>	<b>5,270</b>	<b>5,296</b>	<b>5,323</b>	<b>5,349</b>	<b>5,376</b>
25	System operations and network support	3,510	3,545	3,601	3,572	3,636	3,601	3,572	3,572	3,572	3,572	3,572
26	Business support	7,025	6,971	6,866	6,604	6,437	6,472	6,501	6,501	6,501	6,501	6,501
27	<b>Non-network opex</b>	<b>10,534</b>	<b>10,516</b>	<b>10,467</b>	<b>10,177</b>	<b>10,073</b>	<b>10,073</b>	<b>10,073</b>	<b>10,073</b>	<b>10,073</b>	<b>10,073</b>	<b>10,073</b>
28	<b>Operational expenditure</b>	<b>15,986</b>	<b>15,656</b>	<b>15,633</b>	<b>15,368</b>	<b>15,291</b>	<b>15,317</b>	<b>15,343</b>	<b>15,369</b>	<b>15,396</b>	<b>15,422</b>	<b>15,449</b>
<b>Subcomponents of operational expenditure (where known)</b>												
30	Research and development	-	-	-	-	-	-	-	-	-	-	-
32	Insurance	268	289	303	318	334	351	368	387	406	426	448
		<b>\$000</b>										
35	Difference between nominal and real forecasts	-	7	15	23	31	39	47	55	64	73	82
36	Service interruptions, incidents and emergencies	-	36	76	120	160	201	244	287	332	378	426
37	Routine and corrective maintenance and inspection	-	58	125	196	262	329	398	469	543	618	696
38	Asset replacement and renewal	-	101	216	340	453	569	689	812	939	1,069	1,204
39	<b>Network opex</b>	<b>-</b>	<b>70</b>	<b>151</b>	<b>234</b>	<b>315</b>	<b>391</b>	<b>467</b>	<b>548</b>	<b>630</b>	<b>714</b>	<b>800</b>
40	System operations and network support	-	137	287	432	558	702	849	996	1,146	1,299	1,455
41	Business support	-	207	438	666	874	1,093	1,316	1,544	1,776	2,013	2,255
42	<b>Non-network opex</b>	<b>-</b>	<b>308</b>	<b>654</b>	<b>1,006</b>	<b>1,327</b>	<b>1,662</b>	<b>2,005</b>	<b>2,356</b>	<b>2,715</b>	<b>3,083</b>	<b>3,459</b>
43	<b>Operational expenditure</b>	<b>-</b>	<b>308</b>	<b>654</b>	<b>1,006</b>	<b>1,327</b>	<b>1,662</b>	<b>2,005</b>	<b>2,356</b>	<b>2,715</b>	<b>3,083</b>	<b>3,459</b>



## 23.3 Schedule 12a: Report on Asset Condition

Company Name	<b>Powerco Limited</b>
AMP Planning Period	<b>1 October 2014 – 30 September 2024</b>

### SCHEDULE 12a: REPORT ON ASSET CONDITION

This schedule requires a breakdown of asset condition by asset class as at the start of the forecast year. The data accuracy assessment relates to the percentage values disclosed in the asset condition columns. Also required is a forecast of the percentage of units to be replaced in the next 5 years. All information should be consistent with the information provided in the AMP and the expenditure on assets forecast in Schedule 11a.

sch ref

		Asset condition at start of planning period (percentage of units by grade)					% of asset forecast to be replaced in next 5 years				
sch ref	Operating Pressure	Asset category	Asset class	Units	Grade 1	Grade 2	Grade 3	Grade 4	Grade unknown	Data accuracy (1-4)	% of asset forecast to be replaced in next 5 years
7											
8	Intermediate Pressure	Main pipe	IP PE main pipe	km	-	-	18.81%	80.39%	0.80%	3	0.00%
9	Intermediate Pressure	Main pipe	IP steel main pipe	km	0.06%	-	79.88%	0.27%	19.79%	3	0.06%
10	Intermediate Pressure	Main pipe	IP other main pipe	km	-	-	25.06%	0.23%	74.71%	3	0.00%
11	Intermediate Pressure	Service pipe	IP PE service pipe	km	-	-	81.43%	14.45%	4.12%	3	0.00%
12	Intermediate Pressure	Service pipe	IP steel service pipe	km	-	0.01%	24.54%	0.91%	74.53%	3	0.01%
13	Intermediate Pressure	Service pipe	IP other service pipe	km	-	-	93.88%	1.73%	4.39%	3	0.00%
14	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	3.49%	3.49%	77.33%	12.21%	3.49%	2	6.98%
15	Intermediate Pressure	Line valve	IP line valves	No.	0.43%	0.78%	55.72%	8.52%	34.55%	2	0.82%
16	Intermediate Pressure	Special crossings	IP crossings	No.	-	2.07%	75.29%	0.29%	22.36%	2	1.03%
17	Medium Pressure	Main pipe	MP PE main pipe	km	0.02%	0.02%	88.87%	10.30%	0.80%	3	0.03%
18	Medium Pressure	Main pipe	MP steel main pipe	km	0.08%	0.01%	79.94%	0.18%	19.79%	3	0.09%
19	Medium Pressure	Main pipe	MP other main pipe	km	-	-	25.15%	0.14%	74.71%	3	0.00%
20	Medium Pressure	Service pipe	MP PE service pipe	km	0.02%	0.03%	83.80%	12.03%	4.12%	3	0.05%
21	Medium Pressure	Service pipe	MP steel service pipe	km	-	0.02%	25.35%	0.11%	74.52%	3	0.02%
22	Medium Pressure	Service pipe	MP other service pipe	km	-	0.01%	91.91%	3.69%	4.39%	3	0.01%
23	Medium Pressure	Stations	Medium pressure DRS	No.	-	-	85.11%	7.45%	7.45%	2	0.00%
24	Medium Pressure	Line valve	MP line valves	No.	-	0.67%	49.21%	15.60%	34.51%	2	0.34%
25	Medium Pressure	Special crossings	MP special crossings	No.	0.39%	2.98%	64.02%	3.02%	29.59%	2	1.88%
26	Low Pressure	Main pipe	LP PE main pipe	km	-	0.01%	92.25%	6.95%	0.80%	3	0.01%
27	Low Pressure	Main pipe	LP steel main pipe	km	-	-	80.19%	0.02%	19.79%	3	0.00%
28	Low Pressure	Main pipe	LP other main pipe	km	-	-	25.26%	0.03%	74.71%	3	0.00%
29	Low Pressure	Service pipe	LP PE service pipe	km	-	0.13%	85.38%	10.38%	4.12%	3	0.13%
30	Low Pressure	Service pipe	LP steel service pipe	km	-	-	25.17%	0.29%	74.54%	3	0.00%
31	Low Pressure	Service pipe	LP other service pipe	km	-	-	89.55%	6.06%	4.39%	3	0.00%
32	Low Pressure	Line valve	LP line valves	No.	-	0.31%	35.33%	28.31%	36.04%	2	0.16%
33	Low Pressure	Special crossings	LP special crossings	No.	-	-	90.03%	0.33%	9.63%	2	0.00%
34	All	Monitoring & control systems	Remote terminal units	No.	-	-	-	100.00%	-	4	0.00%
35	All	Cathodic protection systems	Cathodic protection	No.	-	16.27%	46.78%	6.44%	30.51%	3	8.14%

## 23.4 Schedule 12b: Report on Forecast Utilisation

Company Name

Powerco Limited

AMP Planning Period

1 October 2014 – 30 September 2024

### SCHEDULE 12b: REPORT ON FORECAST UTILISATION

This Schedule requires a breakdown of current and forecast utilisation (for heavily utilised pipelines) consistent with the information provided in the AMP and the demand forecast in schedule S12c.

sch ref

#### 7 Forecast Utilisation of Heavily Utilised Pipelines

		Utilisation													
		Nominal operating pressure (NOP) (kPa)	Minimum operating pressure (MinOP) (kPa)	Total capacity at MinOP (scmh)	Remaining capacity at MinOP (scmh)	Unit	Current Year CY y/e 30 Sep 14	CY+1 y/e 30 Sep 15	CY+2 y/e 30 Sep 16	CY+3 y/e 30 Sep 17	CY+4 y/e 30 Sep 18	CY+5 y/e 30 Sep 19	Comment		
11	Wellington	Tawa A	Wellington CBD	10	6	5,010	32	scmh	5047	3391	3391	3391	3391	3391	Wellington CBD pressure system is currently under constraints and we are working towards a solution that will enable us both to meet demand and restore the pressure on the LP network to 7kPa (CBD upgrade project). In RY14, we will add a new point of supply. In RY15, we will upgrade Kelburn and The Terrace areas.
12								kPa	2.16	3.506	3.506	3.506	3.506	3.506	
13	Wellington	Tawa A	Wellington IP	1,200	300	23,832	1,181	scmh	24302	24452	24602	24752	25127	25197	The Wellington IP network is currently performing at the required standard. The minimum operating pressure prescribed in this table is maintained as the lowest of the network.
14								kPa	338	333	328	314	310	305	
15	Wellington	Tawa A	Wellington 25kPa	25	15	6,766	71	scmh	6787	8282	8767	8767	8767	8767	The Wellington 25kPa will be affected by the transfer of the Terrace and Kelburn areas from the Wellington CBD pressure system in RY15. In RY16, a new regulation station will be in place and increase the pressure on the network.
16								kPa	11.9	10.5	12.1	12.1	12.1	12.1	
17	Wellington	Tawa A	Wellington North	185	111	3,812	190	scmh	3802	4106	4202	4298	4394	4490	The demand on this network will increase due to the subdivision activity in the region. In RY15, a section of the network serviced in the Newlands area will be transferred onto the Tawa A network. The low pressure point is located away from the growth areas.
18								kPa	95	95	95	95	95	95	
19	Hutt Valley/Porirua	Waitangirua/Pauatahanui	Plimmerton IP	1,200	300	915	123	scmh	849	921	994	1063	1118	1179	The Whitby project which took place last year increased the capacity of this system. Studies are underway to confirm the MinOP.
20								kPa	593	495	374	261	256	199	
21	Taranaki	Maniaia	Maniaia	340	204	144	60	scmh	169	169	169	169	169	169	This pressure system is dependent on a single commercial consumer. We do not expect any increase in the demand on this network, but maintain active monitoring.
22								kPa	149	149	149	149	149	149	
	Taranaki	New Plymouth	Bell Block North	240	144	541	75	scmh	541	507	517	602	687	772	With the growth happening at the extremity of this pressure system, pressure levels are currently under our target. The Bell Block - Links Drive project delivered in RY15 will allow pressures on this network to increase to satisfactory levels.
								kPa	144	179	177	172	167	160	
	Taranaki	New Plymouth	New Plymouth MP	250	150	5,355	62	scmh	5255	5398	5466	5534	5602	5670	Pressure levels on this network are to remain low in isolated parts of the network. A new point of supply will be installed close to the hospital in
								kPa	89	143	141	139	137	135	
	Taranaki	Patea	Patea	350	210	202	79	scmh	247	244	241	238	235	232	This pressure system is expected to see its performance increasing due to the decrease of demand forecasted over the period. We keep an active monitoring of the pressures but we have not planned any planned
								kPa	125	132	138	145	151	157	
23	Taranaki	Waverley	Waverley	350	210	173	54	scmh	210	210	210	210	210	210	The performance of this pressure system relies mainly on one industrial customer. It is expected to see its performance stable over the period.
24								kPa	88	88	88	88	88	88	

25	Manawatu	Palmerston North	Palmerston North LMP	100	60	5,233	75	scmh	5293	5341	5389	5437	5485	5533	By increasing the NOP of this pressure system in RY13 we allowed the network to recover higher pressure levels. When the Hokowhitu reinforcement project is completed in RY16, we will reach satisfactory pressure levels. In RY17, we will bring a new point of supply on the
26								kPa	57	57	67	67	67	67	
27	Manawatu	Palmerston North	Palmerston North MP East	400	150	2,564	375	scmh	2432	2479	2481	2266	2279	2291	This Pressure system feeds multiple DRSEs as well as some large commercial consumers. The Minimum operating prescribed here is the minimum pressure required at the extremity of the pressure system (on Mihaere drive) to ensure the good operation of the downstream LMP system. When the backfeed of the LMP system is completed in RY17,
28								kPa	195	183	179	230	227	224	
29	Manawatu	Palmerston North	Awapuni LMP	100	60	61	18	scmh	64	64	64	64	64	64	Growth is not expected in this network at this stage. A simple interconnection in RY15 will increase the performance of this system.
30								kPa	54	79	79	79	79	79	
31	* Current year utilisation figures may be estimates. Year 1–5 figures show the utilisation forecast to occur given the expected system configuration for each year, including the effect of any new investment in the pressure system.														
32	<b>Disclaimer for supply enquiries</b>														
33	The information in this table contains modelled estimates of utilisation and capacity. Any interested party seeking to invest in supply from Powerco's distribution networks should contact Powerco or their retailer and confirm availability of capacity.														
34															
35	<b>Notes and assumptions</b>														
36	Growth patterns used were outlined in the 2013 Gas AMP, revised with our current knowledge.														
37	If the growth was expected to spread over multiple years, it was uniformly spread over life.														
38	The number of lots identified in the 2013 Gas AMP was multiplied by 0.6scmh to calculate a diversified load per connection. This was summed and placed at a single point in the model where the load is expected to occur.														
39	If the growth specified in the 2013 Gas AMP was inferior to our supply forecasts, we would reconcile these by adding the load at one extremity of the network.														
40															
41															
42															

## 23.5 Schedule 12c: Report on Forecast Demand

Company Name

Powerco Limited

AMP Planning Period

1 October 2014 – 30 September 2024

### SCHEDULE 12c: REPORT ON FORECAST DEMAND

This schedule requires a forecast of new connections (by consumer type), peak demand and energy volumes for the disclosure year and a 5 year planning period. The forecasts should be consistent with the supporting information set out in the AMP as well as the assumptions used in developing the expenditure forecasts in Schedule 11a and Schedule 11b and the capacity and utilisation forecasts in Schedule 12b.

sch ref

#### 12c(i) Consumer Connections

Number of ICPs connected in year by consumer type

	Current year CY 30 Sep 14	CY+1 30 Sep 15	CY+2 30 Sep 16	CY+3 30 Sep 17	CY+4 30 Sep 18	CY+5 30 Sep 19
<i>Consumer types defined by GDB</i>						
Residential / Small Commercial	1,502	1,517	1,551	1,577	1,583	1,583
Commercial	100	100	100	100	99	99
Industrial	1	1	1	1	1	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>Total</b>	<b>1,603</b>	<b>1,618</b>	<b>1,652</b>	<b>1,678</b>	<b>1,683</b>	<b>1,683</b>

#### 12c(ii): Gas Delivered

	Current year CY 30 Sep 14	CY+1 30 Sep 15	CY+2 30 Sep 16	CY+3 30 Sep 17	CY+4 30 Sep 18	CY+5 30 Sep 19
Number of ICPs at year end	103,913	104,602	105,319	106,037	106,755	107,477
Maximum daily load (GJ/day)	44,054	44,281	44,743	45,215	45,695	46,185
Maximum monthly load (GJ/month)	1,011,730	1,016,946	1,027,565	1,038,405	1,049,418	1,060,662
Number of directly billed ICPs (at year end)	-	-	-	-	-	-
Total gas conveyed (GJ/annum)	8,901,169	8,970,650	9,064,805	9,160,687	9,258,341	9,357,037
Average daily delivery (GJ/day)	24,387	24,577	24,767	25,098	25,365	25,636
Maximum monthly amount of gas entering network (GJ/month)	1,011,730	1,016,946	1,027,565	1,038,405	1,049,418	1,060,662
Load factor	73.32%	73.51%	73.51%	73.52%	73.52%	73.52%

## 23.6 Mandatory Explanatory Notes on Forecast Information

In this Schedule, clause references are to the Gas Distribution Information Disclosure Determination 2012.

1. This Schedule requires GDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.5.
2. This Schedule is mandatory—GDBs must provide the explanatory comment specified below, in accordance with clause 2.7.3. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

### **Commentary on difference between nominal and constant price capital expenditure forecasts (Schedule 11a)**

The box below contains comments on the difference between nominal and constant price capital expenditure for the disclosure year, as disclosed in Schedule 11a.

#### **Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts**

The index used to translate nominal \$ forecasts into constant \$ forecasts is the Statistics NZ CPI (All Groups). The CPI index applied is the annual average rate of increase based on the CPI index predictions included in the NZIER Quarterly Predictions from June 2014.

For example, the index used for the year ending 30 September 2015 is based on the annual average movement using CPI predictions (actuals where available) as follows:  
 $(Q1\ RY15 + Q2\ RY15 + Q3\ RY15 + Q4\ RY15)/(Q1\ RY14 + Q2\ RY14 + Q3\ RY14 + Q4\ RY14)$ .

### **Commentary on difference between nominal and constant price operational expenditure forecasts (Schedule 11b)**

The box below contains comments on the difference between nominal and constant price operational expenditure for the disclosure year, as disclosed in Schedule 11b.

#### **Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts**

The index used to translate nominal \$ forecasts into constant \$ forecasts is the Statistics NZ CPI (All Groups). The CPI index applied is the annual average rate of increase based on the CPI index predictions included in the NZIER Quarterly Predictions from June 2014.

For example, the index used for the year ending 30 September 2015 is based on the annual average movement using CPI predictions (actuals where available) as follows:  
 $(Q1\ RY15 + Q2\ RY15 + Q3\ RY15 + Q4\ RY15)/(Q1\ RY14 + Q2\ RY14 + Q3\ RY14 + Q4\ RY14)$ .

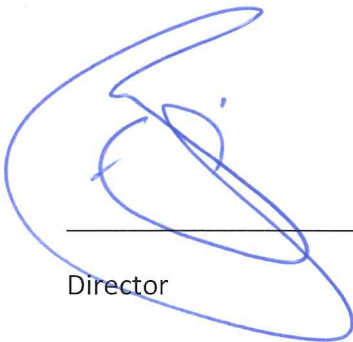
## 24 DIRECTORS' CERTIFICATE FOR YEAR END DISCLOSURES

### CERTIFICATE FOR YEAR-END DISCLOSURES

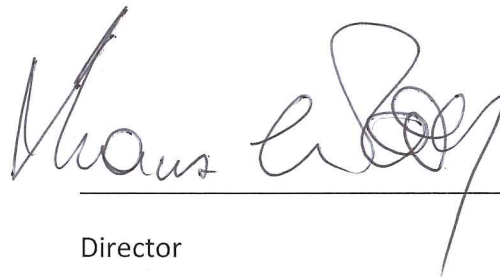
Pursuant to clause 2.9.3 of Section 2.9

We, John Loughlin, and Thomas Parry, being directors of Powerco 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 and 2.3.2; and clauses 2.4.21 and 2.4.22; clauses 2.5.1 and 2.5.2; and clauses 2.7.1 and 2.7.3 of the Gas Distribution Information Disclosure Determination 2012 in all material respects complies with that determination,
- b) the historical information used in the preparation of schedules 8, 9a, 9b, 9c, 9d, 9e, 10a, 10b and 14 has been properly extracted from Powerco's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained; and
- c) the forecasts in Schedules 11a, 11b, 12a, 12b and 12c are based on objective and reasonable assumptions which align with both Powerco's corporate vision and strategy and are documented in retained records.



Director



Director

26 March 2015

Date

26 March 2015

Date



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE DIRECTORS OF POWERCO LIMITED AND THE COMMERCE COMMISSION**

#### **REPORT ON THE DISCLOSURE INFORMATION**

We have been engaged by the Board of Directors of Powerco Limited ('the Company') to conduct a reasonable assurance engagement to provide an opinion on whether schedules 1, 2, 3, 4, 5a-5g, 6a, 6b, 7, 10a, 14 (boxes 1 to 16) for the disclosure year 30 September 2014 ('the Disclosure Information') of the Company have been prepared, in all material respects, in accordance with the Gas Distribution Information Disclosure Determination 2012 ('the Determination').

#### ***Responsibilities of the Board of Directors for the Disclosure Information***

The Board of Directors is responsible for the preparation of the Disclosure Information in accordance with the Determination, and for such internal control as the Board of Directors determine is necessary to enable the preparation of the Disclosure information that is free from material misstatement, whether due to fraud or error.

#### ***Auditor's responsibility***

Our responsibility is to express an opinion on whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Standard on Assurance Engagements 3100: *Compliance Engagements* issued by the External Reporting Board.

These standards require that we comply with ethical requirements and plan and perform our audit to provide reasonable assurance about whether the Disclosure Information has been prepared in all material respects in accordance with the Determination.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the Disclosure Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Disclosure Information, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Disclosure Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

#### ***Inherent limitations***

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the year and the procedures performed in respect of the Company's compliance with the Determination are undertaken on a test basis, our engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination.



Our opinion has been formed on the above basis.

### *Independence*

Other than in our capacity as auditor, we have no relationship with or interests in the Company. We have complied with the Independent Auditor provisions specified in clause 1.4.3 of the Determination.

### *Opinion*

We have obtained all the information and explanations we have required.

In our opinion;

- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the Company;
- The information used in the preparation of the Disclosure Information 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; and
- The Disclosure Information is prepared in compliance with the Determination, in all material respects.

### **Restriction on Distribution and Use**

This report has been prepared for the Directors of the Company and the Commerce Commission in accordance with the reporting requirements of clause 2.8 of the Determination.

We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement including without limitation, liability for negligence in relation to the opinion expressed in our report.

A handwritten signature of "Deloitte" in a cursive, blue ink style.

**Chartered Accountants**

26 March 2015

Wellington, New Zealand

This audit report relates to the Disclosure Information of Powerco Limited for the disclosure year ended 30 September 2014 included on Powerco Limited's website. The Board of Directors is responsible for the maintenance and integrity of Powerco Limited's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the Disclosure Information since it was initially presented on the website. The audit report refers only to the Disclosure Information named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the Disclosure Information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the Disclosure Information and related audit report dated 26 March 2015 to confirm the information included in the audited Disclosure Information presented on this website. Legislation in New Zealand governing the preparation and dissemination of Disclosure Information may differ from legislation in other jurisdictions.