



Eastland
Network

Annual Compliance Statement

**Electricity Distribution Services Default
Price-Quality Path Determination 2015**

**For the assessment period:
1 April 2017 to 31 March 2018**



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1 Summary of Compliance

For the assessment period 1 April 2017 – 31 March 2018, Eastland Network Limited complied with the Price path and the SAIDI and SAIFI quality standards

Test	Result	Result
Price path threshold	$\frac{NR_{2018}}{R_{2018}} \leq 1$	Compliant
Quality threshold - SAIDI	$\frac{SAIDI_{ASSESS,2018}}{SAIDI_{LIMIT}} \leq 1$	Compliant
Quality threshold - SAIFI	$\frac{SAIFI_{ASSESS,2018}}{SAIFI_{LIMIT}} \leq 1$	Compliant

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Eastland Network Limited

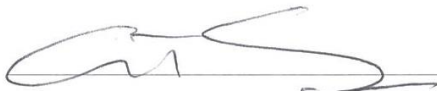
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Gisborne

2 Director's Certificate

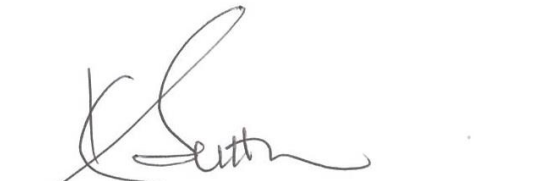
We Anthony Trevor Gray and Keith Graham Sutton, being directors of Eastland Network Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Annual Compliance Statement of Eastland Network Limited, and related information, prepared for the purposes of the Electricity Distribution Default Price-Quality Path Determination 2015 are true and accurate.



Director

30/05/2018

Date



Director

30/05/2018

Date

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding \$10,000 in the case of an individual or \$30,000 in the case of a body corporate.

3 Introduction

This Threshold Compliance Statement (this statement) is submitted by Eastland Network Limited (Eastland) pursuant to the Electricity Distribution Services Default Price-Quality Path Determination 2015 (the Determination).

This statement provides threshold compliance information applicable to the Assessment Period of 1 April 2017 to 31 March 2018.

All financial figures in this Statement are represented in thousands (000's) unless stated otherwise.

4 Price Path

As required under clause 11.4 of the Determination, this Statement includes information to demonstrate compliance with clause 8. This information takes the form of:

- allowable notional revenue;
- notional revenue;
- prices (disaggregated into Distribution, Distribution Pass-through, Transmission prices);
- quantities;
- units of measurement associated with all numeric data;
- pass-through revenues;
- pass-through costs;
- recoverable costs; and
- other relevant data, information, and calculations, that states Eastland's position with respect to the price path threshold as described in clause 8 of the Determination.

4.1 Compliance with the price path

Eastland is compliant with the 2018 price path if at any time during the Assessment Period its notional revenue (NR_{2018}) did not exceed the allowable notional revenue (ANR_{2018});

$$\frac{NR_{2018}}{ANR_{2018}} \leq 1$$

Where -

NR_{2018} - Notional revenue from 1 April 2017 to 31 March 2018

ANR_{2018} - Allowable notional revenue from 1 April 2017 to 31 March 2018

Eastland Network Limited's 2018 price path was 0.997 and is therefore compliant with clause 8.3 of the Default Price-Quality Path Determination 2015.

$$\frac{24,739}{24,825} = 0.997 \leq 1$$

5 Pass-through Balance

Under section 8.6 of the determination, Eastland must calculate a Pass-through Balance in accordance with the formula -

$$PTB_t = \sum_i PTP_{i,t} Q_{i,t} - K_t - V_t + PTB_{t-1}(1+r)$$

Where -

t is the year in which the Assessment Period ends;

i denotes each Pass-through Price;

PTB_t is the Pass-through Balance for the Assessment Period t ;

PTB_{t-1} is-

- a) nil in the first Assessment Period in which a Non-exempt EDB must calculate a Pass-through Balance, and
- b) in all other Assessment Periods the Pass-through Balance for the Assessment Period prior to year t , as calculated using any additional information available at the end of the Assessment period t ;

$PTP_{i,t}$ is the i^{th} Pass-through Price during any part of the Assessment Period t ;

$Q_{i,t}$ is the Quantity for the Assessment Period t corresponding to the i^{th} Pass-through Price;

K_t is the sum of all Pass-through Costs that apply to the Assessment Period t ;

V_t is the sum of all Recoverable Costs that apply to the Assessment Period t ; and

r is the Cost of Debt.

The pass-through balance for the year ended 31 March 2018 is \$811 over-recovered. This amount is to be deducted from next year's recoverable costs and included in distribution line charges for 2018/19.

The Pass-through Balance for Eastland for the first assessment period ending 31 March 2018 is (\$000's):

$\sum PTP_{i,2018} Q_{i,2018}$	11,974
Less K_t	389
Less V_t	10,414
2018 Pass-through difference	1,171

Pass Through Balance ₂₀₁₇	(339)
Multiply by (1+6.09%)	1.0609
Plus	<u>(360)</u>
Pass-through Balance	<u>811</u>

The Pass-through Balance for Eastland for the prior assessment period ending 31 March 2017 was (\$000's):

$\sum PTP_{i,2017} Q_{i,2017}$	11,093
Less K_t	381
Less V_t	<u>10,298</u>
2018 Pass-through difference	413
Less PTB ₂₀₁₇	(709)
Multiply by (1+6.09%)	1.0609
Plus	<u>(753)</u>
Pass-through Balance	<u>(339)</u>

Pass-through prices are calculated to reduce the pass-through balance to as close to zero as possible. However, variances occur due to costs and quantities (kwh of energy & the number of customers) being different than those forecast.

Pass-through costs include Rates on Network Assets and Industry levies from regulatory bodies such as the Commerce Commission, Electricity Authority and Utilities Complaints Commission. The total recoverable costs relate largely to Transpower charges and distributed generation allowances but also includes the capex wash-up allowance and quality incentive value applicable for the 2017/18 pricing year.

Distribution and pass-through prices are determined by allocating revenue requirements for the network across consumer groups. Eastland uses the following allocators which are key drivers of network costs. These allocators are the number of connections (ICP), energy use (kWhs), Installed capacity (KVA), and contribution to Regional Coincident Peak Demand.

Pass through costs are allocated on the basis of either capacity or ICP depending on whether the costs relate to assets built or overhead costs. Eastland Network have allocated transmission costs to consumer groups using a close approximation to the methodology set out in Transpowers transmission pricing methodology. Interconnection charges are allocated to consumers based on their share of total coincident peak demand on Eastland's network. Connection costs are allocated on the basis of capacity to reflect the assets owned and operated by Transpower are built for a particular capacity within the region.

Distributed Generation Allowances are allocated on the basis of regional coincidence peak demand (RCPD) as any reduction in coincidental peak also reduces the Interconnection charges from Transpower.

Further details regarding the methodology used to calculate prices are available in our pricing methodology.

6 Quality Standards

As required under clause 9 of the Determination, this Statement documents the assessed values and reliability limits for the Assessment Period as well as the relevant SAIDI and SAIFI statistics and calculations together with other relevant data and information.

6.1 Compliance with quality standards

To comply with Quality standards, Eastland must not exceed its SAIDI or SAIFI reliability limit for

- a) the 2018 Assessment Period; or
- b) the two immediately preceding extant Assessment Periods.

SAIDI compliance

Eastland does not exceed its reliability limit if

$$\frac{SAIDI_{ASSESS,2018}}{SAIDI_{LIMIT}} \leq 1$$

The SAIDI Reliability Limit for the 2017/18 Assessment Period is:

$$SAIDI_{LIMIT} = 285.78$$

In the 2017/18 Assessment Period, Eastland's SAIDI was 221.50 and therefore falls within Quality Thresholds.

As a result, Eastland complies with clause 9.1(a) of the Determination.

$$SAIDI_{2018} \text{ Reliability Assessment} = \frac{221.50}{285.78} = 0.78 < 1$$

The SAIDI Reliability Assessment for the two preceding periods were:

$$SAIDI_{2017} \text{ Reliability Assessment} = \frac{309.99}{285.78} = 1.08 > 1$$

$$SAIDI_{2016} \text{ Reliability Assessment} = \frac{208.16}{285.78} = 0.73 < 1$$

As a result, Eastland complies with clause 9.1(b) of the Determination.

SAIFI compliance

The SAIFI quality threshold performance is as follows:

$$\frac{SAIFI_{ASSESS,2018}}{SAIFI_{LIMIT}} \leq 1$$

The SAIFI Reliability Limit for the 2017/18 Assessment Period is:

$$SAIFI_{LIMIT} = 3.77$$

In the 2017/18 Assessment Period, Eastland's SAIFI was 3.25 and therefore falls within Quality Thresholds.
As a result Eastland complies with clause 9.1(a) of the Determination.

$$SAIFI_{2018} \text{ Reliability Assessment} = \frac{3.25}{3.77} = 0.86 < 1$$

The SAIFI Reliability Assessment for the two preceding periods were:

$$SAIFI_{2017} \text{ Reliability Assessment} = \frac{3.32}{3.77} = 0.88 < 1$$

$$SAIFI_{2016} \text{ Reliability Assessment} = \frac{2.88}{3.77} = 0.76 < 1$$

As a result, Eastland complies with clause 9.1(b) of the Determination.

6.2 Procedures and policies for recording SAIDI and SAIFI

As required under clause 11.5(e) of the Determination, the policies and procedures used by Eastland for recording the SAIDI and SAIFI statistics for the assessment period are described below.

Procedures

Connection Connectivity:

- Individual network connections are linked to a specific distribution transformer via GIS and ICP Billing system data outputs.

- Connection information and network connectivity is updated in GIS and ICP Billing systems from Network Alteration Application forms and/or as built Network Alteration data returns.
- GIS connection counts per network segment are updated and reviewed against ICP Billing system data six monthly.
- The process of Outage Notification to energy retailers provides an audit of connection and connectivity data accuracy.
- **Responsibility:** Project Engineers and Information Manager.

Interruption Data Capture:

- A Supply Interruption Data Input Form is completed for all notifiable outages. Data is captured in accordance with the definitions and requirements of the Electricity Distribution Information Disclosure Determination 2012, Electricity Distribution Services Default Price-Quality Path Determination 2015 and Reliability Performance Measurement Manual 1994 (and updates).
- **Responsibility:** System Operator

Interruption Data Analysis and Reporting:

- Interruption data entered into Outage Database and used for internal and external reporting.
 - **Responsibility:** GM Networks

Policies

- Collection and analysis of interruption data is to be completed in accordance with Electricity Distribution Information Disclosure Determination 2012, Electricity Distribution Services Default Price-Quality Path Determination 2015 and Reliability Performance Measurement Manual 1994 (and updates).
- Monthly comparison of actual interruption performance with Asset Management Plan and Statement of Corporate Intent targets reported to and reviewed by the Board of Directors.
- Annual audits are undertaken on Connectivity, Interruption data capture and reporting processes to determine the accuracy and compliance of deliverables.

6.3 Major Event Day causes

13/04/2017 – Cyclone Cook struck the Gisborne area on the 13/04/2017 this caused several separate outages on the distribution network and affected 6,315 customers. Some of the more remote areas of the distribution network were affected and this resulted in the last outage being restored on 19/04/2017.

The summed minutes of all the interruptions beginning the 13/04/2017 resulted in an assessed SAIDI and SAIFI unplanned boundary value.

14/07/2017 – A storm began on 14/07/2017 and caused several outages on the distribution network this affected 1,807 customers. The power was restored the same day to 1,565 customers. The remaining customers were restored on the 16/07/2017 (6 customers), 18/07/2017 (199 customers) and 21/07/2017 (37 customers).

The summed minutes of all the interruptions beginning the 14/07/2017 resulted in an assessed SAIDI unplanned boundary value.

20/07/2017 – Severe winds caused trees to fall through lines. Due to the remoteness of some affected areas, restoration occurred over 4 days.

The summed minutes of all the interruptions beginning the 20/07/2017 resulted in an assessed SAIDI unplanned boundary value.

12/05/2017 – Tree contacts on a large 50kV feeder caused a power outage to 5,533 customers the power was restored after 35 minutes.

The summed minutes of all the interruptions beginning the 12/05/2017 resulted in an assessed SAIFI unplanned boundary value.

2/10/2017 – A possum caused a circuit breaker to trip causing an outage to 5,556 customers. The power was restored after only 23 minutes.

The summed minutes of all the interruptions beginning the 02/10/2017 resulted in an assessed SAIFI unplanned boundary value.

23/02/2018 – A short trip on a 50kV line (cause unknown) created a power outage of 35 minutes to 5,553 customers.

The summed minutes of all the interruptions beginning the 23/02/2018 resulted in an assessed SAIFI unplanned boundary value.

7 Restructuring of Prices

Eastland did not restructure any prices during the Assessment Period.

8 Transfer of Transmission Assets with Transpower

On 1 April 2015, Eastland Network acquired the Spur Transmission lines between Tuai and Gisborne, Tuai and Wairoa and Gisborne to Tokomaru Bay. The value of these assets has been incorporated into Eastland Network's pricing for the 2017/18 year. The transaction also provided an incentive of \$3.746m of Avoided Costs of Transmission which are included in Recoverable costs.

9 Amalgamation or Merger

Eastland did not enter into an amalgamation or merger during the Assessment Period.

10 Major Transactions

Eastland did not enter into any major transactions during the Assessment Period.

11 Price Path Threshold Supporting Calculations

11.1 Notional revenue for the assessment period

Notional revenue ($NR_{2017/18}$) for the period from 1 April 2017 to 31 March 2018 is calculated in accordance with the following formula:

$$NR_{2017/18} = \sum DP_{i,2017/18} Q_{i,2015/16}$$

Definitions:

$NR_{2017/18}$ = The Notional Revenue for the period of 1 April 2017 to 31 March 2018.

$DP_{i,2017/18}$ = The Eastland distribution prices that applied during the Assessment Period 1 April 2017 to 31 March 2018.

$Q_{i,2015/16}$ = The Eastland quantities that applied for the pricing period 1 April 2015 to 31 March 2016.

Notional Revenue ($NR_{2017/18}$) (\$000's)	$\sum DP_{i,2017/18} Q_{i,2015/16}$	24,739
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11.2 Allowable notional revenue for the assessment period

The allowable notional revenue ($ANR_{2017/18}$) for the period from 1 April 2017 to 31 March 2018 is calculated in accordance with the following formula:

$$ANR_{2017/18} = (\sum DP_{i,2016/17} Q_{i,2015/16} + (ANR_{2016/17} - NR_{2016/17}))(1 + \Delta CPI_{2017/18})(1 - X)$$

Definitions:

$ANR_{2017/18}$ = The Allowable Notional Revenue for the period of 1 April 2017 to 31 March 2018.

$DP_{i,2016/17}$ = the i^{th} distribution price that applied during the assessment period from 1 April 2016 to 31 March 2017.

- $Q_{i,2015/16}$ = Quantities for the assessment period from 1 April 2015 to 31 March 2016 corresponding to the i^{th} distribution price.
- $ANR_{2016/17}$ = is the allowable notional revenue for the assessment period from 1 April 2016 to 31 March 2017.
- $NR_{2016/17}$ = is the notional revenue for the assessment period from 1 April 2016 to 31 March 2017.
- ΔCPI = is the derived change in CPI to be applied for the Assessment Period ending in the year 2017/18, being equal to:
- $$\frac{CPI_{Dec,2015} + CPI_{Mar,2016} + CPI_{Jun,2016} + CPI_{Sep,2016}}{CPI_{Dec,2014} + CPI_{Mar,2015} + CPI_{Jun,2015} + CPI_{Sep,2015}} - 1$$
- X = is the annual rate of change applicable to Eastland Network Limited as stated in Schedule 2 of the Electricity Distribution Services Default Price-Quality Path Determination 2015 which is -3%.

The calculation follows (\$000's):

	$\sum DP_{i,2016/17} Q_{i,2015/16}$	23,871
Plus	$ANR_{2016/17}$	23,912
Minus	$NR_{2016/17}$	(23,761)
		<u>24,022</u>
Multiply by	$1 + \Delta\text{CPI}_{2017/18}$	1.003
Multiply by	$1 - X$	1.030
	Allowable Notional Revenue ($ANR_{2017/18}$)	<u>24,817</u>

12 Quantities for period from 1 April 2015 to 31 March 2016

			2015/16	
Price Category	Consumer Group	Charge Type	Actual ICPs	Actual KWh
Domestic				
PDH0030	Domestic	Fixed Daily Charge	13,667	
PDH0030	Domestic	Consumption Uncontrolled		59,117,019
PDH0030	Domestic	Consumption Controlled		23,972,519
PDH0030	Domestic	Consumption Night		25,041
Domestic				
PDL0030	Domestic	Fixed Daily Charge	5,667	
PDL0030	Domestic	Consumption Uncontrolled		26,877,590
PDL0030	Domestic	Consumption Controlled		9,301,777
PDL0030	Domestic	Consumption Night		42,373

				2015/16	
Price Category		Consumer Group	Charge Type	Actual ICPs	Actual KWh
Non-Domestic - High Density					
PNH0003	Mainly street lighting	Low Capacity (0 to 3kVA)	Fixed Daily Charge	134	
PNH0003		Low Capacity (0 to 3kVA)	Capacity Charge		
PNH0003		Low Capacity (0 to 3kVA)	Demand Charge		
PNH0003		Low Capacity (0 to 3kVA)	Consumption Uncontrolled		686,310
PNH0003		Low Capacity (0 to 3kVA)	Consumption Controlled		226
PNH0003		Low Capacity (0 to 3kVA)	Consumption Night		
PNH0030	Holiday homes, shearer	Demand (0 to 30kVA)	Fixed Daily Charge	1,699	
PNH0030		Demand (0 to 30kVA)	Capacity Charge		
PNH0030		Demand (0 to 30kVA)	Demand Charge		
PNH0030		Demand (0 to 30kVA)	Consumption Uncontrolled		20,804,655
PNH0030		Demand (0 to 30kVA)	Consumption Controlled		1,043,044
PNH0030		Demand (0 to 30kVA)	Consumption Night		56,354
PNH0100		Demand (31 to 100kVA)	Fixed Daily Charge	276	
PNH0100		Demand (31 to 100kVA)	Capacity Charge		
PNH0100		Demand (31 to 100kVA)	Demand Charge		
PNH0100		Demand (31 to 100kVA)	Consumption Uncontrolled		20,972,326
PNH0100		Demand (31 to 100kVA)	Consumption Controlled		378,459
PNH0100		Demand (31 to 100kVA)	Consumption Night		222,077
PNH0300		Demand (101 to 300kVA)	Fixed Daily Charge	65	
PNH0300		Demand (101 to 300kVA)	Capacity Charge		
PNH0300		Demand (101 to 300kVA)	Demand Charge		
PNH0300		Demand (101 to 300kVA)	Consumption Uncontrolled		14,372,762
PNH0300		Demand (101 to 300kVA)	Consumption Controlled		32,971
PNH0300		Demand (101 to 300kVA)	Consumption Night		
PTH0300		TOU - Demand (201-300kVA)	Fixed Daily Charge	6	
PTH0300		TOU - Demand (201-300kVA)	Consumption Uncontrolled		
PTH0300		TOU - Demand (201-300kVA)	Consumption Evening Peak		390,696
PTH0300		TOU - Demand (201-300kVA)	Consumption Morning Peak		543,886
PTH0300		TOU - Demand (201-300kVA)	Consumption Off Peak		701,835
PTH0300		TOU - Demand (201-300kVA)	Consumption Night		505,505
PTH0300		TOU - Demand (201-300kVA)	Consumption Night		
PNH0500		TOU - Demand (301-500kVA)	Fixed Daily Charge	15	
PNH0500		TOU - Demand (301-500kVA)	Capacity Charge		
PNH0500		TOU - Demand (301-500kVA)	Demand Charge		
PNH0500		TOU - Demand (301-500kVA)	Consumption Evening Peak		1,267,452
PNH0500		TOU - Demand (301-500kVA)	Consumption Morning Peak		2,139,892
PNH0500		TOU - Demand (301-500kVA)	Consumption Off Peak		2,829,202
PNH0500		TOU - Demand (301-500kVA)	Consumption Night		2,123,049
PNH1000		TOU - Demand (501-1000kVA)	Fixed Daily Charge	20	
PNH1000		TOU - Demand (501-1000kVA)	Capacity Charge		
PNH1000		TOU - Demand (501-1000kVA)	Demand Charge		
PNH1000		TOU - Demand (501-1000kVA)	Consumption Evening Peak		4,119,458
PNH1000		TOU - Demand (501-1000kVA)	Consumption Morning Peak		5,875,143
PNH1000		TOU - Demand (501-1000kVA)	Consumption Off Peak		7,731,589
PNH1000		TOU - Demand (501-1000kVA)	Consumption Night		7,033,948
PNH4500		TOU - Demand (1001-4500kVA)	Fixed Daily Charge	1	
PNH4500		TOU - Demand (1001-4500kVA)	Capacity Charge		
PNH4500		TOU - Demand (1001-4500kVA)	Demand Charge		
PNH4500		TOU - Demand (1001-4500kVA)	Consumption Evening Peak		1,342,435
PNH4500		TOU - Demand (1001-4500kVA)	Consumption Morning Peak		1,879,005
PNH4500		TOU - Demand (1001-4500kVA)	Consumption Off Peak		2,545,164
PNH4500		TOU - Demand (1001-4500kVA)	Consumption Night		2,515,878

				2015/16	
Price Category		Consumer Group	Charge Type	Actual ICPs	Actual KWh
PNH6500		TOU - Demand (4501-6500kVA)	Fixed Daily Charge	1	
PNH6500		TOU - Demand (4501-6500kVA)	Capacity Charge		
PNH6500		TOU - Demand (4501-6500kVA)	Demand Charge		
PNH6500		TOU - Demand (4501-6500kVA)	Consumption Evening Peak		2,566,162
PNH6500		TOU - Demand (4501-6500kVA)	Consumption Morning Peak		4,122,681
PNH6500		TOU - Demand (4501-6500kVA)	Consumption Off Peak		5,021,790
PNH6500		TOU - Demand (4501-6500kVA)	Consumption Night		4,588,701
Total High Density					
Non-Domestic - Low Density					
PNL0003	Mainly street lighting	Low Capacity (0 to 3kVA)	Fixed Daily Charge	119	
PNL0003		Low Capacity (0 to 3kVA)	Capacity Charge		
PNL0003		Low Capacity (0 to 3kVA)	Demand Charge		
PNL0003		Low Capacity (0 to 3kVA)	Consumption Uncontrolled		281,226
PNL0003		Low Capacity (0 to 3kVA)	Consumption Controlled		
PNL0003		Low Capacity (0 to 3kVA)	Consumption Night		
PNL0030	Holiday homes, shearer	Demand (0 to 30kVA)	Fixed Daily Charge	3,617	
PNL0030		Demand (0 to 30kVA)	Capacity Charge		
PNL0030		Demand (0 to 30kVA)	Demand Charge		
PNL0030		Demand (0 to 30kVA)	Consumption Uncontrolled		16,880,553
PNL0030		Demand (0 to 30kVA)	Consumption Controlled		1,560,801
PNL0030		Demand (0 to 30kVA)	Consumption Night		28,456
PNL0100		Demand (31 to 100kVA)	Fixed Daily Charge	97	
PNL0100		Demand (31 to 100kVA)	Capacity Charge		
PNL0100		Demand (31 to 100kVA)	Demand Charge		
PNL0100		Demand (31 to 100kVA)	Consumption Uncontrolled		4,365,029
PNL0100		Demand (31 to 100kVA)	Consumption Controlled		138,335
PNL0100		Demand (31 to 100kVA)	Consumption Night		74,372
PNL0300		Demand (101 to 300kVA)	Fixed Daily Charge	17	
PNL0300		Demand (101 to 300kVA)	Capacity Charge		
PNL0300		Demand (101 to 300kVA)	Demand Charge		
PNL0300		Demand (101 to 300kVA)	Consumption Uncontrolled		2,357,322
PNL0300		Demand (101 to 300kVA)	Consumption Controlled		
PNL0300		Demand (101 to 300kVA)	Consumption Night		
PTL0300		TOU - Demand (201-300kVA)	Fixed Daily Charge	1	
PTL0300		TOU - Demand (201-300kVA)	Capacity Charge		
PTL0300		TOU - Demand (201-300kVA)	Demand Charge		
PTL0300		TOU - Demand (201-300kVA)	Consumption Evening Peak		839
PTL0300		TOU - Demand (201-300kVA)	Consumption Morning Peak		50,614
PTL0300		TOU - Demand (201-300kVA)	Consumption Off Peak		51,293
PTL0300		TOU - Demand (201-300kVA)	Consumption Night		1,946
PNL0500		TOU - Demand (301-500kVA)	Fixed Daily Charge	3	
PNL0500		TOU - Demand (301-500kVA)	Capacity Charge		
PNL0500		TOU - Demand (301-500kVA)	Demand Charge		
PNL0500		TOU - Demand (301-500kVA)	Consumption Evening Peak		183,604
PNL0500		TOU - Demand (301-500kVA)	Consumption Morning Peak		261,045
PNL0500		TOU - Demand (301-500kVA)	Consumption Off Peak		353,068
PNL0500		TOU - Demand (301-500kVA)	Consumption Night		255,259
PNL1000		TOU - Demand (501-1000kVA)	Fixed Daily Charge	1	
PNL1000		TOU - Demand (501-1000kVA)	Capacity Charge		
PNL1000		TOU - Demand (501-1000kVA)	Demand Charge		
PNL1000		TOU - Demand (501-1000kVA)	Consumption Evening Peak		176,885
PNL1000		TOU - Demand (501-1000kVA)	Consumption Morning Peak		262,733
PNL1000		TOU - Demand (501-1000kVA)	Consumption Off Peak		349,557
PNL1000		TOU - Demand (501-1000kVA)	Consumption Night		231,386

			2015/16	
Price Category	Consumer Group	Charge Type	Actual ICPs	Actual KWh
PNL4500	TOU - Demand (1001-4500kVA)	Fixed Daily Charge	1	
PNL4500	TOU - Demand (1001-4500kVA)	Capacity Charge		
PNL4500	TOU - Demand (1001-4500kVA)	Demand Charge		
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Evening Peak		2,299,869
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Morning Peak		3,392,476
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Off Peak		4,441,412
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Night		3,740,800
PNL6500	TOU - Demand (4501-6500kVA)	Fixed Daily Charge		
PNL6500	TOU - Demand (4501-6500kVA)	Capacity Charge		
PNL6500	TOU - Demand (4501-6500kVA)	Demand Charge		
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Evening Peak		
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Morning Peak		
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Off Peak		
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Night		
Total Low Density				
PNG0500	Assessed Capacity (301 to 500kVA)		0	
PNG1000	Assessed Capacity (501 to 1000kVA)		6	
PNG4500	Assessed Capacity (1001 to 4500kVA)		1	
PNG6500	Assessed Capacity (4501 to 6500kVA)		1	
Total Generation				
			25,415	279,487,854

12.1 Pass-through cost variance to forecast

As required by clause 11.4(i)-(j) of the Determination, the following discusses the differences between the forecasted pass through costs that were used when Eastland set prices and the actual amounts during the Assessment Period.

The forecasted and actual Pass-through costs are as follows:

Pass-through costs (\$000's)	Forecast	Actual	Difference
Territorial Rates	270	266	(4)
Commerce Act, EA & EGCC	168	123	(45)
Total	438	389	(49)

Variance explanation:

- **Territorial rates** - The difference between forecast and actual is minimal.
- **Commerce Act, EA & EGCC Levies** - The difference between forecast and actual is minor.

The forecasted and actual Recoverable costs:

Recoverable costs (000's)	Forecast	Actual	Difference
Transpower Connection & Interconnection Charges	6,246	6,246	0
Transpower New Investment Contract	89	89	0
Avoided Costs of Transmission for assets acquired from Transpower	3,746	3,746	0
Distributed Generation Allowance	672	277	(395)
Quality Incentive Allowance	219	233	14
Capex Wash-up Allowance	(177)	(177)	0
Total	10,795	10,414	(381)

Variance explanation:

- **Transpower Charges** - Forecast figures are the amounts notified by Transpower in their Transmission charge notice, consequently actual figures are the same as those budgeted.
- **Distributed Generation Allowance** - The differences between forecast and actual are largely due to the changes to Part 6 of the Electricity Industry Participation Code which no longer requires the payment of Avoided Costs of Transmission to be paid to Distributed Generators (known as Distributed Generation Allowance). At the time prices were set, the interpretation of the rules were unclear and consequently the full payment of the distributed generation allowance was forecast. The view now is that only 50% of the year's payment should be paid and consequently, the allowance has been reduced accordingly in the actuals. The remaining variance relates to the reduction in payment for support provided.
- **Avoided Cost of Transmission for assets acquired from Transpower** - The forecast value of ACOT in relation to the acquisition of Transpower assets has been assumed to be the same as the prior year. This is due to the fact that it is very difficult to determine counterfactual charges that would have applied if the assets had not been transferred.

13 Pass-through Balance Supporting Statistics

13.1 Quantities for period from 1 April 2017 to 31 March 2018

			2017/18					
Price Category	Consumer Group	Charge Type	Actual ICPs	Actual KWh	Distribution Charge (Excl PT)	Transmission Charge (Excl PT)	Pass Through & Recoverable	Total Charge
Domestic								
PDH0030	Domestic	Fixed Daily Charge	13,822		0.1096	0.0375	0.0029	0.1500
PDH0030	Domestic	Consumption Uncontrolled		60,605,527	0.1157	0.0471	0.002	0.1648
PDH0030	Domestic	Consumption Controlled		22,750,372	0.0601	0.0245	0.0011	0.0857
PDH0030	Domestic	Consumption Night		12,720	0.0150	0.0061	0.0002	0.0213
PDL0030	Domestic	Fixed Daily Charge	5,687		0.1096	0.0375	0.0029	0.1500
PDL0030	Domestic	Consumption Uncontrolled		27,330,230	0.1348	0.0555	0.0025	0.1928
PDL0030	Domestic	Consumption Controlled		8,810,921	0.0727	0.03	0.0014	0.1041
PDL0030	Domestic	Consumption Night		32,520	0.0175	0.0072	0.0002	0.0249
Total Domestic								
Non-Domestic - High Density								
PNH0003	Low Capacity (0 to 3kVA)	Fixed Daily Charge	134		0.2927	0.1422	0.0054	0.4403
PNH0003	Low Capacity (0 to 3kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH0003	Low Capacity (0 to 3kVA)	Demand Charge			0.0000	0	0	0.0000
PNH0003	Low Capacity (0 to 3kVA)	Consumption Uncontrolled		650,588	0.0938	0.0562	0.0018	0.1518
PNH0003	Low Capacity (0 to 3kVA)	Consumption Controlled		104	0.0609	0.0397	0.0011	0.1017
PNH0003	Low Capacity (0 to 3kVA)	Consumption Night		0	0.0117	0.00765306	0.000225	0.0196
PNH0030	Demand (0 to 30kVA)	Fixed Daily Charge	1,668		1.6458	0.7365	0.0299	2.4122
PNH0030	Demand (0 to 30kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH0030	Demand (0 to 30kVA)	Demand Charge			0.0000	0	0	0.0000
PNH0030	Demand (0 to 30kVA)	Consumption Uncontrolled		20,645,050	0.0674	0.0404	0.0011	0.1089
PNH0030	Demand (0 to 30kVA)	Consumption Controlled		1,114,731	0.0439	0.0262	0.0007	0.0708
PNH0030	Demand (0 to 30kVA)	Consumption Night		33,083	0.0117	0.0077	0.0002	0.0196
PNH0100	Demand (31 to 100kVA)	Fixed Daily Charge	282		4.6551	2.4915	0.0932	7.2398
PNH0100	Demand (31 to 100kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH0100	Demand (31 to 100kVA)	Demand Charge			0.0000	0	0	0.0000
PNH0100	Demand (31 to 100kVA)	Consumption Uncontrolled		19,785,665	0.0461	0.0276	0.0009	0.0746
PNH0100	Demand (31 to 100kVA)	Consumption Controlled		323,406	0.0299	0.0178	0.0007	0.0484
PNH0100	Demand (31 to 100kVA)	Consumption Night		213,151	0.0117	0.0077	0.0002	0.0196
PNH0300	Demand (101 to 300kVA)	Fixed Daily Charge	69		9.6585	4.6981	0.1757	14.5323
PNH0300	Demand (101 to 300kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH0300	Demand (101 to 300kVA)	Demand Charge			0.0000	0	0	0.0000
PNH0300	Demand (101 to 300kVA)	Consumption Uncontrolled		14,515,279	0.0376	0.0224	0.0007	0.0607
PNH0300	Demand (101 to 300kVA)	Consumption Controlled		3,169	0.0244	0.0145	0.0005	0.0394
PNH0300	Demand (101 to 300kVA)	Consumption Night		0	0.0117	0.007693213	0.000225	0.0196
PTH0300	TOU - Demand (201-300kVA)	Fixed Daily Charge	7		16.0976	7.8301	0.293	24.2207
PTH0300	TOU - Demand (201-300kVA)	Consumption Uncontrolled			0.0000	0	0	0.0000
PTH0300	TOU - Demand (201-300kVA)	Consumption Evening Peak		457,211	0.0355	0.02	0.0007	0.0562
PTH0300	TOU - Demand (201-300kVA)	Consumption Morning Peak		669,847	0.0332	0.0187	0.0007	0.0526
PTH0300	TOU - Demand (201-300kVA)	Consumption Off Peak		859,664	0.0261	0.0146	0.0005	0.0412
PTH0300	TOU - Demand (201-300kVA)	Consumption Night		613,005	0.0134	0.0077	0.0002	0.0213
PNH0500	TOU - Demand (301-500kVA)	Fixed Daily Charge	17		18.1465	8.8266	0.3303	27.3034
PNH0500	TOU - Demand (301-500kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH0500	TOU - Demand (301-500kVA)	Demand Charge			0.0000	0	0	0.0000
PNH0500	TOU - Demand (301-500kVA)	Consumption Evening Peak		1,257,395	0.0355	0.02	0.0007	0.0562
PNH0500	TOU - Demand (301-500kVA)	Consumption Morning Peak		2,128,851	0.0332	0.0187	0.0007	0.0526
PNH0500	TOU - Demand (301-500kVA)	Consumption Off Peak		2,674,901	0.0261	0.0146	0.0005	0.0412
PNH0500	TOU - Demand (301-500kVA)	Consumption Night		2,170,296	0.0134	0.0077	0.0002	0.0213
PNH1000	TOU - Demand (501-1000kVA)	Fixed Daily Charge	22		28.0976	13.6671	0.5114	42.2761
PNH1000	TOU - Demand (501-1000kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH1000	TOU - Demand (501-1000kVA)	Demand Charge			0.0000	0	0	0.0000
PNH1000	TOU - Demand (501-1000kVA)	Consumption Evening Peak		4,355,835	0.0355	0.02	0.0007	0.0562
PNH1000	TOU - Demand (501-1000kVA)	Consumption Morning Peak		6,080,299	0.0332	0.0187	0.0007	0.0526
PNH1000	TOU - Demand (501-1000kVA)	Consumption Off Peak		8,041,163	0.0261	0.0146	0.0005	0.0412
PNH1000	TOU - Demand (501-1000kVA)	Consumption Night		7,193,469	0.0134	0.0077	0.0002	0.0213
PNH4500	TOU - Demand (1001-4500kVA)	Fixed Daily Charge	2		70.2440	34.1677	1.2785	105.6902
PNH4500	TOU - Demand (1001-4500kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH4500	TOU - Demand (1001-4500kVA)	Demand Charge			0.0000	0	0	0.0000
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Evening Peak		1,915,166	0.0355	0.02	0.0007	0.0562
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Morning Peak		2,523,326	0.0332	0.0187	0.0007	0.0526
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Off Peak		3,409,823	0.0261	0.0146	0.0005	0.0412
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Night		3,706,636	0.0134	0.0077	0.0002	0.0213
PNH6500	TOU - Demand (4501-6500kVA)	Fixed Daily Charge	1		106.9024	51.9992	1.9456	160.8472
PNH6500	TOU - Demand (4501-6500kVA)	Capacity Charge			0.0000	0	0	0.0000
PNH6500	TOU - Demand (4501-6500kVA)	Demand Charge			0.0000	0	0	0.0000
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Evening Peak		2,322,507	0.0355	0.02	0.0007	0.0562
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Morning Peak		3,853,119	0.0332	0.0187	0.0007	0.0526
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Off Peak		4,618,811	0.0261	0.0146	0.0005	0.0412
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Night		4,449,823	0.0134	0.0077	0.0002	0.0213

2017/18

Price Category	Consumer Group	Charge Type	2017/18		Distribution Charge (Excl PT)	Transmission Charge (Excl PT)	Pass Through & Recoverable	Total Charge
			Actual ICPs	Actual KWh				
Total High Density								
Non-Domestic - Low Density								
PNL0003	Low Capacity (0 to 3kVA)	Fixed Daily Charge	122		0.2927	0.1422	0.0054	0.4403
PNL0003	Low Capacity (0 to 3kVA)	Capacity Charge			0.0000	0	0	0.0000
PNL0003	Low Capacity (0 to 3kVA)	Demand Charge			0.0000	0	0	0.0000
PNL0003	Low Capacity (0 to 3kVA)	Consumption Uncontrolled		228,177	0.1084	0.0648	0.002	0.1752
PNL0003	Low Capacity (0 to 3kVA)	Consumption Controlled		0	0.0704	0.0457	0.0145	0.1306
PNL0003	Low Capacity (0 to 3kVA)	Consumption Night		0	0.0136	0.008728838	0.0028	0.0251
PNL0030	Demand (0 to 30kVA)	Fixed Daily Charge	3,545		1.6458	0.7365	0.0299	2.4122
PNL0030	Demand (0 to 30kVA)	Capacity Charge			0.0000	0	0	0.0000
PNL0030	Demand (0 to 30kVA)	Demand Charge			0.0000	0	0	0.0000
PNL0030	Demand (0 to 30kVA)	Consumption Uncontrolled		16,883,689	0.0704	0.0421	0.0014	0.1139
PNL0030	Demand (0 to 30kVA)	Consumption Controlled		1,481,004	0.0459	0.0274	0.0009	0.0742
PNL0030	Demand (0 to 30kVA)	Consumption Night		47,199	0.0136	0.0087	0.0002	0.0225
PNL0100	Demand (31 to 100kVA)	Fixed Daily Charge	100		4.6551	2.4915	0.0932	7.2398
PNL0100	Demand (31 to 100kVA)	Capacity Charge			0.0000	0	0	0.0000
PNL0100	Demand (31 to 100kVA)	Demand Charge			0.0000	0	0	0.0000
PNL0100	Demand (31 to 100kVA)	Consumption Uncontrolled		4,476,358	0.0536	0.032	0.0009	0.0865
PNL0100	Demand (31 to 100kVA)	Consumption Controlled		154,020	0.0349	0.0207	0.0007	0.0563
PNL0100	Demand (31 to 100kVA)	Consumption Night		6,469	0.0136	0.0087	0.0002	0.0225
PNL0300	Demand (101 to 300kVA)	Fixed Daily Charge	20		9.6585	4.6981	0.1757	14.5323
PNL0300	Demand (101 to 300kVA)	Capacity Charge			0.0000	0	0	0.0000
PNL0300	Demand (101 to 300kVA)	Demand Charge			0.0000	0	0	0.0000
PNL0300	Demand (101 to 300kVA)	Consumption Uncontrolled		2,126,242	0.0428	0.0256	0.0007	0.0691
PNL0300	Demand (101 to 300kVA)	Consumption Controlled		0	0.0278	0.0166	0.0005	0.0449
PNL0300	Demand (101 to 300kVA)	Consumption Night		0	0.0136	0.008728838	0.0028	0.0251
PTL0300	TOU - Demand (201-300kVA)	Fixed Daily Charge	1		16.0976	7.8301	0.293	24.2207
PTL0300	TOU - Demand (201-300kVA)	Capacity Charge			0.0000	0	0	0.0000
PTL0300	TOU - Demand (201-300kVA)	Demand Charge			0.0000	0	0	0.0000
PTL0300	TOU - Demand (201-300kVA)	Consumption Evening Peak		935	0.0372	0.0207	0.0007	0.0586
PTL0300	TOU - Demand (201-300kVA)	Consumption Morning Peak		49,797	0.0349	0.0195	0.0007	0.0551
PTL0300	TOU - Demand (201-300kVA)	Consumption Off Peak		44,696	0.0273	0.0155	0.0005	0.0433
PTL0300	TOU - Demand (201-300kVA)	Consumption Night		1,380	0.0140	0.0087	0.0002	0.0229
PNL0500	TOU - Demand (301-500kVA)	Fixed Daily Charge	4		18.1465	8.8266	0.3303	27.3034
PNL0500	TOU - Demand (301-500kVA)	Capacity Charge					0	0.0000
PNL0500	TOU - Demand (301-500kVA)	Demand Charge					0	0.0000
PNL0500	TOU - Demand (301-500kVA)	Consumption Evening Peak		112,430	0.0372	0.0207	0.0007	0.0586
PNL0500	TOU - Demand (301-500kVA)	Consumption Morning Peak		151,183	0.0349	0.0195	0.0007	0.0551
PNL0500	TOU - Demand (301-500kVA)	Consumption Off Peak		208,791	0.0273	0.0155	0.0005	0.0433
PNL0500	TOU - Demand (301-500kVA)	Consumption Night		170,379	0.0140	0.0087	0.0002	0.0229
PNL1000	TOU - Demand (501-1000kVA)	Fixed Daily Charge	1		28.0976	13.6671	0.5114	42.2761
PNL1000	TOU - Demand (501-1000kVA)	Capacity Charge			0.0000	0	0	0.0000
PNL1000	TOU - Demand (501-1000kVA)	Demand Charge			0.0000	0	0	0.0000
PNL1000	TOU - Demand (501-1000kVA)	Consumption Evening Peak		161,299	0.0372	0.0207	0.0007	0.0586
PNL1000	TOU - Demand (501-1000kVA)	Consumption Morning Peak		281,036	0.0349	0.0195	0.0007	0.0551
PNL1000	TOU - Demand (501-1000kVA)	Consumption Off Peak		345,223	0.0273	0.0155	0.0005	0.0433
PNL1000	TOU - Demand (501-1000kVA)	Consumption Night		223,426	0.0140	0.0087	0.0002	0.0229
PNL4500	TOU - Demand (1001-4500kVA)	Fixed Daily Charge	1		70.2440	34.1677	1.2785	105.6902
PNL4500	TOU - Demand (1001-4500kVA)	Capacity Charge			0.0000	0	0	0.0000
PNL4500	TOU - Demand (1001-4500kVA)	Demand Charge			0.0000	0	0	0.0000
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Evening Peak		1,974,958	0.0372	0.0207	0.0007	0.0586
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Morning Peak		3,029,429	0.0349	0.0195	0.0007	0.0551
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Off Peak		3,910,307	0.0273	0.0155	0.0005	0.0433
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Night		3,286,367	0.0140	0.0087	0.0002	0.0229
PNL6500	TOU - Demand (4501-6500kVA)	Fixed Daily Charge	0		106.9024	51.9992	1.9456	160.8472
PNL6500	TOU - Demand (4501-6500kVA)	Capacity Charge			0.0000	0.0000	0.0000	0.0000
PNL6500	TOU - Demand (4501-6500kVA)	Demand Charge			0.0000	0.0000	0.0000	0.0000
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Evening Peak		0	0.0373	0.0207	0.0007	0.0586
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Morning Peak		0	0.0349	0.0195	0.0007	0.0551
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Off Peak		0	0.0273	0.0155	0.0005	0.0433
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Night		0	0.0140	0.0087	0.0002	0.0229
Total Low Density								
PNG0500	Assessed Capacity (301 to 500kVA)		0	0	18.1472	0.0000	0.0000	18.1472
PNG1000	Assessed Capacity (501 to 1000kVA)		6	365	28.0976	0.0000	0.5114	28.6090
PNG4500	Assessed Capacity (1001 to 4500kVA)		1	365	70.2472	0.0000	0.0000	70.2472
PNG6500	Assessed Capacity (4501 to 6500kVA)		1	365	106.9073	0.0000	0.0000	106.9073
Total Generation								
			25,513	279,482,457				

13.2 Quantities for period from 1 April 2016 to 31 March 2017

Price Category	Consumer Group	Charge Type	2016/17		Distribution Charge	Transmission Charge	Pass-through & Recoverable	Total Charge
			ICPs	KWh				
Domestic								
PDH0030	Domestic	Fixed Daily Charge	13,717		0.1096	0.0375	0.0029	0.1500
PDH0030	Domestic	Consumption Uncontrolled		58,433,592	0.1115	0.0454	0.0009	0.1578
PDH0030	Domestic	Consumption Controlled		23,096,992	0.0579	0.0236	0.0005	0.0820
PDH0030	Domestic	Consumption Night		24,247	0.0145	0.0059	0.0001	0.0205
PDL0030	Domestic	Fixed Daily Charge	5,657		0.1096	0.0375	0.0029	0.1500
PDL0030	Domestic	Consumption Uncontrolled		26,415,626	0.1299	0.0535	0.0011	0.1845
PDL0030	Domestic	Consumption Controlled		8,840,517	0.0701	0.0289	0.0006	0.0996
PDL0030	Domestic	Consumption Night		41,824	0.0169	0.0069	0.0001	0.0239
Non-Domestic - High Density								
PNH0003	Low Capacity (0 to 3kVA)	Fixed Daily Charge	134		0.2821	0.1371	0.0024	0.4216
PNH0003	Low Capacity (0 to 3kVA)	Capacity Charge						
PNH0003	Low Capacity (0 to 3kVA)	Demand Charge						
PNH0003	Low Capacity (0 to 3kVA)	Consumption Uncontrolled		658,335	0.0904	0.0542	0.0008	0.1454
PNH0003	Low Capacity (0 to 3kVA)	Consumption Controlled		201	0.0587	0.0383	0.0005	0.0975
PNH0003	Low Capacity (0 to 3kVA)	Consumption Night		0	0.0113	0.0074	0.0001	0.0187
PNH0030	Demand (0 to 30kVA)	Fixed Daily Charge	1,672		1.5863	0.7102	0.0133	2.3098
PNH0030	Demand (0 to 30kVA)	Capacity Charge						
PNH0030	Demand (0 to 30kVA)	Demand Charge						
PNH0030	Demand (0 to 30kVA)	Consumption Uncontrolled		20,074,359	0.0650	0.0390	0.0005	0.1045
PNH0030	Demand (0 to 30kVA)	Consumption Controlled		1,002,568	0.0423	0.0253	0.0003	0.0679
PNH0030	Demand (0 to 30kVA)	Consumption Night		32,615	0.0113	0.0074	0.0001	0.0188
PNH0100	Demand (31 to 100kVA)	Fixed Daily Charge	283		4.4868	2.4026	0.0414	6.9308
PNH0100	Demand (31 to 100kVA)	Capacity Charge						
PNH0100	Demand (31 to 100kVA)	Demand Charge						
PNH0100	Demand (31 to 100kVA)	Consumption Uncontrolled		19,736,688	0.0444	0.0266	0.0004	0.0714
PNH0100	Demand (31 to 100kVA)	Consumption Controlled		347,900	0.0288	0.0172	0.0003	0.0463
PNH0100	Demand (31 to 100kVA)	Consumption Night		234,073	0.0113	0.0074	0.0001	0.0188
PNH0300	Demand (101 to 300kVA)	Fixed Daily Charge	68		9.3094	4.5305	0.0781	13.9180
PNH0300	Demand (101 to 300kVA)	Capacity Charge						
PNH0300	Demand (101 to 300kVA)	Demand Charge						
PNH0300	Demand (101 to 300kVA)	Consumption Uncontrolled		13,999,347	0.0362	0.0216	0.0003	0.0581
PNH0300	Demand (101 to 300kVA)	Consumption Controlled		12,107	0.0235	0.0140	0.0002	0.0377
PNH0300	Demand (101 to 300kVA)	Consumption Night		0	0.0113	0.0074	0.0001	0.0188
PTH0300	TOU - Demand (201-300kVA)	Fixed Daily Charge	6		15.5158	7.5507	0.1302	23.1967
PTH0300	TOU - Demand (201-300kVA)	Capacity Charge						
PTH0300	TOU - Demand (201-300kVA)	Demand Charge						
PTH0300	TOU - Demand (201-300kVA)	Consumption Evening Peak		470,167	0.0342	0.0193	0.0003	0.0538
PTH0300	TOU - Demand (201-300kVA)	Consumption Morning Peak		656,280	0.0320	0.0180	0.0003	0.0503
PTH0300	TOU - Demand (201-300kVA)	Consumption Off Peak		856,631	0.0252	0.0141	0.0002	0.0395
PTH0300	TOU - Demand (201-300kVA)	Consumption Night		620,792	0.0129	0.0074	0.0001	0.0204
PNH0500	TOU - Demand (301-500kVA)	Fixed Daily Charge	16		17.4906	8.5117	0.1468	26.1491
PNH0500	TOU - Demand (301-500kVA)	Capacity Charge						
PNH0500	TOU - Demand (301-500kVA)	Demand Charge						
PNH0500	TOU - Demand (301-500kVA)	Consumption Evening Peak		1,281,613	0.0342	0.0193	0.0003	0.0538
PNH0500	TOU - Demand (301-500kVA)	Consumption Morning Peak		2,141,246	0.0320	0.0180	0.0003	0.0503
PNH0500	TOU - Demand (301-500kVA)	Consumption Off Peak		2,686,826	0.0252	0.0141	0.0002	0.0395
PNH0500	TOU - Demand (301-500kVA)	Consumption Night		2,173,551	0.0129	0.0074	0.0001	0.0204
PNH1000	TOU - Demand (501-1000kVA)	Fixed Daily Charge	21		27.0820	13.1795	0.2273	40.4888
PNH1000	TOU - Demand (501-1000kVA)	Capacity Charge						
PNH1000	TOU - Demand (501-1000kVA)	Demand Charge						
PNH1000	TOU - Demand (501-1000kVA)	Consumption Evening Peak		4,050,672	0.0342	0.0193	0.0003	0.0538
PNH1000	TOU - Demand (501-1000kVA)	Consumption Morning Peak		5,668,961	0.0320	0.0180	0.0003	0.0503
PNH1000	TOU - Demand (501-1000kVA)	Consumption Off Peak		7,544,389	0.0252	0.0141	0.0002	0.0395
PNH1000	TOU - Demand (501-1000kVA)	Consumption Night		6,883,553	0.0129	0.0074	0.0001	0.0204
PNH4500	TOU - Demand (1001-4500kVA)	Fixed Daily Charge	1		67.7051	32.9486	0.5682	101.2219
PNH4500	TOU - Demand (1001-4500kVA)	Capacity Charge						
PNH4500	TOU - Demand (1001-4500kVA)	Demand Charge						
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Evening Peak		1,403,499	0.0342	0.0193	0.0003	0.0538
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Morning Peak		1,854,243	0.0320	0.0180	0.0003	0.0503
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Off Peak		2,543,489	0.0252	0.0141	0.0002	0.0395
PNH4500	TOU - Demand (1001-4500kVA)	Consumption Night		2,414,357	0.0129	0.0074	0.0001	0.0204
PNH6500	TOU - Demand (4501-6500kVA)	Fixed Daily Charge	1		103.0385	50.1439	0.8647	154.0471
PNH6500	TOU - Demand (4501-6500kVA)	Capacity Charge						
PNH6500	TOU - Demand (4501-6500kVA)	Demand Charge						
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Evening Peak		2,783,778	0.0342	0.0193	0.0003	0.0538
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Morning Peak		4,366,791	0.0320	0.0180	0.0003	0.0503
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Off Peak		5,431,561	0.0252	0.0141	0.0002	0.0395
PNH6500	TOU - Demand (4501-6500kVA)	Consumption Night		5,266,247	0.0129	0.0074	0.0001	0.0204

Price Category	Consumer Group	Charge Type	2016/17		Distribution Charge	Transmission Charge	Pass-through & Recoverable	Total Charge
			ICPs	KWh				
Non-Domestic - Low Density								
PNL0003	Low Capacity (0 to 3kVA)	Fixed Daily Charge	120		0.2821	0.1371	0.0024	0.4216
PNL0003	Low Capacity (0 to 3kVA)	Capacity Charge						
PNL0003	Low Capacity (0 to 3kVA)	Demand Charge						
PNL0003	Low Capacity (0 to 3kVA)	Consumption Uncontrolled		237,918	0.1045	0.0625	0.0009	0.1679
PNL0003	Low Capacity (0 to 3kVA)	Consumption Controlled		0	0.0679	0.0441	0.0145	0.1265
PNL0003	Low Capacity (0 to 3kVA)	Consumption Night		0	0.0131	0.0084	0.0028	0.0243
PNL0030	Demand (0 to 30kVA)	Fixed Daily Charge	3,577		1.5863	0.7102	0.0133	2.3098
PNL0030	Demand (0 to 30kVA)	Capacity Charge						
PNL0030	Demand (0 to 30kVA)	Demand Charge						
PNL0030	Demand (0 to 30kVA)	Consumption Uncontrolled		16,651,798	0.0679	0.0406	0.0006	0.1091
PNL0030	Demand (0 to 30kVA)	Consumption Controlled		1,490,964	0.0442	0.0264	0.0004	0.0710
PNL0030	Demand (0 to 30kVA)	Consumption Night		15,226	0.0131	0.0084	0.0001	0.0216
PNL0100	Demand (31 to 100kVA)	Fixed Daily Charge	100		4.4868	2.4026	0.0414	6.9308
PNL0100	Demand (31 to 100kVA)	Capacity Charge						
PNL0100	Demand (31 to 100kVA)	Demand Charge						
PNL0100	Demand (31 to 100kVA)	Consumption Uncontrolled		4,269,322	0.0517	0.0309	0.0004	0.0830
PNL0100	Demand (31 to 100kVA)	Consumption Controlled		136,977	0.0336	0.0200	0.0003	0.0539
PNL0100	Demand (31 to 100kVA)	Consumption Night		9,980	0.0131	0.0084	0.0001	0.0216
PNL0300	Demand (101 to 300kVA)	Fixed Daily Charge	19		9.3094	4.5305	0.0781	13.9180
PNL0300	Demand (101 to 300kVA)	Capacity Charge						
PNL0300	Demand (101 to 300kVA)	Demand Charge						
PNL0300	Demand (101 to 300kVA)	Consumption Uncontrolled		2,150,673	0.0413	0.0247	0.0003	0.0663
PNL0300	Demand (101 to 300kVA)	Consumption Controlled		0	0.0268	0.0160	0.0002	0.0430
PNL0300	Demand (101 to 300kVA)	Consumption Night		0	0.0131	0.0084	0.0028	0.0243
PTL0300	TOU - Demand (201-300kVA)	Fixed Daily Charge	1		15.5158	7.5507	0.1302	23.1967
PTL0300	TOU - Demand (201-300kVA)	Capacity Charge						
PTL0300	TOU - Demand (201-300kVA)	Demand Charge						
PTL0300	TOU - Demand (201-300kVA)	Consumption Evening Peak		746	0.0359	0.0200	0.0003	0.0562
PTL0300	TOU - Demand (201-300kVA)	Consumption Morning Peak		56,215	0.0336	0.0188	0.0003	0.0527
PTL0300	TOU - Demand (201-300kVA)	Consumption Off Peak		52,191	0.0263	0.0149	0.0002	0.0414
PTL0300	TOU - Demand (201-300kVA)	Consumption Night		1,786	0.0135	0.0084	0.0001	0.0220
PNL0500	TOU - Demand (301-500kVA)	Fixed Daily Charge	4		17.4906	8.5117	0.1468	26.1491
PNL0500	TOU - Demand (301-500kVA)	Capacity Charge						
PNL0500	TOU - Demand (301-500kVA)	Demand Charge						
PNL0500	TOU - Demand (301-500kVA)	Consumption Evening Peak		145,599	0.0359	0.0200	0.0003	0.0562
PNL0500	TOU - Demand (301-500kVA)	Consumption Morning Peak		207,357	0.0336	0.0188	0.0003	0.0527
PNL0500	TOU - Demand (301-500kVA)	Consumption Off Peak		274,535	0.0263	0.0149	0.0002	0.0414
PNL0500	TOU - Demand (301-500kVA)	Consumption Night		205,687	0.0135	0.0084	0.0001	0.0220
PNL1000	TOU - Demand (501-1000kVA)	Fixed Daily Charge	1		27.0820	13.1795	0.2273	40.4888
PNL1000	TOU - Demand (501-1000kVA)	Capacity Charge						
PNL1000	TOU - Demand (501-1000kVA)	Demand Charge						
PNL1000	TOU - Demand (501-1000kVA)	Consumption Evening Peak		187,196	0.0359	0.0200	0.0003	0.0562
PNL1000	TOU - Demand (501-1000kVA)	Consumption Morning Peak		273,033	0.0336	0.0188	0.0003	0.0527
PNL1000	TOU - Demand (501-1000kVA)	Consumption Off Peak		365,683	0.0263	0.0149	0.0002	0.0414
PNL1000	TOU - Demand (501-1000kVA)	Consumption Night		239,794	0.0135	0.0084	0.0001	0.0220
PNL4500	TOU - Demand (1001-4500kVA)	Fixed Daily Charge	1		67.7051	32.9486	0.5682	101.2219
PNL4500	TOU - Demand (1001-4500kVA)	Capacity Charge						
PNL4500	TOU - Demand (1001-4500kVA)	Demand Charge						
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Evening Peak		2,119,113	0.0359	0.0200	0.0003	0.0562
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Morning Peak		2,966,214	0.0336	0.0188	0.0003	0.0527
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Off Peak		3,959,820	0.0263	0.0149	0.0002	0.0414
PNL4500	TOU - Demand (1001-4500kVA)	Consumption Night		3,357,621	0.0135	0.0084	0.0001	0.0220
PNL6500	TOU - Demand (4501-6500kVA)	Fixed Daily Charge	0		103.1593	50.1439	0.7439	154.0470
PNL6500	TOU - Demand (4501-6500kVA)	Capacity Charge						
PNL6500	TOU - Demand (4501-6500kVA)	Demand Charge						
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Evening Peak		0	0.0359	0.0200	0.0003	0.0562
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Morning Peak		0	0.0337	0.0188	0.0003	0.0527
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Off Peak		0	0.0263	0.0149	0.0002	0.0414
PNL6500	TOU - Demand (4501-6500kVA)	Consumption Night		0	0.0135	0.0084	0.0001	0.0220
PNG0500	Assessed Capacity (301 to 500kVA)		0		17.4913	0.0000	0.0000	17.4913
PNG1000	Assessed Capacity (501 to 1000kVA)		6		27.0820	0.0000	0.2273	27.3093
PNG4500	Assessed Capacity (1001 to 4500kVA)		1		67.7081	0.0000	0.0000	67.7081
PNG6500	Assessed Capacity (4501 to 6500kVA)		1		103.0432	0.0000	0.0000	103.0432
			25,407	273,425,084				

14 Quality Path Supporting Calculations

14.1 Schedule 4A and 5B quality threshold values

As required by clause 11.5(d) of the Determination, the quality threshold values from Schedules 4A, 5B.1, and 5B.2, of the Electricity Distribution Services Default Price-Quality Path Determination 2015 have been summarised below:

Reliability Measure	SAIDI	SAIFI
Limit	274.075	3.529
Cap	274.075	3.529
Target	242.149	3.086
Collar	210.224	2.642
Unplanned Boundary Value	13.065	0.183

14.2 Re-calculations following Transpower asset acquisition

In accordance with clause 11.5(d) of the Determination, the SAIDI and SAIFI Limits, Unplanned Boundary Values, Targets, Caps, and Collars, have been re-calculated following the acquisition of transmission assets from Transpower, which became System Fixed Assets.

The methodology for these re-calculations are contained in the applicable paragraphs quoted below from Schedule 4B of the Determination.

Reliability Measure	SAIDI	SAIFI
Limit	285.72	3.77
Cap	285.72	3.77
Target	252.48	3.28
Collar	219.12	2.78
Unplanned Boundary Value	13.902	0.2080

Unplanned Boundary Value re-calculations

The re-calculated SAIDI Unplanned Boundary Value was determined in accordance with paragraph 2(a) of the Determination and is as follows:

$$\beta_{SAIDI} = 23^{\text{rd}} \text{ highest SAIDI value in reference dataset (01/04/2004 - 31/3/2014)}$$

$$\beta_{SAIDI} = 13.3902$$

The re-calculated SAIFI Unplanned Boundary Value was determined in accordance with paragraph 2(b) of the Determination and is as follows:

$$\beta_{SAIFI} = 23^{\text{rd}} \text{ highest SAIFI value in reference dataset (01/04/2004 - 31/3/2014)}$$

$$\beta_{SAIFI} = 0.2080$$

Target

The re-calculated SAIDI Target was determined in accordance with paragraph 3 of the Determination and is as follows:

$$SAIDI_{Target} = \frac{(P_{SAIDI} \times 0.5) + U_{SAIDI}}{10}$$

where:

$$P_{SAIDI} = \text{Planned sum of SAIDI in 10 year dataset (01/04/2004 - 31/3/2014)}$$

$$P_{SAIDI} = 639.5284$$

$$U_{SAIDI} = \text{Unplanned sum of SAIDI in 10 year dataset (01/04/2004 - 31/3/2014)}$$

$$U_{SAIDI} = 2,204.7285$$

$$SAIDI_{Target} = 252.48$$

The re-calculated SAIFI Target was determined in accordance with paragraph 4 of the Determination and is as follows:

$$SAIFI_{Target} = \frac{(P_{SAIFI} \times 0.5) + U_{SAIFI}}{10}$$

where:

$$P_{SAIFI} = \text{Planned sum of SAIFI in 10 year dataset (01/04/2004 - 31/3/2014)}$$

$$P_{SAIFI} = 3.6736$$

$$U_{SAIFI} = \text{Unplanned sum of SAIFI in 10 year dataset (01/04/2004 - 31/3/2014)}$$

$$U_{SAIFI} = 30.9294$$

$$\mathbf{SAIFI_{Target} = 3.28}$$

Reliability Limit and Cap

The re-calculated SAIDI reliability Limit was determined in accordance with paragraph 5(a) of the Determination and is as follows:

$$SAIDI_{Limit} = SAIDI_{Target} + (SAIDI_{Dev} \times \sqrt{365})$$

where:

$$SAIDI_{Target} = \text{Is the SAIDI Target re-calculated in accordance with paragraph 3}$$

$$SAIDI_{Target} = 252.48$$

$$SAIDI_{Dev} = \text{Standard deviation of daily SAIDI values in 10 year dataset (01/04/2004 - 31/3/2014)}$$

$$SAIDI_{Dev} = 1.7446$$

$$\mathbf{SAIDI_{Limit} = 285.72}$$

The re-calculated SAIFI reliability Limit was determined in accordance with paragraph 5(b) of the Determination and is as follows:

$$SAIFI_{Limit} = SAIFI_{Target} + (SAIFI_{Dev} \times \sqrt{365})$$

where:

$$SAIFI_{Target} = \text{Is the SAIFI Target re-calculated in accordance with paragraph 4}$$

$$SAIFI_{Target} = 3.28$$

$SAIFI_{Dev}$	=	Standard deviation of daily SAIFI values in 10 year dataset (01/04/2004 – 31/3/2014)
$SAIFI_{Dev}$	=	0.0256
$SAIFI_{Limit}$	=	3.77

The SAIDI and SAIFI Caps are equal to the respective SAIDI and SAIFI reliability Limits calculated above.

Collar

The re-calculated SAIDI Collar was determined in accordance with paragraph 5(e) of the Determination and is as follows:

$$SAIDI_{Collar} = SAIDI_{Target} - (SAIDI_{Dev} \times \sqrt{365})$$

where:

$$SAIDI_{Target} = \text{Is the SAIDI Target re-calculated in accordance with paragraph 3}$$

$$SAIDI_{Target} = 252.48$$

$$SAIDI_{Dev} = \text{Standard deviation of daily SAIDI values in 10 year dataset (01/04/2004 – 31/3/2014)}$$

$$SAIDI_{Dev} = 1.7446$$

$$\mathbf{SAIDI_{Collar} = 219.12}$$

The re-calculated SAIFI Collar was determined in accordance with paragraph 5(f) of the Determination and is as follows:

$$SAIFI_{Collar} = SAIFI_{Target} - (SAIFI_{Dev} \times \sqrt{365})$$

where:

$$SAIFI_{Target} = \text{Is the SAIFI Target re-calculated in accordance with paragraph 4}$$

$$SAIFI_{Target} = 3.28$$

$SAIFI_{Dev}$ = Standard deviation of daily SAIFI values in 10 year dataset (01/04/2004 – 31/3/2014)

$SAIFI_{Dev}$ = 0.0256

$SAIFI_{Collar}$ = 2.78

Historic transmission asset acquisition data supporting re-calculation

Transmission Asset Outage Data 2004/05 to 2013/14							
Start Date	Name of Asset	Planned/ Unplanned	Customers Interrupted	Customer Minutes	SAIDI	SAIFI	Cause
16/10/2005	Tuai GXP	Planned	383	137,428	5.53	0.02	
5/11/2006	Tuai GXP	Planned	327	107,583	4.32	0.01	
25/11/2007	Tuai CB23 & CB24	Planned	366	137,250	5.47	0.01	Defective Equipment
23/11/2008	Tuai GXP	Planned	378	90,720	3.59	0.01	
29/11/2009	Tuai GXP	Planned	365	131,400	5.18	0.01	
27/11/2010	Tuai GXP	Planned	365	181,770	7.12	0.01	
5/12/2010	Tuai GXP	Planned	366	157,380	6.18	0.01	
24/02/2013	Tuai T15	Planned	361	164,616	6.44	0.01	
2/02/2014	Tuai GXP	Planned	362	192,584	7.57	0.01	
14/10/2004	Tuai CB24	Unplanned	180	23,580	0.95	0.01	Unknown
29/11/2004	Tuai CB24	Unplanned	199	14,925	0.60	0.01	Unknown
20/02/2006	Tuai CB24	Unplanned	199	13,731	0.55	0.01	Unknown
31/10/2007	Tuai T15	Unplanned	366	129,930	5.18	0.01	Wildlife
31/01/2008	CB23 & CB24	Unplanned	366	2,562	0.10	0.01	Defective Equipment
14/10/2009	T1 & T2	Unplanned	4,477	35,816	1.41	0.18	Unknown
29/11/2009	Tuai CB23	Unplanned	189	25,281	1.00	0.01	Defective Equipment
1/02/2010	Tuai CB24	Unplanned	176	2,464	0.10	0.01	Unknown
13/02/2010	Tuai CB24	Unplanned	176	2,560	0.10	0.01	Unknown
1/03/2010	Gis CB152	Unplanned	5,434	67,828	2.67	0.21	Unknown
17/05/2010	T15	Unplanned	365	8,571	0.34	0.01	Defective Equipment
3/12/2010	T15	Unplanned	366	7,476	0.29	0.01	Unknown
3/05/2011	T15	Unplanned	365	12,045	0.47	0.01	Human Error
26/01/2012	GIS T4	Unplanned	20,657	330,042	12.92	0.81	Unknown
4/04/2013	Gis GXP	Unplanned	20,728	470,304	18.48	0.81	Human Error
17/04/2013	Gis GXP	Unplanned	20,726	556,719	21.87	0.81	Human Error
3/01/2014	Tuai CB24	Unplanned	170	4,080	0.16	0.01	Unknown
5/01/2014	Tuai CB24	Unplanned	170	16,150	0.63	0.01	Defective Equipment
19/01/2014	Tuai CB24	Unplanned	170	92,820	3.65	0.01	Defective Equipment
31/03/2014	Gis Tuai 110kV Line	Unplanned	20,726	1,036,290	40.72	0.81	Defective Equipment
		SUM	99,478	4,153,905	163.6	3.91	

15 Auditor's Report

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF EASTLAND NETWORK LIMITED AND THE COMMERCE COMMISSION

The Auditor-General is the auditor of Eastland Network Limited (the company). The Auditor-General has appointed me, Trevor Deed, using the staff and resources of Deloitte Limited, to provide an opinion, on his behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2018 on pages 4 to 26 has been prepared, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2015 (the Determination).

Directors' responsibilities for the Annual Compliance Statement

The directors of the company are responsible for the preparation of the Annual Compliance Statement in accordance with the Determination, and for such internal control as the directors determine is necessary to enable the preparation of an Annual Compliance Statement that is free from material misstatement.

Our responsibility for the Annual Compliance Statement

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

Basis of opinion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *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. Copies of these standards are available on the External Reporting Board's website.

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

We have performed procedures to obtain evidence about the amounts and disclosures in the Annual Compliance Statement. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Annual Compliance Statement, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, we considered internal control relevant to the company's preparation of the Annual Compliance Statement in order to design 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.

In assessing the disclosures about compliance with the price path in clause 8 of the Determination for the assessment period ended on 31 March 2018, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 4 to 26 of the Annual Compliance Statement.

In assessing the disclosures about compliance with the quality standards in clause 9 of the Determination for the assessment period ended on 31 March 2018, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 4 to 26 of the Annual Compliance Statement.

Our assurance engagement also included assessment of the significant estimates and judgements, if any, made by the company in the preparation of the Annual Compliance Statement.

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

Use of this report

This independent assurance report has been prepared solely for the directors of the company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Scope and inherent limitations

Because of the inherent limitations of a reasonable assurance engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

We did not examine every transaction, adjustment or event underlying the Annual Compliance Statement nor do we guarantee complete accuracy of the Annual Compliance Statement. Also we did not evaluate the security and controls over the electronic publication of the Annual Compliance Statement.

The opinion expressed in this independent assurance report has been formed on the above basis.

Independence and quality control

When carrying out the engagement, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

We also complied with the independent auditor requirements specified in the Determination.

The Auditor-General, and his employees, Deloitte Limited and its employees may deal with the company on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of business, this engagement, and the annual audit of the company's financial statements, we have no relationship with or interests in the company.

Opinion

In our opinion:

- as far as appears from an examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the company's accounting and other records, and has been sourced, where appropriate, from its financial and non-financial systems; and
- the Annual Compliance Statement of company for the year ended on 31 March 2018, has been prepared, in all material respects, in accordance with the Determination.

In forming our opinion, we have obtained sufficient recorded evidence and all the information and explanations we have required.



Trevor Deed, Partner
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand
30 May 2018