Electricity Distribution Services Default Price-Quality Path 2016

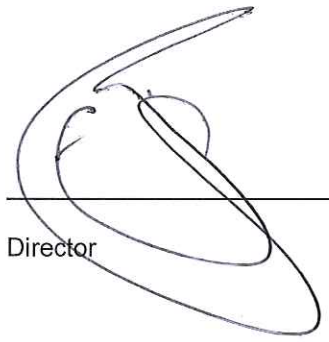
Powerco Limited

24 May 2016

Disclaimer: This document has been prepared to comply with the Commerce Act (Electricity Distribution Services Default Price-Quality Path) Determination 2015. The information in this document has been prepared with all care and diligence, in good faith. Any reliance on the information contained in this document, actual or purported, is at the user's own risk.

Director's Certificate

I, John James Loughlin, being a director of Powerco Limited certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached Annual Compliance Statement of Powerco Limited, and related information, prepared for the purposes of the Electricity Distribution Services Default Price-Quality Path Determination 2015 are true and accurate.



Director

24 May 2016

Date

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1 Summary

Powerco Limited's electricity distribution business ("Powerco") is subject to regulation under the Commerce Act 1986. Pursuant to the requirements of this Act, the Commerce Commission ("Commission") has set a default price-quality path ("DPP") which applies to all non-exempt Electricity Distribution Businesses ("EDBs"), including Powerco.

The default price-quality path requirements are set out in the Electricity Distribution Services Default Price-Quality Path Determination 2015 ("the Determination"). During the regulatory period, Powerco must comply with the requirements of the Determination, in particular:

- The price path specified in clause 8; and
- The quality path specified in clause 9.

Clause 11 of the Determination requires Powerco to provide an Annual Compliance Statement ("Statement") to the Commission and disclose information relevant to the assessment of its performance against allowable notional revenue ("the price path") and against prescribed reliability limits for system average interruption duration index (SAIDI) values and system average interruption frequency (SAIFI) values ("the quality path").

As required by clause 11.2(a) of the Determination, this Statement confirms that Powerco has complied with the price path in clause 8 of the Determination and the quality standards in clause 9 of the Determination for the 12 month Assessment Period ended 31 March 2016.

Powerco is available to assist the Commission with its review of this Statement and will provide any additional information the Commission may request.

Powerco completed this Statement on 24 May 2016. A copy is available at Powerco's principal office (Powerco, level 2, 84 Liardet Street, New Plymouth). The Statement is published on Powerco's website (www.Powerco.co.nz) and additional copies can be provided on request.

2 Assessment against the Price Path

Under the Determination, Price is separated into its two component parts:

- The portion attributable to the recovery of pass-through and recoverable costs (referred to as Pass-through prices); and
- The portion attributable to Distribution prices.

Compliance with the Distribution price segment is assessed by comparing the notional revenue[1] that the distribution prices have generated compared against allowable notional revenue.

Pass-through prices include the recovery of pass-through and recoverable costs attributable to the current period and any such costs from prior periods that have not previously been recovered. Pass-through and recoverable costs are defined in the Determination and include transmission costs, avoided cost of transmission, rates and levies. The Determination requires we demonstrate how we recover pass-through and recoverable costs through Pass-through prices.

Section Two of this Statement demonstrates our compliance with the price path and our recovery of pass-through and recoverable costs in pass-through prices.

2.1 Summary of Distribution Pricing Compliance Information

In 2014, the Commerce Commission (the Commission) set the price path that will apply to Powerco for the Regulatory Period from 1 April 2015 to 31 March 2020. The Maximum Allowable Revenue (MAR) for the first assessment period (the 2016 Assessment Period) is specified in Schedule 1 of the Determination and applies to the portion of prices that is distribution prices.

As the 2016 Assessment Period is the first Assessment Period under the Determination, Powerco's Allowable Notional Revenue for the 2016 Assessment Period is derived from its MAR as prescribed in the Determination.

Powerco has complied with the price path for the Assessment Period 1 April 2015 to 31 March 2016 as demonstrated in Table 1.[2]

For presentation purposes, the Notional Revenue table set out in section 2.3 is an aggregate of the price and quantity information for each price group. More detailed information is contained in Appendix A of this Statement.

Clause 8.3 of the Determination states that to demonstrate compliance with the price path, "the notional revenue of a Non-exempt EDB in an Assessment Period must not exceed the allowable notional revenue for the assessment period."

As demonstrated by the calculation in Table 1 below, Powerco complies with the price path for the Assessment Period.

[1] The revenue is considered 'notional' because it is based on quantities that are lagged by two years rather than the quantities for the year in question. This approach ensures that both Allowable Notional Revenue and Notional Revenue can be accurately calculated at the time Powerco sets its Distribution prices as quantities are known.

[2] The figures in the pricing tables are in thousands of dollars. The underlying calculations are based on more detailed numbers (i.e. to more decimal places than shown in this document). This may cause rounding inconsistencies. These inconsistencies do not affect the overall compliance calculations which are based on the more detailed information.

Table 1: Demonstrating compliance with the price path

DPP Requirement	NR is less than or equal to ANR
DPP Expression	NR ≤ ANR
Powerco's Result ($000)	250,288 ≤ 250,700

2.2 Analysis of Allowable Notional Revenue

The 2016 Assessment Period is the first assessment period under the current DPP. Allowable Notional Revenue is based on Powerco's MAR specified in the Determination. The calculation of MAR is provided in Table 2.

Table 2: Calculating Powerco's Allowable Notional Revenue (ANR)[2]

Powerco's Allowable Notional Revenue (ANR)

$$ANR2016 = \frac{MAR_{2016}}{\Delta D}$$

Calculation Components	Amount ($000)
MAR_{2016} is the maximum allowable revenue from distribution prices for the first Assessment Period as specified in Schedule 1 of the Determination.	250,424
ΔD is the change in constant price revenue specified in Schedule 1 of the Determination	0.9989
ANR_{2016}	**250,700**

2.3 Analysis of Notional Revenue

2.3.1. Calculating Powerco's Notional Revenue (NR)

Notional Revenue is the product of each distribution price during any part of the Assessment Period and the quantity for each price for the Assessment period ending two years prior corresponding to that distribution price.

A summary of Powerco's Notional Revenue is included in Table 3 and a more detailed breakdown of how the Notional Revenue of $250,288k has been calculated is provided in Appendix A.

Table 3: Summary of Powerco's Notional Revenue (NR)

	NR by Price Component				
	Fixed	Variable	Demand	Non-standard	
Western Region	10,545	81,426	42,758	1,864	136,593
Eastern Region	35,150	61,999	1,066	15,480	113,695
NR_{2016}	45,695	143,425	43,824	17,344	**250,288**

2.4 Determining Distribution prices and Pass-through prices

The total price is comprised of distribution prices and pass-through prices. Distribution price is the portion of total price excluding the pass-through price. The pass-through price is the portion of total price attributable to pass-through and recoverable costs.

2.4.1. Determining distribution and pass-through prices

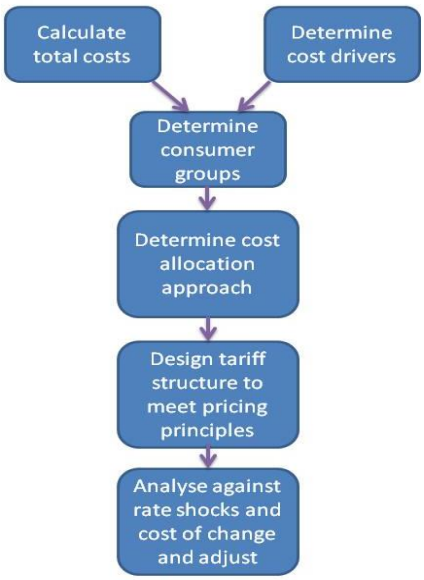
Powerco's pricing methodology[3] provides a detailed overview of the processes involved in price setting and is available on Powerco's website. The methodology used to calculate the distribution prices and allocate distribution prices and pass-through prices to tariff groups is summarised in figure one below.

Distribution prices are capped by the Allowable Notional Revenue for the Assessment Period. Pass-through prices are a combination of recoverable and pass-through costs for the current period and may include the pass-through balance from prior periods. For the 2016 Assessment Period the pass-through balance from prior years is nil.

The overview of the pricing process included in Figure 1 illustrates how we allocate costs between tariff groups.

[3] Refer http://www.powerco.co.nz/uploaded_files/Publications-and-Disclosures/New/pricing/Powerco-Pricing-Methodology-31-March-2016.pdf

Figure 1: Overview of the pricing process



A description of the pricing process is:

- Estimate total costs for the pricing period. These include:
  - pass-through and recoverable costs for the Assessment Period (including any applicable pass-through balance from prior periods); and
  - distribution costs (including, capital costs, operating costs, maintenance costs and administration costs).
- Determine the key drivers of network expenditure;
- Determine suitable groupings of connections across each network based on similarities of network and consumer characteristics such as geography, rural/urban connection density, mains size, protection rating and/or transformer capacity;
- Determine the allocation of costs (such as operating costs, transmission costs and cost of capital) across each network and tariff category;
- Calculate distribution prices based on the relevant cost allocations, ensuring compliance with the relevant legal requirements and Allowable Notional Revenue cap; and
- Assess the pricing structure to take account of the effect of rate shocks and adjust as needed.

Specifically, the process to determine Pass-through prices is:

- Estimate total pass-through costs for the relevant pricing year (including any applicable pass-through balance);
- Forecast chargeable quantities for the same period based on growth assumptions used for budget setting; and
- Calculate pass-through prices to align pass-through revenue to pass-through costs.

At the end of the relevant pricing year we determine the actual chargeable quantities and apply these to the pass-through prices to determine the actual pass-through revenue for the pricing year. The pass-through revenue is then compared against the actual pass-through costs to determine the pass-through balance. This is explained further in section 2.5 of this document.

The nature and timing of the pricing process means that prices are set for the following pricing year before the end of the current pricing year. This means that the pass-through balance for the current year cannot be accurately determined at the time prices are set. Therefore any pass-through balance for the current year is not recovered until the second subsequent year. For example, any pass-through balance determined in the 2016 Assessment Period will not be recovered through pass-through pricing until the Assessment Period (and pricing period) beginning 1 April 2017.

As noted above, pass-through prices for the Assessment Period are the sum of:

- Estimated pass-through and recoverable costs for the assessment period in question; and
- Any under or over- recovery of pass-through costs and recoverable costs from a prior assessment period as reflected by the pass-through balance.

The portion of pass-through prices attributable to the current Assessment Period and the portion attributed to prior Assessment Periods is summarised in Table 4.

Table 4: Portion of pass-through prices relating to costs for this period and carried forward from prior assessment periods

Pass-through and recoverable costs	Estimated current assessment period ($000)	Prior assessment periods ($000)	Total pass-through costs to be recovered in Pass-through prices ($000)
Pass-through costs	3,246	0	3,246
Recoverable costs	110,065	0	110,065
Total pass-through and recoverable costs included in pass-through prices for the 2016 assessment period	**113,311**	**0**	**113,311**

2.4.2. The portion of distribution prices and pass-through prices included in pricing for the 2016 Assessment Period

At the beginning of each Assessment Period, Powerco publishes the overall price, and the portion that relates to pass-through prices and the portion that is distribution prices. This publication is available on our website and included for convenience in Appendix B.

2.4.3. Forecast v Actual pass-through and recoverable costs

As noted above, when setting the pass-through prices, Powerco forecasts pass-through and recoverable costs for the period. These costs and any known pass-through balance from prior periods are included as pass-through prices. At the end of the Assessment period, the actual pass-through and recoverable costs for the period are applied to actual quantities. Any under or over-recovery of pass-through and recoverable costs that has occurred due to a variance in cost or quantities forecast, is rolled into future periods in the pass-through balance.

Table 5 compares the forecast pass-through and recoverable costs, used to set pass-through prices for the Assessment Period, to the actual pass-through and recoverable costs applied to determine the closing pass-through balance.

Table 5: Actual and Forecast pass-through and recoverable costs

Pass-through and Recoverable costs	Actual ($000)	Forecast ($000)	Variance ($000)
Rates	1,545	1,255	290
Levies	1,843	1,991	-148
Transpower connection and interconnection charges	94,790	94,859	-69
Transpower new investment agreements	5,761	5,793	-32
Distributed Generation Allowance	9,436	9,413	23
Total	**113,375**	**113,311**	**64**

Costs for the Assessment Period are forecast by Powerco in November as part of the company's annual budgeting process. These budgeted costs are used to estimate the forecast pass-through and recoverable costs included in pass-through prices for the period.

When these costs are forecast, Transpower costs and Distributed Generation costs are mostly known. Rates and levies are difficult to accurately forecast as any changes to current levies or rate charges are not known at the time of setting prices. Levies are forecast based on historic costs and any indication of increased or decreased work plans from the Commerce Commission or Electricity Authority. Rates are forecast based on current invoicing.

Actual costs are extracted from Powerco's financial system for the Assessment Period. For the 2016 Assessment Period the actual pass-through and recoverable costs incurred are similar to that forecast.

2.5 Pass-Through Balance

2.5.1. Calculating the pass-through balance

The Determination separates price into Distribution price and pass-through price. The Determination further introduces a pass-through balance. This is the mechanism used to facilitate the recovery of pass-through and recoverable costs through the pass-through price.

The pass-through balance represents the unrecovered balance of the difference between forecast and actual pass-through costs and recoverable costs for prior years. This balance is adjusted for the cost of debt specified by the Commission. The pass-through balance may be positive or negative in an assessment period.

As 2016 is the first assessment period under the Determination, there is no cumulative balance from prior years and, as specified in the Determination, the opening pass-through balance for 2016 is nil.

When setting prices, pass-through and recoverable costs attributable to the period are forecast based on both known and expected costs. These costs are then applied to the forecast quantities for the pricing period. Both costs and quantities used are those applied in Powerco's budgeting process. The pricing period is the same as the assessment period.

At the end of the pricing period, actual pass through and recoverable costs, and actual quantities for the period are known. Any difference between forecast and actual results is managed through the Pass-Through balance.

The movement from the opening Pass-through balance (of nil) and closing Pass-through balance for the 2016 assessment period is calculated in Table 6.

Table 6: Calculation of the Pass-Through Balance (PTB)

$PTB_{,2016} = \sum_i PTP_{i,2016}, Q_{i2016} - K_{2016} - V_{2016} + PTB_{2015}(1 + r)$		
Calculation Components		**Result ($000)**
Opening balance		0
PTP_{2016},Q_{2016} for the Western Region	56,885	
PTP_{2016},Q_{2016} for the Eastern Region	58,591	
Total Powerco PTP_{2016},Q_{2016} is each pass-through price for the assessment period multiplied by the corresponding actual quantity for the assessment period (i.e. the pass-through and recoverable costs recovered in pass-through prices in the assessment period). Refer Appendix C for the detailed breakdown of this result.		115,476
K_{2016} is the sum of all actual pass-through costs that apply to the assessment period	(3,388)	
R_{2016} is the sum of all actual recoverable costs that apply to the assessment period	(109,987)	
Total Pass-through and Recoverable costs applying to the Assessment Period		(113,375)
PTB_{2015} is the closing Pass-through Balance from the prior year adjusted for the cost of debt. For the 2016 assessment period the closing Pass-through Balance from the prior year is nil.	0	
1+r = 1+ the cost of debt prescribed for the regulatory period of 6.09%	1.0609	
PTB_{2015},(1+r) applies the cost of debt to the closing Pass-through Balance from the prior year(s)		0
$PTB_{,2016}$ is the closing Pass-through Balance for the assessment period that will be included in future pass-through prices[4]		**2,101**

[4] A positive balance indicates costs have been over-recovered in the current period. This balance will be carried through to a future pricing period and reduce pass-through prices in that period.

2.5.2. Reconciliation between the pass-through balance for this Assessment Period with the pass-through balance for the preceding Assessment Period.

As discussed in this document, 2016 is the first assessment period that includes a pass-through Balance. As such, the opening pass-through balance for this period is nil. The closing pass-through balance for the 2016 Assessment period is $2,101k. The pass-through balance is caused by:

- Under forecasting pass-through costs[5]; and
- Under forecasting quantities for the Assessment Period.

As demonstrated in the table below, the closing 2016 pass-through balance of $2,101k is driven by the higher than expected growth in chargeable quantities for the period resulting in actual pass-through revenue[6] that is higher than forecast.

Table 7: Reconciliation of the Pass-through Balance

Pass-through and Recoverable costs	PTB_{2015}	PTB_{2016}
Forecasted pass-through costs		113,311
Actual pass-through revenue		115,476
Variance		**2,165**
Forecasted pass-through costs		113,311
Actual pass-through costs		113,375
Variance		**(64)**
Pass-through balance		**2,101**

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2.6 Price Restructuring

The Determination specifies that any restructure of prices is required to be disclosed. A restructure of prices means either:

a) combining two or more consumer groups into one consumer group; or
b) separating a consumer group into two or more new consumer groups.

Powerco has not combined consumer groups or separated a consumer group into two or more groups during the 2016 Assessment Period. Powerco has however continued its initiative to migrate customers in the T43 price category (large connections in the Tauranga region) to the T50 Asset based pricing group.

This initiative commenced in April 2013 and is aimed at introducing more cost reflective tariffs to these large consumers and will also allow us to eventually close the legacy T43 price category.

In the current Assessment Period we continued this initiative by migrating a further nine customers from the T43 price category to the T50 price category. This results in additional fixed charge notional revenue in the

[5] The Determination groups pass-through and recoverable costs together as pass-through costs
[6] Pass-through revenue is the product of estimated pass-through prices and actual quantities for the Assessment Period.

T50 price category, off-set by an associated decrease in variable charge notional revenue for the T43 price category in the 2016 Assessment Period.

The migration of these customers from one tariff group to another did not affect the Allowable Notional Revenue calculation for the 2016 Assessment Period. Allowable Notional Revenue is derived from the Maximum Allowable Revenue prescribed by the Commission for the 2016 Assessment Period. Maximum Allowable Revenue is a set starting price and is not affected by any movement in customers and their associated quantities between tariff groups.

3 Assessment against the Quality Path

3.1 Summary of Quality Path Compliance Information

To demonstrate compliance with the quality standards Powerco must:

a) Comply with the annual reliability assessment specified in clause 9.2 of the Determination, such that the assessed values for SAIDI and SAIFI for the assessment period must not exceed the reliability limits for SAIDI and SAIFI; or
b) Have complied with the annual reliability assessments for each of the two immediately preceding assessment periods.

Powerco has complied with the annual reliability assessment for both SAIDI and SAIFI.

Table 8: annual reliability assessment

DPP Requirement	Powerco Result 2016	2016 Outcome
$SAIDI_{Assess,2016} \leq$ SAIDI Limit	178.441 ≤ 210.629	Complies
$SAIFI_{Assess,2016} \leq$ SAIFI Limit	2.071 ≤ 2.520	Complies

Schedules 4a and 5b of the Determination specify the reliability limits, unplanned boundary values, caps, collars and targets for the assessment period. These metrics are included in Appendix E of this document.

3.2 Reliability assessment – SAIDI

To calculate SAIDI, the assessment dataset is populated by listing all planned (Class B) and all unplanned (Class C) interruptions on Powerco's network for the assessment period. Planned SAIDI is then multiplied by 0.5. Unplanned SAIDI (Class C) is normalised for Major Event Days (MEDs).

A MED occurs when the daily SAIDI value for Class C (unplanned) interruptions exceeds Powerco's Unplanned SAIDI Boundary Value. The Unplanned SAIDI boundary value for Powerco is for the current Regulatory Period is 11.214 minutes.

Table 9: Calculating Powerco's SAIDI Assessment Values

$SAIDI_{Assess,2016} = (0.5 \times SAIDI_B) + SAIDI_C$		
Calculation Components	**Result**	**Contribution to SAIDI (Minutes)[7]**
Assessment dataset for $SAIDI_B$ – total planned SAIDI for the assessment period.	48.128	
0.5 x $SAIDI_B$ - the contribution of planned SAIDI to the SAIDI assessment, being all planned SAIDI in the Assessment dataset multiplied by 0.5.		24.064
Assessment dataset for $SAIDI_C$ – total unplanned SAIDI for the assessment period.	171.901	
Normalise Assessment Dataset For any day in the Assessment dataset where the daily Unplanned SAIDI value is greater than the SAIDI Unplanned Boundary Value, replace the daily Unplanned SAIDI Value with the SAIDI Unplanned Boundary Value. There was one major event day where the daily unplanned SAIDI value exceeded the SAIDI Unplanned Boundary Value. This resulted in a decrease of 17.524 minutes in the dataset.	(17.524)	
$SAIDI_C$		154.377
$SAIDI_{Assess,2016}$		178.441

3.2.1. Major Event Days in the Assessment Period

There was one SAIDI major event day in the Assessment Period.

Interruption Date	Pre-normalised Unplanned SAIDI	SAIDI Adjustment for normalisation	Normalised SAIDI (Boundary Value)
20/6/2015	28.738	(17.524)	11.214

Further information on this major event day is included in Appendix F.

[7] The figures in the reliability tables are to three decimal places. The underlying calculations are based on more detailed numbers (i.e. to more decimal places than shown in this document). This may cause rounding inconsistencies. These inconsistencies do not affect the overall compliance calculations which are based on the more detailed information.

3.3 Reliability assessment – SAIFI

To calculate SAIFI, the assessment dataset is populated by listing all planned (class B) and all unplanned (Class C) interruptions on Powerco's network for the assessment period. Planned SAIDI is then multiplied by 0.5. Unplanned SAIDI (class C) is normalised for Major Event Days (MEDs).

A MED occurs when the daily SAIFI value for Class C (unplanned) interruptions exceeds Powerco's SAIFI Boundary Value. The SAIFI boundary value for Powerco is specified in Schedule 4a of the Determination. For the current Regulatory Period the SAIFI Boundary Value is an event frequency of 0.064.

Table 10: Calculating Powerco's SAIFI Assessment Values

$SAIFI_{Assess,2016} = (0.5 \times SAIFI_B) + SAIFI_C$		
Calculation Components	**Result**	**Contribution to SAIDI (Minutes)[6]**
Assessment dataset for $SAIFI_B$ – total planned SAIFI for the assessment period.	0.231	
0.5 x $SAIFI_B$ - the contribution of planned SAIFI to the SAIFI assessment, being all planned SAIFI in the Assessment dataset multiplied by 0.5.		0.115
Assessment dataset for $SAIFI_C$ – total unplanned SAIFI for the assessment period.	1.956	
Normalise Assessment Dataset For any day in the Assessment dataset where the daily Unplanned SAIFI value is greater than the SAIFI Unplanned Boundary Value, replace the daily Unplanned SAIFI Value with the SAIFI Unplanned Boundary Value. There were no SAIFI major event days in the Assessment Period.	0	
$SAIFI_C$		1.956
$SAIFI_{Assess,2016}$		2.071

3.3.1. Major Event Days in the Assessment Period

There were no SAIFI major event days in the Assessment Period.

3.4 Compliance with the Multi-Year Assessment for Quality Standards

Under clause 9.1(b) of the Determination, compliance with the quality standards may also be demonstrated by showing that compliance with the annual reliability assessments has been achieved in each of the two preceding assessment periods.

The 2016 assessment period is the first assessment period under the Determination and the quality measures have changed from previous years. However, the multi-year assessment still applies and assessment for the previous two years (2014 and 2015) uses the limits and calculations applicable to that regulatory period.

Table 11: Reliability results for 2014 to 2016

Year	Before Normalisation		Reliability Results	
	SAIDI	SAIFI	SAIDI	SAIFI
2014	226.41	2.29	206.95	2.29
2015	227.79	2.28	217.64	2.28
2016	195.96	2.07	178.44	2.07

An "X" in table 12 below signifies a year in which Powerco's results for SAIDI or SAIFI exceeded its respective reliability limits, while a tick signifies a year in which Powerco's results for SAIDI or SAIFI were less than, or equal to, the respective reliability limits.

While Powerco has not met the requirements for the multi-year assessment for quality standards as demonstrated below, Powerco is compliant with the quality path as the SAIDI and SAIFI result for 2016 is below the respective reliability limits.

Table 12 – Compliance with the multi-year assessment

	2014	2015	2016
SAIDI	✓	X	✓
SAIFI	✓	✓	✓

3.5 Reliability Policies and Procedures

3.5.1. Recording Interruptions

Powerco has well developed processes to capture outage / interruption information and ensure the accuracy of these records. Key aspects of this calculation include:

- The underlying reliability records are created and maintained by Powerco's Network Operations Team who initiate and manage all fault reports;
- The start of an interruption is recorded when there is a SCADA alarm for assets that have a real time link to Powerco's SCADA system. For other assets, the interruption is recorded when Powerco is first notified of the fault by retailers or field staff.
- All fault reports contain switching sequences and SCADA printouts of transformers and areas affected, along with any other relevant information to support accurate evaluation.
- Details on the fault report are entered into the Powerco Outage Management System (OMS) database. Information recorded includes the date, time and cause of the fault, voltage of the faulted circuit and the transformers affected.
- The faults recorded may be due to third party causes (transmission problems, generation problems, or the actions of other electricity industry participants or third parties) this information is also recorded in the OMS database but excluded for compliance reporting.

Powerco note the introduction of new systems to assist with the management of outages and interruptions during the 2015 Assessment Period. This Outage Management System (OMS) provides enhanced oversight and recording of outages, enhancing the robustness of recording processes. The 2016 Assessment Period is the first reporting year that has used the OMS.

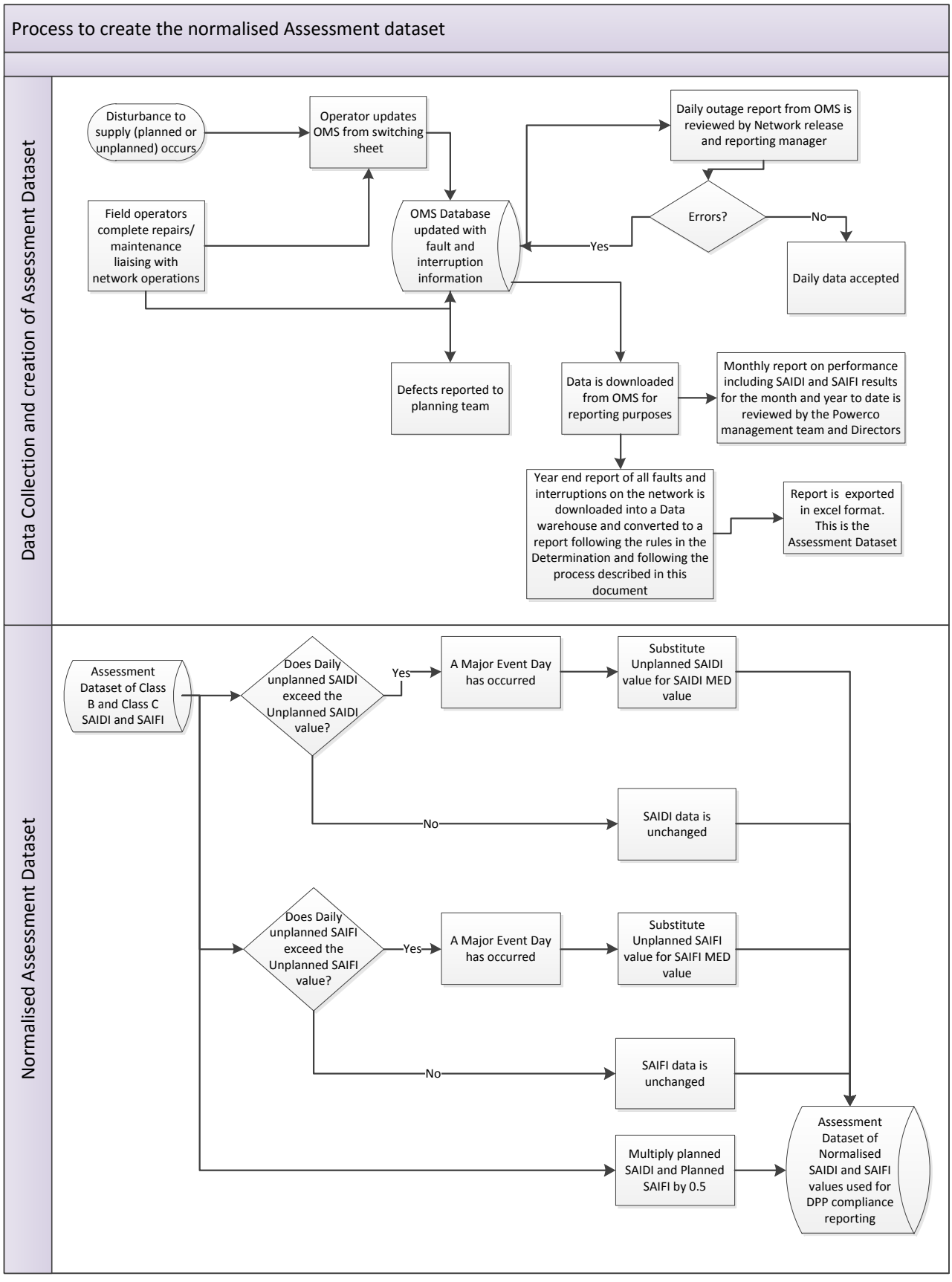
3.5.2. Calculating SAIDI and SAIFI

In utilising the input data noted above, Powerco applies processes to ensure compliance with Schedule 4a of the Determination, as shown diagrammatically in figure two below. In particular the following key calculation steps are applied:

- To calculate SAIDI and SAIFI customer connection numbers ("ICPs") are calculated from the Geographic Information System ("GIS") for the transformers affected. ICPs are updated to the GIS daily from the Electricity Registry.
- The customer connection number used in the annual calculation of SAIDI and SAIFI is the average of customer numbers at the end of each month of the Assessment year. The sum of all customer minutes interrupted is divided by the average customer connection numbers to derive the annual SAIDI minutes and SAIFI value.
- Calculation of the final year result is completed using the outage / interruption records in the Outage Management Database noting a range of global corrections and refinements are required as set out below.
- There are a number of practical delays affecting the recorded restoration time for many faults; these include SCADA polling delays, voice communication constraints and clock time coding discrepancies. To correct for these discrepancies an adjustment of three minutes per interruption is made across all fault records.[8]
- As specified by the Determination, data is limited to include only Powerco interruptions that cause a cessation of electricity for a period of at least one minute, affect at least one consumer and occur on an electricity line capable of conveying electricity at a voltage of at least 3.3 kV.
- The unplanned data is normalised to account for the impact of MEDs.
- Planned SAIDI and SAIFI data is multiplied by 0.5.

[8] This adjustment was included in the reference dataset that calculates the reliability limits under the Determination and hence the process ensures an appropriate comparison of results across periods.

Figure 2: Powerco's process to create the normalised dataset



4 Amalgamation and Mergers

Powerco has not completed an amalgamation or merger with another EDB during the Assessment Period.

5 Major Transactions

Powerco has not entered into a major transaction where:

(i) The regulatory investment value of Powerco's assets associated with the provision of electricity distribution services as at the start of the 2017 assessment period is anticipated to increase or decrease by more than 10% as a result of the transaction; or
(ii) Powerco's notional revenue for the 2017 assessment period is anticipated to increase or decrease by more than 10% as a result of the transaction.

6 Transfer of System Fixed Assets from or to Transpower

Powerco has not received a transfer of transmission assets from Transpower that become system fixed assets, or transferred system fixed assets to Transpower in the 2016 assessment period.

Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF POWERCO LIMITED AND THE COMMERCE COMMISSION

REPORT ON THE ANNUAL COMPLIANCE STATEMENT

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 Sections 1, 2, 3, 4, 5 and 6 and the related Appendices A to G of the Annual Compliance Statement for the compliance year ended 31 March 2016 ('the Annual Compliance Statement') of the Company have been prepared, in all material respects, in accordance with the Electricity Distribution Services Default Price-Quality Path Determination 2015 ('the Determination').

Board of Directors' Responsibilities

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

Auditor's Responsibilities

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.

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.

We have performed procedures to obtain evidence about the amounts and disclosures in the Annual Compliance Statement. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the Company's preparation of the Annual Compliance Statement 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 compliance 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.

Our Independence and Quality Control

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

Deloitte.

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 the Determination.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use of Report

This report is provided solely for your exclusive use and solely for the purpose of providing you with independent audit assurance whether the Annual Compliance Statement has been prepared, in all material respects, in accordance with the Determination. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. 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 this report.

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 Annual Compliance Statement have been kept by the Company;
- As far as appears from an examination of the records, 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 the Company's financial and non-financial systems; and
- The Annual Compliance Statement is prepared, in all material respects, in compliance with the Determination.

Deloitte

Chartered Accountants
24 May 2016
Wellington, New Zealand

This reasonable assurance report relates to the Annual Compliance Statement of Powerco Limited for the year ended 31 March 2016 included on Powerco Limited's website. The Board of Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the Annual Compliance Statement since they were initially presented on the website. The reasonable assurance report refers only to the Annual Compliance Statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this Annual Compliance statement. 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 Annual Compliance Statement and related reasonable assurance report dated 24 May 2016 to confirm the information included in the Annual Compliance Statement presented on this website.

Appendices

The following list of appendices provides further information supporting this compliance statement.

Appendix reference	Information provided
A – Calculating notional revenue	Details the distribution price and quantity for each tariff group. Powerco's Western and Eastern regions are provided separately. The product of distribution price and quantity is Powerco's notional revenue for the assessment period.
B – Portion of pass-through prices and distribution prices	Separates total price into pass-through prices and distribution prices. This information is published at the beginning of each assessment period. The prices referred to in the schedule as "transmission prices" is the pass-through price portion.
C – Pass-through prices and quantities for the assessment period	Details the pass-through price and corresponding actual quantities for each tariff group. Powerco's Western and Eastern regions are provided separately. The product of pass-through price and quantity is Powerco's pass-through revenue for the Assessment Period that is included in the pass-through balance information in section 2.5 of this document.
D – Transpower new investment contracts	Evidence of the amount of charge relating to any investment contract entered into in the Assessment Period consistent with clause 3.1.3(c) of the IM Determination. A table of all new investment contracts is also included.
E – Reliability limits, boundary values, target, cap and collar	Lists the SAIDI and SAIFI limits, boundary values used to determine Major Event Days, target, Cap and Collar values as specified in the Determination.
F – Commentary on Major Event Days	Provides further detail on reliability and major event days.
G – Compliance references	Notes the compliance requirements from the Determination and where they are evidenced in this Compliance Statement.

8 Appendix A – Calculating Notional Revenue

Western Network

Distribution Prices 2016 (Period 1 April 2015 to 31 March 2016)

					Fixed				Variable					Individually Priced		
					Network Asset Charge				Volume Charge		Demand Charge					
Tariff Group	GXP Group	GXP			ICP $/Month	ICP cents/day	Installed Capacity $/kVA/Month	CT/VT Charge ($/day)	Day Rate c/kWh	Night Rate c/kWh	$/kW /Month	$/kVA /Month	$/kVAr /Month	ABP ($/AMD)	Indirect Fixed ($/ICP)	Indirect Variable ($/OPD)
									CTUD	CTUN						
Residential+Small Commercial																
E1	A	Brunswick	BRK	14		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Brunswick	BRK	15		15.00			5.9200	1.1900	6.3400					
E1	A	Bunnythor	BPE	16		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Bunnythor	BPE	17		15.00			5.9200	1.1900	6.3400					
E1	A	Carrington	CST	18		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Carrington	CST	19		15.00			5.9200	1.1900	6.3400					
E1	A	Huirangi	HUI	20		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Huirangi	HUI	21		15.00			5.9200	1.1900	6.3400					
E1	A	Linton	LTN	22		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Linton	LTN	23		15.00			5.9200	1.1900	6.3400					
E1	A	Moturoa /	NPL	24		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Moturoa /	NPL	25		15.00			5.9200	1.1900	6.3400					
E1	A	Stratford	SFD	26		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Stratford	SFD	27		15.00			5.9200	1.1900	6.3400					
E1	A	Wanganui	WGN	28		0.00			5.9200	1.1900	6.3400					
E1 - UC	A	Wanganui	WGN	29		15.00			5.9200	1.1900	6.3400					
E1	B	Greytown	GYT	31		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Greytown	GYT	32		15.00			8.0500	1.5900	9.1100					
E1	B	Hawera	HWA	33		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Hawera	HWA	34		15.00			8.0500	1.5900	9.1100					
E1	B	Mangamai	MGM	35		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Mangamai	MGM	36		15.00			8.0500	1.5900	9.1100					
E1	B	Marton	MTN	37		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Marton	MTN	38		15.00			8.0500	1.5900	9.1100					
E1	B	Masterton	MST	39		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Masterton	MST	40		15.00			8.0500	1.5900	9.1100					
E1	B	Mataroa	MTR	41		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Mataroa	MTR	42		15.00			8.0500	1.5900	9.1100					
E1	B	Ohakune	OKN	43		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Ohakune	OKN	44		15.00			8.0500	1.5900	9.1100					
E1	B	Opunake	OPK	45		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Opunake	OPK	46		15.00			8.0500	1.5900	9.1100					
E1	B	Waverley	WVY	47		0.00			8.0500	1.5900	9.1100					
E1 - UC	B	Waverley	WVY	48		15.00			8.0500	1.5900	9.1100					
Medium/Large Commercial																
E100	A	Carrington	CST	51	291.00			8.06				9.4100	7.00			
E100	A	Huirangi	HUI	52	291.00			8.06				9.4100	7.00			
E100	A	Moturoa /	NPL	53	291.00			8.06				9.4100	7.00			
E100	A	Stratford	SFD	54	291.00			8.06				9.4100	7.00			
E100	B	Hawera	HWA	55	291.00			8.06				18.6900	7.00			
E100	C	Waverley	WVY	56	291.00			8.06				17.4400	7.00			
E100	D	Opunake	OPK	57	291.00			8.06				13.9900	7.00			
E100	E	Brunswick	BRK	58	291.00			8.06				10.5900	7.00			
E100	E	Wanganui	WGN	59	291.00			8.06				10.5900	7.00			
E100	F	Marton	MTN	60	291.00			8.06				13.1100	7.00			
E100	G	Mataroa	MTR	61	291.00			8.06				18.1600	7.00			
E100	G	Ohakune	OKN	62	291.00			8.06				18.1600	7.00			
E100	H	Masterton	MST	63	291.00			8.06				16.0000	7.00			
E100	H	Greytown	GYT	64	291.00			8.06				16.0000	7.00			
E100	I	Bunnythor	BPE	65	291.00			8.06				9.9200	7.00			
E100	I	Linton	LTN	66	291.00			8.06				9.9200	7.00			
E100	J	Mangamai	MGM	67	291.00			8.06				10.3500	7.00			
E300	A	Carrington	CST	69			1.85	8.06				4.2000	7.00			
E300	A	Huirangi	HUI	70			1.85	8.06				4.2000	7.00			
E300	A	Moturoa /	NPL	71			1.85	8.06				4.2000	7.00			
E300	A	Stratford	SFD	72			1.85	8.06				4.2000	7.00			
E300	B	Hawera	HWA	73			1.85	8.06				7.4600	7.00			
E300	C	Waverley	WVY	74			1.85	8.06				13.9700	7.00			
E300	D	Opunake	OPK	75			1.85	8.06				9.5700	7.00			
E300	E	Brunswick	BRK	76			1.85	8.06				4.1800	7.00			
E300	E	Wanganui	WGN	77			1.85	8.06				4.1800	7.00			
E300	F	Marton	MTN	78			1.85	8.06				6.6500	7.00			
E300	G	Mataroa	MTR	79			1.85	8.06				12.0300	7.00			
E300	G	Ohakune	OKN	80			1.85	8.06				12.0300	7.00			
E300	H	Masterton	MST	81			1.85	8.06				9.6600	7.00			
E300	H	Greytown	GYT	82			1.85	8.06				9.6600	7.00			
E300	I	Bunnythor	BPE	83			1.85	8.06				6.8600	7.00			
E300	I	Linton	LTN	84			1.85	8.06				6.8600	7.00			
E300	J	Mangamai	MGM	85			1.85	8.06				7.1700	7.00			
SPECIAL		Asset Based						8.06					7.00	39.97	11,642.00	10.16
SPECIAL		By Pass						8.06					7.00		114,634.16	
SPECIAL		BALANCE						8.06					7.00		267,408.79	
SPECIAL		SWIFT						8.06					7.00		81,073.33	
SPECIAL		Hau Nui Generation						8.06					7.00		104,615.23	
SPECIAL		Tararua Generation						8.06					7.00		297,982.56	
SPECIAL		Other Generation						8.06					7.00			
								8.06					7.00			

Western Network

Tariff Group	GXP Group	GXP	ICP No.'s (Average)	ICP Days	ICP Months	kVA Installed	CT/VTs	kWh Day	kWh Night	kW Demand pa	kVA Demand pa	kVAr Demand	Individually Priced: Asset Value / AMD	Individually Priced: AMD	Individually Priced: OPD	Fixed (Monthly)	Fixed (Daily)	Variable	Demand	Non-standard	Total
			Quantities (1 April 2013 to 31 March 2014)													Notional Revenue - Western					
Residential+Small Commercial																					
E1	A	Brunswick	BRK	6,401	2,334,599	-	-	-	37,293,624	11,353,688	136,521	-	-	0	0	0	-	-	2,342,891	865,542	-	**3,208,433**
E1 - UC	A	Brunswick	BRK	5,433	1,990,462	-	-	-	31,650,931	9,635,824	115,865	-	-	0	0	0	-	298,569	1,988,401	734,581	-	**3,021,552**
E1	A	Bunnython	BPE	18,427	6,734,434	-	-	-	137,382,655	40,857,625	424,398	-	-	0	0	0	-	-	8,619,259	2,690,682	-	**11,309,941**
E1 - UC	A	Bunnython	BPE	14,590	5,377,225	-	-	-	108,772,141	32,348,853	336,015	-	-	0	0	0	-	806,584	6,824,262	2,130,337	-	**9,761,182**
E1	A	Carrington	CST	9,541	3,425,384	-	-	-	61,606,699	16,719,035	201,344	-	-	0	0	0	-	-	3,846,073	1,276,522	-	**5,122,596**
E1 - UC	A	Carrington	CST	10,680	3,871,266	-	-	-	68,964,891	18,715,926	225,392	-	-	0	0	0	-	580,690	4,305,441	1,428,988	-	**6,315,119**
E1	A	Huirangi	HUI	3,879	1,416,855	-	-	-	24,194,898	8,422,203	103,256	-	-	0	0	0	-	-	1,532,562	654,642	-	**2,187,204**
E1 - UC	A	Huirangi	HUI	2,947	1,074,675	-	-	-	18,378,617	6,397,531	78,433	-	-	0	0	0	-	161,201	1,164,139	497,268	-	**1,822,608**
E1	A	Linton	LTN	8,630	3,129,389	-	-	-	60,858,142	18,722,544	209,730	-	-	0	0	0	-	-	3,825,600	1,329,691	-	**5,155,291**
E1 - UC	A	Linton	LTN	7,521	2,749,012	-	-	-	53,037,553	16,316,599	182,779	-	-	0	0	0	-	412,352	3,333,991	1,158,819	-	**4,905,161**
E1	A	Moturoa /	NPL	4,647	1,750,529	-	-	-	26,679,401	7,604,618	93,657	-	-	0	0	0	-	-	1,669,915	593,784	-	**2,263,700**
E1 - UC	A	Moturoa /	NPL	4,099	1,540,099	-	-	-	23,532,879	6,707,743	82,611	-	-	0	0	0	-	231,015	1,472,969	523,754	-	**2,227,738**
E1	A	Stratford	SFD	4,791	1,752,914	-	-	-	49,703,173	15,687,680	151,180	-	-	0	0	0	-	-	3,129,111	958,480	-	**4,087,592**
E1 - UC	A	Stratford	SFD	3,379	1,235,684	-	-	-	35,049,503	11,062,581	106,608	-	-	0	0	0	-	185,353	2,206,575	675,898	-	**3,067,826**
E1	A	Wanganui	WGN	5,189	1,886,841	-	-	-	32,605,303	9,214,178	130,531	-	-	0	0	0	-	-	2,039,883	827,568	-	**2,867,451**
E1 - UC	A	Wanganui	WGN	4,472	1,640,846	-	-	-	28,096,861	7,940,103	112,482	-	-	0	0	0	-	246,127	1,757,821	713,137	-	**2,717,086**
E1	B	Greytown	GYT	3,913	1,415,624	-	-	-	28,915,189	11,306,975	82,734	-	-	0	0	0	-	-	2,507,454	753,703	-	**3,261,157**
E1 - UC	B	Greytown	GYT	2,631	975,243	-	-	-	19,441,825	7,602,517	55,628	-	-	0	0	0	-	146,286	1,685,947	506,770	-	**2,339,004**
E1	B	Hawera	HWA	3,807	1,389,596	-	-	-	27,719,546	9,704,814	85,348	-	-	0	0	0	-	-	2,385,730	777,519	-	**3,163,249**
E1 - UC	B	Hawera	HWA	5,279	1,932,823	-	-	-	38,437,479	13,457,240	118,348	-	-	0	0	0	-	289,923	3,308,187	1,078,152	-	**4,676,262**
E1	B	Mangamai	MGM	2,578	942,774	-	-	-	17,935,406	5,770,498	52,632	-	-	0	0	0	-	-	1,535,551	479,475	-	**2,015,026**
E1 - UC	B	Mangamai	MGM	1,686	615,225	-	-	-	11,731,947	3,774,611	34,428	-	-	0	0	0	-	92,284	1,004,438	313,635	-	**1,410,357**
E1	B	Marton	MTN	3,786	1,375,920	-	-	-	27,776,026	9,017,392	81,589	-	-	0	0	0	-	-	2,379,347	743,279	-	**3,122,625**
E1 - UC	B	Marton	MTN	2,185	803,169	-	-	-	16,028,722	5,203,670	47,083	-	-	0	0	0	-	120,475	1,373,050	428,924	-	**1,922,450**
E1	B	Masterton	MST	10,993	3,989,785	-	-	-	73,108,608	25,210,443	235,861	-	-	0	0	0	-	-	6,286,089	2,148,694	-	**8,434,783**
E1 - UC	B	Masterton	MST	6,007	2,227,062	-	-	-	39,947,860	13,775,440	128,879	-	-	0	0	0	-	334,059	3,434,882	1,174,085	-	**4,942,977**
E1	B	Mataroa	MTR	1,688	617,012	-	-	-	10,901,953	3,571,039	34,621	-	-	0	0	0	-	-	934,387	315,397	-	**1,249,784**
E1 - UC	B	Mataroa	MTR	1,063	389,222	-	-	-	6,862,160	2,247,766	21,792	-	-	0	0	0	-	58,383	588,143	198,525	-	**845,051**
E1	B	Ohakune	OKN	607	220,644	-	-	-	3,641,441	1,235,287	11,608	-	-	0	0	0	-	-	312,777	105,744	-	**418,522**
E1 - UC	B	Ohakune	OKN	565	207,037	-	-	-	3,389,272	1,149,743	10,804	-	-	0	0	0	-	31,056	291,117	98,422	-	**420,595**
E1	B	Opunake	OPK	1,440	526,035	-	-	-	13,255,952	5,552,522	50,121	-	-	0	0	0	-	-	1,155,389	456,598	-	**1,611,987**
E1 - UC	B	Opunake	OPK	1,583	578,936	-	-	-	14,572,799	6,104,109	55,100	-	-	0	0	0	-	86,840	1,270,166	501,957	-	**1,858,963**
E1	B	Waverley	WVY	5	-	-	-	-	39,744	14,132	126	-	-	0	0	0	-	-	3,424	1,152	-	**4,576**
E1 - UC	B	Waverley	WVY	1,331	485,167	-	-	-	10,575,772	3,760,509	33,655	-	-	0	0	0	-	72,775	911,142	306,601	-	**1,290,518**
Medium/Large Commercial				-	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	-	**-**
E100	A	Carrington	CST	37	-	450	-	-	-	-	-	64,054	-	0	0	0	130,856	-	-	602,751	-	**733,607**
E100	A	Huirangi	HUI	2	-	24	-	-	-	-	-	2,672	-	0	0	0	6,984	-	-	25,147	-	**32,131**
E100	A	Moturoa /	NPL	4	-	48	-	-	-	-	-	5,690	-	0	0	0	13,968	-	-	53,544	-	**67,512**
E100	A	Stratford	SFD	6	-	72	-	-	-	-	-	10,379	-	0	0	0	20,952	-	-	97,671	-	**118,623**
E100	B	Hawera	HWA	9	-	108	-	-	-	-	-	14,602	-	0	0	0	31,428	-	-	272,912	-	**304,340**
E100	C	Waverley	WVY	-	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	-	**-**
E100	D	Opunake	OPK	1	-	12	-	-	-	-	-	2,408	-	0	0	0	3,492	-	-	33,693	-	**37,185**
E100	E	Brunswick	BRK	10	-	120	-	-	-	-	-	18,488	-	0	0	0	34,920	-	-	195,791	-	**230,711**
E100	E	Wanganui	WGN	13	-	156	-	-	-	-	-	20,769	-	0	0	0	45,396	-	-	219,944	-	**265,340**
E100	F	Marton	MTN	6	-	72	-	-	-	-	-	12,045	-	0	0	0	20,952	-	-	157,905	-	**178,857**
E100	G	Mataroa	MTR	4	-	46	-	-	-	-	-	7,370	-	0	0	0	13,395	-	-	133,835	-	**147,231**
E100	G	Ohakune	OKN	-	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	-	**-**
E100	H	Masterton	MST	22	-	266	-	-	-	-	-	41,054	-	0	0	0	77,493	-	-	656,858	-	**734,351**
E100	H	Greytown	GYT	7	-	84	-	-	-	-	-	12,066	-	0	0	0	24,444	-	-	193,064	-	**217,508**
E100	I	Bunnython	BPE	65	-	782	-	1	-	-	-	119,293	-	0	0	0	227,572	2,942	-	1,183,382	-	**1,413,896**
E100	I	Linton	LTN	36	-	433	-	-	-	-	-	59,403	-	0	0	0	126,097	-	-	589,276	-	**715,373**
E100	J	Mangamai	MGM	2	-	24	-	-	-	-	-	4,157	-	0	0	0	6,984	-	-	43,030	-	**50,014**
E300	A	Carrington	CST	41	-	-	444,850	10	-	-	-	277,330	-	0	0	0	822,973	29,419	-	1,164,787	-	**2,017,179**
E300	A	Huirangi	HUI	8	-	-	186,000	2	-	-	-	141,749	-	0	0	0	344,100	5,884	-	595,345	-	**945,329**
E300	A	Moturoa /	NPL	15	-	-	146,200	7	-	-	-	76,104	-	0	0	0	270,470	21,085	-	319,635	-	**611,190**
E300	A	Stratford	SFD	13	-	-	177,087	1	-	-	-	111,778	-	0	0	0	327,611	2,942	-	469,467	-	**800,020**
E300	B	Hawera	HWA	11	-	-	179,400	1	-	-	-	116,075	-	0	0	0	331,890	2,942	-	865,917	-	**1,200,749**
E300	C	Waverley	WVY	2	-	-	27,000	-	-	-	-	23,938	-	0	0	0	49,950	-	-	334,417	-	**384,367**
E300	D	Opunake	OPK	2	-	-	36,000	2	-	-	-	23,628	-	0	0	0	66,600	5,884	-	226,124	-	**298,608**
E300	E	Brunswick	BRK	19	-	-	150,200	1	-	-	-	87,995	-	0	0	0	277,870	3,925	-	367,818	-	**649,613**
E300	E	Wanganui	WGN	16	-	-	255,000	6	-	-	-	140,488	-	0	0	0	471,750	17,651	-	587,241	-	**1,076,642**
E300	F	Marton	MTN	11	-	-	125,400	3	-	-	-	79,033	-	0	0	0	231,990	8,826	-	525,567	-	**766,383**
E300	G	Mataroa	MTR	3	-	-	42,000	-	-	-	-	23,284	-	0	0	0	77,700	-	-	280,109	-	**357,809**
E300	G	Ohakune	OKN	-	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	-	**-**
E300	H	Masterton	MST	21	-	-	159,360	-	-	-	-	95,712	-	0	0	0	294,816	-	-	924,579	-	**1,219,395**
E300	H	Greytown	GYT	2	-	-	7,800	-	-	-	-	6,688	-	0	0	0	14,430	-	-	64,607	-	**79,037**
E300	I	Bunnython	BPE	52	-	-	598,760	10	-	-	-	363,126	-	0	0	0	1,107,707	29,419	-	2,491,042	-	**3,628,168**
E300	I	Linton	LTN	29	-	-	401,790	5	-	-	-	226,809	-	0	0	0	743,312	14,710	-	1,555,910	-	**2,313,931**
E300	J	Mangamai	MGM	2	-	-	9,210	1	-	-	-	6,631	-	0	0	0	17,038	2,942	-	47,542	-	**67,522**
SPECIAL		Asset Based		6	-	-	-	1	-	-	-	-	4,401	11,050	11,050	2,806	-	4,409	-	30,804	540,046	**575,258**
SPECIAL		By Pass		5	-	-	-	1	-	-	-	-	-	1	5,968	3,419	-	2,942	-	-	573,171	**576,113**
SPECIAL		BALANCE		1	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	267,409	**267,409**
SPECIAL		SWIFT		1	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	81,073	**81,073**
SPECIAL		Hau Nui Generation		1	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	104,615	**104,615**
SPECIAL		Tararua Generation		1	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	297,983	**297,983**
SPECIAL		Other Generation		4	-	-	-	-	-	-	-	-	-	0	0	0	-	-	-	-	-	**-**
				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
				166,250	**60,601,488**	**2,697**	**2,946,057**	**53**	**1,162,088,871**	**366,165,438**	**3,831,158**	**2,194,818**	**4,401**	**11,051**	**17,018**	**6,225**	**6,235,140**	**4,309,894**	**81,426,065**	**42,758,040**	**1,864,296**	**136,593,434**

Eastern Network

Distribution Prices 2016 (Prices 1 April 2015 to 31 March 2016)

				Fixed			Variable											Individually Priced		
				Network Asset Charge			Volume Charge										Demand Charge			
Tariff Group	Network Group	Tariff Description		ICP $/Month	ICP cents/day	Installed Capacity $/kVA/Month	Uncontrolled c/kWh	All Inclusive c/kWh	Controlled c/kWh	Night Only c/kWh	Day Rate c/kWh	Summer Day c/kWh	Summer Night c/kWh	Winter Day c/kWh	Winter Night c/kWh	Winter AM Peak c/kWh	Winter PM Peak c/kWh	$/kVAr /Month	ABP ($/AMD, value)	Indirect Fixed ($/ICP)	Indirect Variable ($/OPD)
							24UC	AICO	CTRL	NITE	CTUD	TS/1	TS/2	TW/1/3/5	TW/6	TW/2	TW/4				
Residential+Small Commercial																					
V05C	Valley	Low Usage - Controlle	13		15.0000		7.6800	6.7300	5.3100	5.3600											
V05U	Valley	Low Usage - Uncontrc	14		15.0000		7.6800			5.3600											
V06C	Valley	Residential - Standarc	15		87.2800		5.4800	4.5300	3.1100	2.0700											
V06U	Valley	Residential - Standarc	16		87.2800		5.4800			2.0700											
T05C	Tauranga	Low Usage - Controlle	18		15.0000		6.9400	6.2800	5.0200	4.5100											
T05U	Tauranga	Low Usage - Uncontrc	19		15.0000		6.9400			4.5100											
T06C	Tauranga	Standard Residential	20		68.6400		5.0900	4.4200	3.1700	2.0700	5.0900										
T06U	Tauranga	Standard Residential	21		68.6400		5.0900			2.0700											
Unmetered Supply																					
V01	Valley	Unmetered/Streetlight	24				7.4400														
V02	Valley	Unmetered/Streetlight	25		10.4200																
V03	Valley	Unmetered/Streetlight	26																		
T01	Tauranga	Unmetered/Streetlight	28				7.0400														
T02	Tauranga	Unmetered/Streetlight	29		10.5000																
T03	Tauranga	Unmetered/Streetlight	30																		
Medium/Large Commercial																					
V24	Valley	Commercial three phase 100A part of V25 b		1,106.0000				2.9700										7.0000			
V28	Valley	> 200 Amp up to 299 kVA merged with V27		5,464.0000			2.9200	2.9200	2.9500									7.0000			
V40	Valley	Individual ICP prices																7.0000	112.5897	2,171.0500	8.3179
V60	Valley	Individual ICP prices																7.0000	48.4260	11,642.0000	10.1600
V601	Kinleith	Individual ICP prices																7.0000	0.3034	8,839.92	
T22	Tauranga	Capacity 100 – 199kVA			955.0000		4.6300		2.1400	2.2300								7.0000			
T24	Tauranga	Capacity 200 -299kVA			3,106.0000		4.2800		1.9700									7.0000			
T41	Tauranga	capacity 200 kVA unitised			1,357.0000							2.3700	1.0100	4.1600	1.3400	8.8000	15.1600	7.0000			
T43	Tauranga	capacity 300 kVA - 1,500 kVA unitised (Clo				1.8500						2.3700	1.0100	4.1600	1.3400	8.8000	15.1600	7.0000			
T50	Tauranga	Individual ICP prices																7.0000	89.8124	2,171.0500	8.3179
T60	Tauranga	Individual ICP prices																7.0000	68.1488	11,642.0000	10.1600

Eastern Network

Tariff Group	Network Group	Tariff Description		ICP No.'s (Average)	ICP Days	kVA Installed	kWh Uncontrolled	kWh All Inclusive	kWh Controlled	kWh Nite Only	kWh Summer Day	kWh Summer Night	kWh Winter Day	kWh Winter Night	kWh Winter AM Peak	kWh Winter PM Peak	kVAr Demand pa	Individually Priced: Asset Value / AMD	Individually Priced: AMD	Individually Priced: OPD
				Quantities (1 April 2013 to 31 March 2014)																	
							24UC	AICO	CTRL	NITE	TS/1	TS/2	TW/1/3/5	TW/6	TW/2	TW/4					
Residential+Small Commercial																					
V05C	Valley	Low Usage - Controlle	13	22,207	8,106,695	-	61,179,096	12,974,801	24,126,280	521,235	-	-	-	-	-	-	-	-	-	-	
V05U	Valley	Low Usage - Uncontrc	14	8,075	2,943,720	-	28,012,525	-	-	84,938	-	-	-	-	-	-	-	-	-	-	
V06C	Valley	Residential - Standarc	15	28,542	10,460,265	-	178,929,714	95,682,369	43,160,214	1,554,180	-	-	-	-	-	-	-	-	-	-	
V06U	Valley	Residential - Standarc	16	8,790	3,194,794	-	80,976,611	-	-	116,913	-	-	-	-	-	-	-	-	-	-	
T05C	Tauranga	Low Usage - Controlle	18	11,827	4,391,336	-	31,477,551	11,296,063	12,024,428	2,807,485	-	-	-	-	-	-	-	-	-	-	
T05U	Tauranga	Low Usage - Uncontrc	19	1,641	527,963	-	5,581,227	-	-	7,072	-	-	-	-	-	-	-	-	-	-	
T06C	Tauranga	Standard Residential	20	52,263	19,510,921	-	278,834,712	67,349,228	87,101,184	9,213,875	-	-	-	-	-	-	-	-	-	-	
T06U	Tauranga	Standard Residential	21	9,568	3,073,771	-	78,362,781	-	-	138,284	-	-	-	-	-	-	-	-	-	-	
Unmetered Supply				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V01	Valley	Unmetered/Streetlight	24	124	-	-	725,531	-	-	-	-	-	-	-	-	-	-	-	-	-	
V02	Valley	Unmetered/Streetlight	25	5	4,210,512	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V03	Valley	Unmetered/Streetlight	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
T01	Tauranga	Unmetered/Streetlight	28	170	-	-	2,613,378	-	-	-	-	-	-	-	-	-	-	-	-	-	
T02	Tauranga	Unmetered/Streetlight	29	5	4,480,217	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
T03	Tauranga	Unmetered/Streetlight	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Medium/Large Commercial				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V24	Valley	Commercial three phase 100A part		402	147,732	-	-	55,203,244	-	-	-	-	-	-	-	-	-	-	-	-	
V28	Valley	> 200 Amp up to 299 kVA merged		32	11,251	-	5,667,972	778,214	2,730	-	-	-	-	-	-	1,379	-	-	-	-	
V40	Valley	Individual ICP prices		69	-	-	53,244,246	-	-	-	-	-	-	-	-	22,788	16,553	16,553	6,944	-	
V60	Valley	Individual ICP prices		21	-	-	287,333,073	-	-	-	-	-	-	-	-	41,598	57,832	57,832	25,997	-	
V601	Kinleith	Individual ICP prices		1	-	-	334,811,661	-	-	-	-	-	-	-	-	-	8,562,336	1	54,352	-	
T22	Tauranga	Capacity 100 – 199kVA		292	108,471	-	32,873,934	-	218,331	359,640	-	-	-	-	-	-	-	-	-	-	
T24	Tauranga	Capacity 200 -299kVA		45	16,301	-	5,645,202	-	15,429	-	-	-	-	-	-	873	-	-	-	-	
T41	Tauranga	capacity 200 kVA unitised		89	32,775	-	-	-	-	-	13,546,693	4,164,686	4,311,239	2,228,455	1,498,910	1,180,708	14,836	-	-	-	-	
T43	Tauranga	capacity 300 kVA - 1,500 kVA unit		19		102,400	-	-	-	-	1,905,636	494,738	913,716	410,288	380,740	210,993	4,053	-	-	-	-	
T50	Tauranga	Individual ICP prices		174		-	145,687,477	-	-	-	-	-	-	-	-	-	42,485	49,080	49,080	21,491	-	
T60	Tauranga	Individual ICP prices		21	-	-	100,728,197	-	-	-	-	-	-	-	-	-	24,151	31,234	31,234	15,247	-	
				144,400	**61,216,725**	**102,400**	**1,712,684,889**	**243,283,920**	**166,648,595**	**14,803,622**	**15,452,329**	**4,659,424**	**5,224,955**	**2,638,743**	**1,869,649**	**1,391,701**	**152,262**	**8,717,035**	**154,700**	**124,031**	

Tariff Group	Network Group	Tariff Description		Notional Revenue - Eastern: Fixed (Monthly)	Fixed (Daily)	Variable	Demand	Non-standard	Total
Residential+Small Commercial									
V05C	Valley	Low Usage - Controlle	13	-	1,216,004	6,880,802	-	-	**8,096,807**
V05U	Valley	Low Usage - Uncontrc	14	-	441,558	2,155,915	-	-	**2,597,473**
V06C	Valley	Residential - Standarc	15	-	9,129,720	15,514,214	-	-	**24,643,933**
V06U	Valley	Residential - Standarc	16	-	2,788,416	4,439,938	-	-	**7,228,354**
T05C	Tauranga	Low Usage - Controlle	18	-	658,700	3,624,179	-	-	**4,282,879**
T05U	Tauranga	Low Usage - Uncontrc	19	-	79,194	387,656	-	-	**466,851**
T06C	Tauranga	Standard Residential	20	-	13,392,296	20,121,357	-	-	**33,513,654**
T06U	Tauranga	Standard Residential	21	-	2,109,836	3,991,528	-	-	**6,101,364**
V01	Valley	Unmetered/Streetlight	24	-	-	53,980	-	-	**53,980**
V02	Valley	Unmetered/Streetlight	25	-	438,735	-	-	-	**438,735**
V03	Valley	Unmetered/Streetlight	26						
T01	Tauranga	Unmetered/Streetlight	28	-	-	183,982	-	-	**183,982**
T02	Tauranga	Unmetered/Streetlight	29	-	470,423	-	-	-	**470,423**
T03	Tauranga	Unmetered/Streetlight	30						
V24	Valley	Commercial three phase 100A part		-	1,633,916	1,639,536	-	-	**3,273,452**
V28	Valley	> 200 Amp up to 299 kVA merged		-	614,755	188,309	9,651	-	**812,715**
V40	Valley	Individual ICP prices		-	-	-	159,517	2,071,260	**2,230,777**
V60	Valley	Individual ICP prices		-	-	-	291,187	3,309,181	**3,600,368**
V601	Kinleith	Individual ICP prices		-	-	-	-	2,606,694	**2,606,694**
T22	Tauranga	Capacity 100 – 199kVA		-	1,035,899	1,534,755	-	-	**2,570,653**
T24	Tauranga	Capacity 200 -299kVA		-	506,309	241,919	6,813	-	**755,040**
T41	Tauranga	capacity 200 kVA unitised		-	444,757	882,348	103,952	-	**1,430,957**
T43	Tauranga	capacity 300 kVA - 1,500 kVA unit		189,440	-	159,161	28,368	-	**376,968**
T50	Tauranga	Individual ICP prices		-	-	-	297,392	4,964,518	**5,261,910**
T60	Tauranga	Individual ICP prices		-	-	-	169,056	2,527,952	**2,697,008**
				189,440	**34,960,518**	**61,999,579**	**1,065,836**	**15,479,606**	**113,694,979**
				6,424,580	**39,270,412**	**143,425,644**	**43,823,876**	**17,343,902**	**250,288,413**

9 Appendix B – Portion of Pass-through Prices and Distribution Prices

In the information below, pass-through prices are referred to as the "Transmission component."

POWERCO ELECTRICITY INFORMATION DISCLOSURE

Line charges for areas including Taranaki, Wanganui, Manawatu and the Wairarapa.
Effective from 1 April 2015 pursuant to clause 2.4.19 of the Electricity Distribution Information Disclosure Determination 2012.

Powerco is required under Clause 2.4.19 of the Electricity Distribution Information Disclosure Determination 2012 to disclose the line charges that make up part of your electricity price, together with the number of consumers on each pricing option.

Powerco provides lines business activities to electricity retailers and invoices them for line charges. Retailers then invoice consumers for supply of electricity inclusive of lines charges. Accordingly, Powerco cannot guarantee the line charges specified herein are the line charges that retailers invoice to consumers as retailers may choose to modify charges. All charges exclude GST. Other lines and use of system charges or conditions may also apply. Please refer to the full Powerco Pricing Schedule on Powerco's website. For retail electricity prices please see your retailer.

Powerco is not required to disclose line charges if the number of estimated number of consumers by whom the line charge is paid is less than five.

WESTERN NETWORK

LINE CHARGES FOR LESS THAN 100 KVA CONNECTIONS (E1UC & E1C)

CONSUMERS POINT OF CONNECTION	GXP GROUPING	LINE CHARGES EFFECTIVE: 1 APRIL 2015					ESTIMATED NUMBER OF CONSUMERS	PREVIOUS LINE CHARGES				
		VOLUME CHARGES C/KWH		TOTAL DEMAND CHARGE* $/KW/MONTH	TRANSMISSION COMPONENT** DEMAND CHARGE $/KW/MONTH	ICP FIXED CHARGE C/DAY		VOLUME CHARGES C/KWH		TOTAL DEMAND CHARGE* $/KW/MONTH	TRANSMISSION COMPONENT** DEMAND CHARGE $/KW/MONTH	ICP FIXED CHARGE C/DAY
		DAY	NIGHT					DAY	NIGHT			
Brunswick Wanganui Carrington New Plymouth Stratford Hutirangi Bunnythorpe Linton	A	5.92	1.19	16.56	10.22	Controlled 0.00	115,638	6.03	1.21	16.41	9.95	Controlled 0.00
						Uncontrolled 15.00						Uncontrolled 15.00
Opunake Waverley Marton Matarao Ohakune Masterton Greytown Mangamaire Hawera	B	8.05	1.59	20.91	11.80	Controlled 0.00	51,581	8.11	1.60	20.66	11.48	Controlled 0.00
						Uncontrolled 15.00						Uncontrolled 15.00

LINE CHARGES FOR > 100 KVA CONNECTIONS (E100)

CONSUMERS POINT OF CONNECTION	GXP GROUPING	LINE CHARGES EFFECTIVE: 1 APRIL 2015			ESTIMATED NUMBER OF CONSUMERS	PREVIOUS LINE CHARGES		
		E100 NETWORK ASSETS CHARGES $/ICP/MONTH	E100 TOTAL DEMAND CHARGES* $/KVA/MONTH	TRANSMISSION COMPONENT** DEMAND CHARGE $/KVA/MONTH		E100 NETWORK ASSETS CHARGES $/ICP/MONTH	E100 TOTAL DEMAND CHARGE* $/KVA/MONTH	TRANSMISSION COMPONENT** DEMAND CHARGE $/KVA/MONTH
Carrington New Plymouth Stratford Hutirangi	A	291	15.66	6.25	53	291	15.98	6.35
Hawera	B		25.30	6.61	9		28.85	8.69
Waverley	C		24.94	7.50	0		26.22	7.41
Opunake	D		25.97	11.98	1		25.76	11.44
Brunswick Wanganui	E		15.53	4.94	23		14.56	4.73
Marton	F		17.39	4.28	6		15.81	2.39
Matgroa Ohakune	G		27.15	8.99	4		27.78	7.31
Masterton Greytown	H		22.60	6.60	28		23.69	7.31
Bunnythorpe Linton	I		14.91	4.99	103		15.14	4.99
Mangamaire	J		16.30	5.95	2		18.21	9.49

LINE CHARGES FOR > 300 KVA CONNECTIONS (E300 & E300R)

CONSUMERS POINT OF CONNECTION	GXP GROUPING	LINE CHARGES EFFECTIVE: 1 APRIL 2015			ESTIMATED NUMBER OF CONSUMERS	PREVIOUS LINE CHARGES		
		E300 NETWORK ASSETS CHARGES $/KVA/MONTH	E300 TOTAL DEMAND CHARGE* $/KVA/MONTH	TRANSMISSION COMPONENT** DEMAND CHARGE $/KVA/MONTH		E300 NETWORK ASSETS CHARGES $/KVA/MONTH	E300 TOTAL DEMAND CHARGE* $/KVA/MONTH	TRANSMISSION COMPONENT** DEMAND CHARGE $/KVA/MONTH
Carrington New Plymouth Stratford Hutirangi	A	1.85	10.45	6.25	77	1.85	10.52	6.35
Hawera	B		14.07	6.61	10		14.11	8.69
Waverley	C		21.47	7.50	1		21.35	7.41
Opunake	D		21.55	11.98	2		20.94	11.44
Brunswick Wanganui	E		9.12	4.94	33		7.95	4.73
Marton	F		10.93	4.28	10		9.63	2.39
Matgroa Ohakune	G		21.02	8.99	2		21.27	7.31
Masterton Greytown	H		16.26	6.60	20		16.9	7.31
Bunnythorpe Linton	I		11.85	4.99	80		11.8	4.99
Mangamaire	J		13.12	5.95	2		13.63	9.49

* The Total Demand Charge includes the Transmission component.
** The Transmission component includes recovery of all recoverable costs such as Transpower's connection, interconnection and new investment charges as well as council rates and statutory levies.

LINES CHARGES FOR >= 1,500 KVA CONNECTIONS (SPECIAL)*

CONSUMERS POINT OF CONNECTION	DISTRIBUTION CHARGES EFFECTIVE 1 APRIL 2015			TRANSMISSION CHARGES** EFFECTIVE 1 APRIL 2015		ESTIMATED NUMBER OF CONSUMERS	PREVIOUS DISTRIBUTION CHARGES			PREVIOUS TRANSMISSION CHARGES	
	NETWORK ASSET AND MAINTENANCE CHARGE, BASED ON ANYTIME DEMAND ($/KW)	NETWORK INDIRECT DEMAND CHARGE, BASED ON ON-PEAK DEMAND ($/KW)	NETWORK INDIRECT FIXED CHARGE ($/ANNUM)	ANYTIME DEMAND ($/KW)	ON-PEAK DEMAND ($/KW)		NETWORK ASSET AND MAINTENANCE CHARGE, BASED ON ANYTIME DEMAND ($/KW)	NETWORK INDIRECT DEMAND CHARGE, BASED ON ON-PEAK DEMAND ($/KW)	NETWORK INDIRECT FIXED CHARGE ($/ANNUM)	ANYTIME DEMAND ($/KW)	ON-PEAK DEMAND ($/KW)
Brunswick	38.24	10.16	11,642	21.83	110.35	12	52.34	5.27	10,861	21.42	114.47
Hawera				18.57						51.88	
Hutirangi				12.71						58.32	
Linton				14.76						29.30	
Mangamaire				41.14						41.78	
New Plymouth				18.97						36.57	
Stratford				13.11						31.71	
Wanganui				11.19						11.96	

* Charges for consumers in the SPECIAL price category are determined on an individual basis and as such the charges shown here are based on average charges across all consumers in these groups. These consumers are charged both Distribution and Transmission charges as detailed above.
** The transmission component includes recovery of all recoverable costs such as Transpower's connection, interconnection and new investment charges as well as council rates and statutory levies.

Powerco is New Zealand's second largest electricity and gas distribution utility with around 420,000 consumers connected to its networks. Powerco's electricity networks are in Western Bay of Plenty, Thames, Coromandel, Eastern and Southern Waikato, Taranaki, Wanganui, Manawatu and the Wairarapa. Its gas pipeline networks are in Taranaki, Hutt Valley, Porirua, Wellington, Horowhenua, Manawatu and Hawke's Bay.

To view online please go to www.powerco.co.nz

POWERCO ELECTRICITY INFORMATION DISCLOSURE

Line charges for areas including Coromandel, Bay of Plenty, Tauranga, Thames and South Waikato.
Effective from 1 April 2015 pursuant to clause 2.4.19 of the Electricity Distribution Information Disclosure Determination 2012.

DISCLOSURE OF POWERCO'S NEW LINE CHARGES EFFECTIVE 1 APRIL 2015
Other lines and use of system charges or conditions may also apply. Please refer to the full Powerco Pricing Schedule on Powerco's website. Total line charges are quoted including their transmission component unless otherwise stated. All charges exclude GST. Powerco is not required to disclose the line charges if the number or estimated number of consumers by whom the lines charge is to be paid is less than five.

VALLEY NETWORK – Points of Supply: Hinuera, Kinleith, Kopu, Piako, Waihou, Waikino

CONSUMER GROUP	LINE CHARGES* EFFECTIVE 1 APRIL 2015						TRANSMISSION COMPONENT**					
	FIXED RATE (C/DAY)	24 HOUR SUPPLY (C/KWH)	SINGLE CONTROLLABLE SUPPLY (C/KWH)	CONTROLLED (C/KWH)	NIGHT SUPPLY ONLY (C/KWH)	ESTIMATED NUMBER OF CONSUMERS	FIXED RATE (C/DAY)	24 HOUR SUPPLY (C/KWH)	SINGLE CONTROLLABLE SUPPLY (C/KWH)	CONTROLLED (C/KWH)	NIGHT SUPPLY ONLY (C/KWH)	
Residential – Low Fixed Charge Tariff Option (V05)	15.00	11.87	10.59	8.39	5.36	30,858	0.00	4.19	3.86	3.08	0.00	
Residential – Standard Tariff Option (V06)	87.28	8.58	7.30	5.10	2.07	26,242	0.00	3.10	2.77	1.99	0.00	
Unmetered Supply – other than Streetlighting (V01)		11.65				135		4.21				
Unmetered Streetlighting (V02)	16.32					5	5.90					
Commercial 1, 2 & 3 phase up to and including 60 amp (V06)	87.28	8.58	7.30	5.10	2.07	11,247	0.00	3.10	2.77	1.99	0.00	
Commercial three phase 61 – 250 amp (V24)	1,106	5.45	5.45			420	0.00	2.48	2.48			
Commercial > 250 Amp up to and including 299 kVA (V28)	5,464	5.25	5.25	4.61		31	0.00	2.33	2.33	1.66		
	PREVIOUS LINE CHARGES						PREVIOUS TRANSMISSION COMPONENT					
Residential – Low Fixed Charge Tariff Option (V05)	15.00	11.91	10.94	8.68	5.33	30,338	0.00	4.50	4.14	3.31	0.00	
Residential – Standard Tariff Option (V06)	87.28	8.62	7.65	5.39	2.04	26,198	0.00	3.33	2.97	2.14	0.00	
Unmetered Supply – other than Streetlighting (V01)		11.85				129		4.53				
Unmetered Streetlighting (V02)	16.59					5	6.34					
Commercial 1, 2 & 3 phase up to and including 60 amp (V06)	87.28	8.62	7.65	5.39	2.04	11,228	0.00	3.33	2.97	2.14	0.00	
Commercial three phase 61 – 250 amp (V24)	1,727	4.35	4.35			409	0.00	1.43	1.43			
Commercial > 250 Amp up to and including 299 kVA (V28)	8,323	4.21	4.21	3.86		31	0.00	1.34	1.34	0.96		

* Lines Charges include the Transmission charges shown in the "Transmission Component" table. ** Transmission charges include all recoverable costs such as Transmission costs, council rates and statutory levies.

LINE CHARGES – GROUP 40 CONSUMERS*	DISTRIBUTION CHARGES EFFECTIVE 1 APRIL 2015			TRANSMISSION CHARGES EFFECTIVE 1 APRIL 2015			PREVIOUS DISTRIBUTION CHARGES			PREVIOUS TRANSMISSION CHARGES	
CONSUMER'S POINT OF CONNECTION	NETWORK ASSET AND MAINTENANCE CHARGE, BASED ON ANYTIME DEMAND ($/KW)	NETWORK INDIRECT DEMAND CHARGE, BASED ON ON-PEAK DEMAND ($/KW)	NETWORK INDIRECT FIXED CHARGE ($/ANNUM)	ANYTIME DEMAND ($/KW)	ON-PEAK DEMAND ($/KW)	ESTIMATED NUMBER OF CONSUMERS	NETWORK ASSET AND MAINTENANCE CHARGE, BASED ON ANYTIME DEMAND ($/KW)	NETWORK INDIRECT DEMAND CHARGE, BASED ON ON-PEAK DEMAND ($/KW)	NETWORK INDIRECT FIXED CHARGE ($/ANNUM)	ANYTIME DEMAND ($/KW)	ON-PEAK DEMAND ($/KW)
Hinuera GXP	112.58	8.32	2,171	26.50	110.35	72	98.72	8.54	2,230	22.60	114.47
Kinleith GXP				14.90						15.90	
Kopu GXP				57.38						55.10	
Piako GXP				36.98						34.52	
Waihou GXP				36.98						34.52	
Waikino GXP				37.67						37.95	
LINE CHARGES – GROUP 60 CONSUMERS*											
Hinuera GXP	48.43	10.16	11,642	26.50	110.35	22	56.77	10.65	11,956	22.60	114.47
Kopu GXP				57.38						55.10	
Piako GXP				36.98						34.52	
Waihou GXP				36.98						34.52	
Waikino GXP				37.67						37.95	

* Charges for the Group 40 and 60 consumers are determined on an individual basis and as such the charges shown here are based on average charges across all consumers in these groups. Group 40 and 60 consumers are charged both Distribution and Transmission charges as detailed above. In addition to these charges.

TAURANGA NETWORK – Points of Supply: Kaitimako, Mt Maunganui, Tauranga, Te Matai

CONSUMER GROUP	LINE CHARGES* EFFECTIVE 1 APRIL 2015						TRANSMISSION COMPONENT**					
	FIXED RATE (C/DAY)	24 HOUR SUPPLY (C/KWH)	SINGLE CONTROLLABLE SUPPLY (C/KWH)	CONTROLLED (C/KWH)	NIGHT SUPPLY ONLY (C/KWH)	ESTIMATED NUMBER OF CONSUMERS	FIXED RATE (C/DAY)	24 HOUR SUPPLY (C/KWH)	SINGLE CONTROLLABLE SUPPLY (C/KWH)	CONTROLLED (C/KWH)	NIGHT SUPPLY ONLY (C/KWH)	
Residential – Low Fixed Charge Tariff Option (T05)	15.00	11.05	9.78	7.14	4.51	14,433	0.00	4.11	3.50	2.12	0.00	
Residential – Standard Tariff Option (T06)	68.64	8.61	7.34	4.70	2.07	53,607	0.00	3.52	2.92	1.53	0.00	
Unmetered Supply other than Streetlighting (T01)		11.25				177		4.21				
Unmetered Streetlighting (T02)	16.78					5	6.28					
Commercial 1, 2 & 3 phase up to and including 60 amp (T06)	68.64	8.61	7.34	4.70	2.07	8,727	0.00	3.52	2.92	1.53	0.00	
Commercial three phase 61 – 250 amp (T22)	955	7.03	7.03	3.24	2.23	478	0.00	2.60	2.60	1.10	0.00	
Commercial 200 – 299 kVA (T24)	3,106	6.50	6.50	2.99		47	0.00	2.22	2.22	1.02		
	PREVIOUS LINE CHARGES						PREVIOUS TRANSMISSION COMPONENT					
Residential – Low Fixed Charge Tariff Option (T05)	15.00	10.65	9.30	6.16	3.83	13,535	0.00	3.74	3.19	1.93	0.00	
Residential – Standard Tariff Option (T06)	57.66	8.71	7.36	4.22	1.89	53,293	0.00	3.21	2.66	1.40	0.00	
Unmetered Supply other than Streetlighting (T01)		10.76				169		3.84				
Unmetered Streetlighting (T02)	16.04					5	5.72					
Commercial 1, 2 & 3 phase up to and including 60 amp (T06)	57.66	8.71	7.36	4.22	1.89	8,676	0.00	3.21	2.66	1.40	0.00	
Commercial three phase 61 – 250 amp (T22)	939	7.07	7.07	3.26	2.19	312	0.00	2.52	2.52	1.16	0.00	
Commercial 200 – 299 kVA (T24)	3,054	6.54	6.54	3.01		44	0.00	2.33	2.33	1.07		

CONSUMER GROUP	LINE CHARGES* EFFECTIVE 1 APRIL 2015								TRANSMISSION COMPONENT**							
	FIXED RATE	SUMMER DAY 0700-2300 (C/KWH)	SUMMER NIGHT 2300-0700 (C/KWH)	WINTER DAY 0700-2300 EXCL PEAK TIMES (C/KWH)	WINTER MORNING PEAK 0600-1100 (C/KWH)	WINTER EVENING PEAK 1700-2000 (C/KWH)	WINTER NIGHT 2300-0700 (C/KWH)	ESTIMATED NUMBER OF CONSUMERS	FIXED RATE	SUMMER DAY 0700-2300 (C/KWH)	SUMMER NIGHT 2300-0700 (C/KWH)	WINTER DAY 0700-2300 EXCL PEAK TIMES (C/KWH)	WINTER MORNING PEAK 0600-1100 (C/KWH)	WINTER EVENING PEAK 1700-2000 (C/KWH)	WINTER NIGHT 2300-0700 (C/KWH)	
Commercial 200 – 299 kVA (T41)	$13.57/day	3.60	1.01	6.32	13.35	23.01	1.34	90	0.00	1.23	0.00	2.16	4.55	7.85	0.00	
Commercial 300 – 1,499 kVA (T43)	$1.85/kVA/month	3.60	1.01	6.32	13.35	23.01	1.34	18	0.00	1.23	0.00	2.16	4.55	7.85	0.00	
	PREVIOUS LINE CHARGES								PREVIOUS TRANSMISSION COMPONENT							
Commercial 200 – 299 kVA (T41)	$13.34/day	3.63	0.99	6.36	13.44	23.17	1.32	91	0.00	1.30	0.00	2.27	4.79	8.26	0.30	
Commercial 300 –1,499 kVA (T43)	$1.67/kVA/month	3.63	0.99	6.36	13.44	23.17	1.32	30	0.00	1.30	0.00	2.27	4.79	8.26	0.30	

* Lines Charges include the Transmission charges shown in the "Transmission Component" table. ** Transmission charges include all recoverable costs such as Transmission costs, council rates and statutory levies.

LINES CHARGES – GROUP 50 CONSUMERS*	DISTRIBUTION CHARGES EFFECTIVE 1 APRIL 2015			TRANSMISSION CHARGES EFFECTIVE 1 APRIL 2015			PREVIOUS DISTRIBUTION CHARGES			PREVIOUS TRANSMISSION CHARGES	
CONSUMER'S POINT OF CONNECTION	NETWORK ASSET AND MAINTENANCE CHARGE, BASED ON ANYTIME DEMAND ($/KW)	NETWORK INDIRECT DEMAND CHARGE, BASED ON ON-PEAK DEMAND ($/KW)	NETWORK INDIRECT FIXED CHARGE ($/ANNUM)	ANYTIME DEMAND ($/KW)	ON-PEAK DEMAND ($/KW)	ESTIMATED NUMBER OF CONSUMERS	NETWORK ASSET AND MAINTENANCE CHARGE, BASED ON ANYTIME DEMAND ($/KW)	NETWORK INDIRECT DEMAND CHARGE, BASED ON ON-PEAK DEMAND ($/KW)	NETWORK INDIRECT FIXED CHARGE ($/ANNUM)	ANYTIME DEMAND ($/KW)	ON-PEAK DEMAND ($/KW)
Kaitimako GXP	89.12	8.32	2,171	26.91	110.35	167	73.82	8.54	2,230	30.02	114.47
Mt Maunganui GXP				19.57						20.47	
Tauranga GXP				22.20						64.51	
Te Matai GXP				25.88						25.76	
LINES CHARGES – GROUP 60 CONSUMERS*											
Mt Maunganui GXP	68.15	10.16	11,642	19.57	110.35	21	72.3	10.65	11,956	20.47	114.47
Tauranga GXP				22.20						64.51	
Te Matai GXP				25.88						25.76	

* Charges for the Group 50 and 60 consumers are determined on an individual basis and as such the charges shown here are based on average charges across all consumers in these groups. Group 50 and 60 consumers are charged both Distribution and Transmission charges as detailed above. In addition to these charges.

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10 Appendix C – Pass-through Prices and Quantities

Western Network

Pass Through Prices 2016 (Period 1 April 2015 to 31 March 2016)

Tariff Group	GXP Group	GXP			Variable – Demand Charge $/kW /Month	Variable – Demand Charge $/kVA /Month	Variable – Demand Charge $/kVAr /Month	Individually Priced – ABP ($/AMD value)	Individually Priced – Indirect Fixed ($/ICP)	Individually Priced – Indirect Variable ($/OPD)	Individually Priced – Connection charge ($/AMD)	Individually Priced – Interconnection charge ($/OPD)
Residential+Small Commercial												
E1C	A	Brunswick	BRK	14	10.2200							
E1UC	A	Brunswick	BRK	15	10.2200							
E1C	A	Bunnythorpe	BPE	16	10.2200							
E1UC	A	Bunnythorpe	BPE	17	10.2200							
E1C	A	Carrington	CST	18	10.2200							
E1UC	A	Carrington	CST	19	10.2200							
E1C	A	Huirangi	HUI	20	10.2200							
E1UC	A	Huirangi	HUI	21	10.2200							
E1C	A	Linton	LTN	22	10.2200							
E1UC	A	Linton	LTN	23	10.2200							
E1C	A	Moturoa / Ne	NPL	24	10.2200							
E1UC	A	Moturoa / Ne	NPL	25	10.2200							
E1C	A	Stratford	SFD	26	10.2200							
E1UC	A	Stratford	SFD	27	10.2200							
E1C	A	Wanganui	WGN	28	10.2200							
E1UC	A	Wanganui	WGN	29	10.2200							
E1C	B	Greytown	GYT	31	11.8000							
E1UC	B	Greytown	GYT	32	11.8000							
E1C	B	Hawera	HWA	33	11.8000							
E1UC	B	Hawera	HWA	34	11.8000							
E1C	B	Mangamaire	MGM	35	11.8000							
E1UC	B	Mangamaire	MGM	36	11.8000							
E1C	B	Marton	MTN	37	11.8000							
E1UC	B	Marton	MTN	38	11.8000							
E1C	B	Masterton	MST	39	11.8000							
E1UC	B	Masterton	MST	40	11.8000							
E1C	B	Mataroa	MTR	41	11.8000							
E1UC	B	Mataroa	MTR	42	11.8000							
E1C	B	Ohakune	OKN	43	11.8000							
E1UC	B	Ohakune	OKN	44	11.8000							
E1C	B	Opunake	OPK	45	11.8000							
E1UC	B	Opunake	OPK	46	11.8000							
E1C	B	Waverley	WVY	47	11.8000							
E1UC	B	Waverley	WVY	48	11.8000							
Medium/Large Commercial												
E100	A	Carrington	CST	51		6.2500						
E100	A	Huirangi	HUI	52		6.2500						
E100	A	Moturoa / Ne	NPL	53		6.2500						
E100	A	Stratford	SFD	54		6.2500						
E100	B	Hawera	HWA	55		6.6100						
E100	C	Waverley	WVY	56		7.5000						
E100	D	Opunake	OPK	57		11.9800						
E100	E	Brunswick	BRK	58		4.9400						
E100	E	Wanganui	WGN	59		4.9400						
E100	F	Marton	MTN	60		4.2800						
E100	G	Mataroa	MTR	61		8.9900						
E100	G	Ohakune	OKN	62		8.9900						
E100	H	Masterton	MST	63		6.6000						
E100	H	Greytown	GYT	64		6.6000						
E100	I	Bunnythorpe	BPE	65		4.9900						
E100	I	Linton	LTN	66		4.9900						
E100	J	Mangamaire	MGM	67		5.9500						
E300	A	Carrington	CST	69		6.2500						
E300	A	Huirangi	HUI	70		6.2500						
E300	A	Moturoa / Ne	NPL	71		6.2500						
E300	A	Stratford	SFD	72		6.2500						
E300	B	Hawera	HWA	73		6.6100						
E300	C	Waverley	WVY	74		7.5000						
E300	D	Opunake	OPK	75		11.9800						
E300	E	Brunswick	BRK	76		4.9400						
E300	E	Wanganui	WGN	77		4.9400						
E300	F	Marton	MTN	78		4.2800						
E300	G	Mataroa	MTR	79		8.9900						
E300	G	Ohakune	OKN	80		8.9900						
E300	H	Masterton	MST	81		6.6000						
E300	H	Greytown	GYT	82		6.6000						
E300	I	Bunnythorpe	BPE	83		4.9900						
E300	I	Linton	LTN	84		4.9900						
E300	J	Mangamaire	MGM	85		5.9500						
SPECIAL		Asset Based									19.2884	113.3702
SPECIAL		By Pass									24.3353	110.3500
SPECIAL		BALANCE							562.395			
SPECIAL		SWIFT			6.6100							
SPECIAL		Hau Nui Generation										
SPECIAL		Tararua Generation										
SPECIAL		Other Generation										

Actual Quantities (1 April 2015 to 31 March 2016)

ICP Days	kW Demand pa	kVA Demand pa	$/kVAr /Month
2,369,604	151,258		
1,988,933	125,682		
6,267,622	395,410		
5,858,759	369,616		
3,299,489	193,515		
4,229,744	248,074		
1,341,238	91,657		
1,163,852	79,534		
2,967,633	196,338		
3,024,397	200,093		
1,589,564	80,554		
1,568,807	79,502		
1,614,255	151,866		
1,385,169	130,314		
1,899,837	141,490		
1,650,049	122,887		
1,312,120	78,895		
1,105,093	66,447		
1,295,061	78,131		
2,036,251	122,847		
818,594	46,691		
741,239	42,279		
1,424,278	84,494		
768,396	45,584		
3,882,707	209,177		
2,375,141	127,959		
627,557	32,667		
384,877	20,035		
227,592	11,712		
204,780	10,538		
473,049	46,406		
635,016	62,295		
488,239	36,721		
		57,293	
		16,865	
		5,591	
		14,917	
		14,828	
		0	
		2,199	
		18,051	
		14,988	
		12,086	
		8,847	
		0	
		41,705	
		7,033	
		115,368	
		61,413	
		4,236	
		142,393	
		258,316	
		69,107	
		120,078	
		111,073	
		16,117	
		25,276	
		73,247	
		141,031	
		75,231	
		18,801	
		0	
		96,134	
		7,186	
		371,681	
		199,787	
		9,830	
60,998,942	3,880,669	2,130,707	-

Actual Pass-Through Revenue - Western

Demand	Non-standard	Total
1,545,854	-	1,545,854
1,284,469	-	1,284,469
4,041,091	-	4,041,091
3,777,473	-	3,777,473
1,977,724	-	1,977,724
2,535,321	-	2,535,321
936,730	-	936,730
812,842	-	812,842
2,006,569	-	2,006,569
2,044,950	-	2,044,950
823,264	-	823,264
812,514	-	812,514
1,552,068	-	1,552,068
1,331,807	-	1,331,807
1,446,027	-	1,446,027
1,255,905	-	1,255,905
930,960	-	930,960
784,073	-	784,073
921,945	-	921,945
1,449,593	-	1,449,593
550,956	-	550,956
498,892	-	498,892
997,031	-	997,031
537,897	-	537,897
2,468,292	-	2,468,292
1,509,911	-	1,509,911
385,473	-	385,473
236,408	-	236,408
138,204	-	138,204
124,352	-	124,352
547,594	-	547,594
735,085	-	735,085
-	-	-
433,304	-	433,304
-	-	-
358,079	-	358,079
105,403	-	105,403
34,945	-	34,945
93,231	-	93,231
98,014	-	98,014
-	-	-
26,343	-	26,343
89,173	-	89,173
74,041	-	74,041
51,727	-	51,727
79,532	-	79,532
-	-	-
275,252	-	275,252
46,420	-	46,420
575,688	-	575,688
306,449	-	306,449
25,206	-	25,206
889,955	-	889,955
1,614,473	-	1,614,473
431,917	-	431,917
750,490	-	750,490
734,192	-	734,192
120,876	-	120,876
302,804	-	302,804
361,838	-	361,838
696,693	-	696,693
321,990	-	321,990
169,019	-	169,019
-	-	-
534,487	-	534,487
47,427	-	47,427
1,854,688	-	1,854,688
996,939	-	996,939
58,490	-	58,490
	2,026,785	2,026,785
	542,642	542,642
	562,395	562,395
	25,679	25,679
	2,502	2,502
	64,939	64,939
	-	-
		-
53,660,362	3,224,941	56,885,303

Eastern Network

Pass Through Prices 2016 (Prices 1 April 2015 to 31 March 2016)

			Fixed		Variable											Individually Priced	
			Network Asset Charge		Volume Charge												
			ICP $/Month	ICP cents/day	Uncontrolled c/kWh	All Inclusive c/kWh	Controlled c/kWh	Day Rate c/kWh	Summer Day c/kWh	Summer Night c/kWh	Winter Day c/kWh	Winter Night c/kWh	Winter AM Peak c/kWh	Winter PM Peak c/kWh	Connection charge ($/AMD)	Interconnection charge ($/OPD)
Tariff Group	Network Group	Tariff Description			24UC	AICO	CTRL	CTUD	TS/1	TS/2	TW/1/3/5	TW/6	TW/2	TW/4		
Residential+Small Commercial																
V05C	Valley	Low Usage - Controlled			4.1900	3.8600	3.0800									
V05U	Valley	Low Usage - Uncontrolle			4.1900											
V06C	Valley	Residential - Standard C			3.1000	2.7700	1.9900									
V06U	Valley	Residential - Standard U			3.1000											
T05C	Tauranga	Low Usage - Controlled			4.1100	3.5000	2.1200									
T05U	Tauranga	Low Usage - Uncontrolle			4.1100											
T06C	Tauranga	Standard Residential & C			3.5200	2.9200	1.5300	3.5200								
T06U	Tauranga	Standard Residential & C			3.5200											
Unmetered Supply																
V01	Valley	Unmetered/Streetlighting			4.2100											
V02	Valley	Unmetered/Streetlighting		5.9000												
V03	Valley	Unmetered/Streetlighting														
T01	Tauranga	Unmetered/Streetlighting			4.2100											
T02	Tauranga	Unmetered/Streetlighting		6.2800												
T03	Tauranga	Unmetered/Streetlighting														
Medium/Large Commercial																
V24	Valley	Commercial three phase 100A part				2.4800										
V28	Valley	> 200 Amp up to 299 kVA merged			2.3300	2.3300	1.6600									
V40	Valley	Individual ICP prices													39.0411	115.4692
V60	Valley	Individual ICP prices													37.3702	113.1418
V601	Kinleith	Individual ICP prices													1,132.982	110.35
T22	Tauranga	Capacity 100 – 199kVA			2.4000		1.1000									
T24	Tauranga	Capacity 200 -299kVA			2.2200		1.0200									
T41	Tauranga	capacity 200 kVA unitised							1.2300	0.00	2.1600	0.00	4.5500	7.8500		
T43	Tauranga	capacity 300 kVA - 1,500 kVA unitis							1.2300		2.1600		4.5500	7.8500		
T50	Tauranga	Individual ICP prices													22.8414	115.5521
T60	Tauranga	Individual ICP prices													23.5017	114.1768

Actual Quantities (1 April 2015 to 31 March 2016)

ICP Days	kWh Uncontrolled	kWh All Inclusive	kWh Controlled	kWh Nite Only	kWh Summer Day	kWh Summer Night	kWh Winter Day	kWh Winter Night	kWh Winter AM Peak	kWh Winter PM Peak	Individually Priced		
											Asset Value / AMD	AMD	OPD
	24UC	AICO	CTRL	NITE	TS/1	TS/2	TW/1/3/5	TW/6	TW/2	TW/4			
	78,327,482	8,265,561	33,019,787	572,786							-	-	-
	33,222,843	-	-	167,662							-	-	-
	146,622,291	50,833,956	41,889,423	1,671,943							-	-	-
	155,365,926	-	-	607,089							-	-	-
	34,306,846	17,358,737	19,391,861	412,651							-	-	-
	23,279,550	-	-	3,156,853							-	-	-
	177,291,101	62,907,895	81,701,301	1,239,502							-	-	-
	174,794,985	-	-	8,071,150							-	-	-
											-	-	-
	658,984	-	-	-							-	-	-
4,258,798	-	-	-	-							-	-	-
	-	-	-	-							-	-	-
	2,414,790	-	-	-							-	-	-
4,679,019	-	-	-	-							-	-	-
											-	-	-
											-	-	-
	11,918,348	46,632,927	-	-							-	-	-
	7,713,017	229,020	-	-							-	-	-
	52,107,716	-	-	-							16,891	16,891	6,897
	288,719,990	-	-	-							63,249	63,249	29,312
											-	1	34,584
	45,859,268	-	334,052	356,863							-	-	-
	6,114,890	-	-	-							-	-	-
	-	-	-	-	13,908,213	4,447,440	4,827,095	2,535,020	1,657,719	1,324,443	-	-	-
	-	-	-	-	2,341,605	648,927	1,163,195	556,868	474,147	267,951	-	-	-
	178,755,159	-	-	-							45,320	45,320	20,411
	113,387,245	-	-	-							31,360	31,360	14,226
8,937,817	**1,530,860,430**	**186,228,096**	**176,336,424**	**16,256,499**	**16,249,817**	**5,096,367**	**5,990,290**	**3,091,888**	**2,131,867**	**1,592,394**	**156,820**	**156,821**	**105,430**

Actual Pass-through Revenue - Eastern

Fixed (Daily)	Variable	Non-standard	Total
-	4,617,982	-	**4,617,982**
-	1,392,037	-	**1,392,037**
-	6,786,991	-	**6,786,991**
-	4,816,344	-	**4,816,344**
-	2,428,675	-	**2,428,675**
-	956,790	-	**956,790**
-	9,327,587	-	**9,327,587**
-	6,152,783	-	**6,152,783**
-	27,743	-	**27,743**
251,269	-	-	**251,269**
-	101,663	-	**101,663**
293,842	-	-	**293,842**
-	1,156,497	-	**1,156,497**
-	185,049	-	**185,049**
-	-	1,429,625	**1,429,625**
-	-	5,693,249	**5,693,249**
-	-	4,949,326	**4,949,326**
-	1,104,297	-	**1,104,297**
-	135,751	-	**135,751**
-	454,731	-	**454,731**
-	96,535	-	**96,535**
-	-	3,832,588	**3,832,588**
-	-	2,399,451	**2,399,451**
545,111	**39,741,454**	**18,304,239**	**58,590,805**
			115,476,108

11 Appendix D – Transpower New Investment Contracts

The Determination require Powerco provide evidence of the amount of charge relating to any investment contract entered into in the Assessment Period consistent with clause 3.1.3(c) of the IM Determination.

Powerco has 15 New Investment Contracts in the 2016 Assessment Period as detailed in table 13 below. Only the customer investment contracts charge for the Bunnythorpe indoor conversion was entered into in this Assessment Period. All other contracts noted have been rolled forward in accordance with the terms in each contract. Following the table is an extract from the Pricing Updates Notice provided by Transpower updating the new investment charges for this period and including the charge for the new contract relating to the Bunnythorpe indoor conversion.

Table 13: New Investment Contracts

Contract	2016 Assessment Period ($000)	New or existing contract this period
Carrington St Substation supply upgrade	605	Existing
Transpower RTU connection	18	Existing
Carrington St GXP NERs	45	Existing
Mt Maunganui 110 kV Transformer upgrade	958	Existing
Neutral Earthing Resistor Project	15	Existing
Tauranga 33 kV Indoor conversion	693	Existing
Te Matai 110/33 kV transformer	260	Existing
Upgrade of supply capacity	206	Existing
Kaitimako GXP	405	Existing
Kopu 66kV distance feeder protection	45	Existing
Masterton 33kV feeder panels indoor protection	111	Existing
Piako grid connection	1,251	Existing
Tauranga T4 Supply Transformer	527	Existing
Masterton 110kV supply transformer upgrade	542	Existing
Bunnythorpe indoor conversion-3 additional feeders	80	New
Total New Investment Contracts	**5,761**	

Appendix 4: Schedule of updates to your new investment charges

This appendix sets out updates to your charges under the Customer Investment Contracts (CIC) and New Investment Contracts (NIC) you hold with Transpower. The updated charges are effective from 1 April 2015.

As per your contract, we have updated CIC charges based on the Commerce Commission's determination of the WACC rate to apply during Transpower's new Regulatory Control Period (RCP2, from 1 April 2015 to 31 March 2020). With effect from 1 April 2015, the pre-tax WACC rate applied to CIC charges will be 8.94%[1]. This is a decrease of 1.05 percentage points from the pre-tax WACC rate applied during Regulatory Control Period 1 (1 April 2011 to 31 March 2015).

The total effect on your monthly charges under each of your CICs with Transpower is set out below.

New Investment Charge for Carrington Street Additional 33 kV Feeder
- Change from $12,682.00 to $12,165.58 per month

New Investment Charge for Kopu 66 kV Distance Feeder Protection
- Change from $3,930.00 to $3,731.41 per month

New Investment Charge for Masterton 33 kV Feeder Panels Indoor Conversion
- Change from $9,483.00 to $9,269.58 per month

New Investment Charge for Tauranga 33 kV Indoor Conversion
- Change from $62,331.00 to $57,734.67 per month

As per your contract, we have updated CIC charges from provisional to final using the final project costs that have been closed out for the following CICs (and applying the RCP2 pre-tax WACC rate). These final charges are effective from 1 April 2015 and will be subject to the adjustments outlined in Schedule 3 of the CIC.

Masterton 110kV Supply Transformer Upgrade
- Project budget cost[2]: $7,771,031
- Final project cost: $5,727,074
- Change from $72,603.00 to $45,190 per month[3]

Piako Grid Connection
- Project budget cost: $9,535,934
- Final project cost: $10,669,816
- Change from $108,292.00 to $104,246 per month [4]

As per your contract, we have updated NIC charges based on our annual review of the applicable risk-free rate. With effect from 1 April 2015, the risk-free rate applied to NIC charges will be 4.03%[5]. The revised risk-free rate means that the pre-tax finance rate (equal to the risk-free rate plus the margin of 2.5%) will be 6.53%. This is a decrease of 0.65 percentage points from the year to 1 April 2015.

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[1] Equal to the post-tax WACC rate (6.44%) divided by 1 minus the company tax rate (28%).
[2] As set out in Schedule 2 of the CIC and used to calculate the provisional charges.
[3] The charges include DSD costs
[4] The charges include DSD costs
[5] Based on the average rate for Government 10 year bonds over the 20 business days up to and including 31 October 2014 and the 20 business days after 31 October

The total effect on your monthly charges under each of your NICs with Transpower is set out below.

New Investment Charge for Carrington St Substation Supply Upgrade
- Change from $39,610.96 to $38,286.73 per month

New Investment Charge for Carrington Street GXP NERs
- Change from $6,426.31 to $6,412.55 per month

NIC Kaitimako GXP
- Change from $35,409.10 to $33,719.34 per month

New Investment Charge for Neutral Earth Resistor Project at Linton
- Change from $1,302.19 to $1,281.13 per month

New Investment Charge for Mt Maunganui 110kV Transformer Upgrade
- Change from $82,172.86 to $79,829.51 per month

New Investment Charge for Tauranga 110/33 kV Supply Transformer (T4)
- Change from $ $45,244.16 to $43,935.60 per month

New Investment Charge for Upgrade of Supply Capacity at Tauranga
- Change from $17,739.98 to $17,187.83 per month

New Investment Charge for Te Matai 110/33 kV Transformer
- Change from $22,773.83 to $21,689.33 per month

The revised charges will appear in your April invoice, sent in May. Please note the charges above are excluding GST.

This notice is in accordance with Schedule 3 of your Customer Investment Contract and Schedule 4 of your New Investment Contract.

Should you require more information on how these charges are built up, please contact your relationship manager.

Appendix 5: Schedule of new provisional new investment charges

This appendix sets out new provisional charges under the Customer Investment Contracts (CIC) you hold with Transpower. These new charges will commence from 1 April 2015, and reflect the commissioning of assets in 2014.

As per your contract, we have calculated CIC charges based on the Commerce Commission's determination of the WACC rate to apply during Transpower's new Regulatory Control Period (RCP2, from 1 April 2015 to 31 March 2020). With effect from 1 April 2015, the pre-tax WACC rate applied to CIC charges will be 8.94%[1]. This is a decrease of 1.05 percentage points from the pre-tax WACC rate applied during Regulatory Control Period 1 (1 April 2011 to 31 March 2015).

The new provisional charges that apply are as follows. Please note that provisional charges are based on the project budget contained in Schedule 2 of each CIC, and will be subject to the adjustments outlined in Schedule 3 of the CIC.

Bunnythorpe Indoor Conversion Three Additional Feeders

- Commissioning date: 16 June 2014
- Project budget: $590,486
- $6,641 per month

The new provisional charges will appear in your April invoice, sent in May. Please note the charges above are excluding GST.

This notice is in accordance with Schedule 3 of your Customer Investment Contract.

Should you require more information on how these charges are built up, please contact your relationship manager.

[1] Equal to the post-tax WACC rate (6.44%) divided by 1 minus the company tax rate (28%).

12 Appendix E – Reliability limits and boundary values, caps, collars and targets

The reliability limits and unplanned boundary values for SAIDI and SAIFI listed below are from Schedule 4a of the Determination. The target, collar and cap for SAIDI and SAIFI listed below are from Schedule 5b of the Determination.

Table 14 Powerco's Reliability limits, boundary values, target, collar and cap

	Limit	Unplanned Boundary Value	Target	Collar	Cap
SAIDI	210.629	11.214	188.8628	167.0966	210.6290
SAIFI	2.520	0.064	2.3406	2.1615	2.5197

There have been no recalculations of the SAIDI and SAIFI limits, unplanned boundary values, targets, caps or collars in this assessment period.

13 Appendix F – Reliability in the 2016 Assessment Period

This section provides detail on Powerco's reliability in the 2016 Assessment Period and comments on the cause of the Major Event Day in this period.

Powerco's SAIDI and SAIFI result is below the corresponding limits in this Assessment Period. This reflects a relatively low incidence of storm weather across the Powerco network in this Assessment Period.

As signalled in Powerco's 2016 Asset Management Plan[9], while our headline reliability performance, (as measured by SAIDI and SAIFI) is relatively stable, underlying reliability performance at specific locations across our networks is deteriorating due to a combination of declining asset condition and reducing security headroom. This is one of the drivers for our increasing investment in asset renewal and security upgrades described in the Asset Management Plan.

Relatively benign weather during the year contributed to a lower unplanned SAIDI position at year end and also freed up operational resources to progress necessary planned works. Our commitment to ensuring that we can maintain appropriate levels of network reliability for our customers, over the long term, has meant that the level of our annual planned work has needed to progressively increase over the last five years. In the 2015 Assessment Period, planned work accounted for 46 planned SAIDI minutes of work and in the 2016 Assessment period this increased to 48 planned SAIDI minutes, reflecting the increased volume of work delivered.

The general trend of a reducing SAIFI has continued this year. This trend is mainly due to our successful deployment of distribution automation.

11.1 Commentary on Major Event Days

A major event day occurs when the Unplanned Boundary Value is exceeded. During the Assessment Period Powerco experienced only one major event day on 20th June 2015 during which the Unplanned Boundary

[9] Powerco's full Asset Management Plan is available from our website www.Powerco.co.nz.

Value for SAIDI was exceeded. Powerco did not exceed the Unplanned Boundary Value for SAIFI at any time during the Assessment Period.

Storm 19th – 20th June 2015

Heavy rain from the 19th to 20th June in the South Taranaki and Wanganui areas caused multiple slips and flooding in remote rural and hilly sections of these regions. While the number of faults was not large there extensive damage, and limited road access hindered response times. Wanganui's urban storm water systems were unable to cope with the torrential rain and caused surface flooding at some locations. As a result of flooding of the Wanganui river supply was interrupted to approximately 400 residential & commercial evacuations in the Anzac parade & Taupo Quay areas of central Wanganui. Subsequent activation of Civil Defence operations in Wanganui and Taranaki regions resulted in the evacuation of a further 100 residents in the small rural community of Waitotara and isolations of urban power supplies for safety. Access to the general Wanganui / Taranaki regions was blocked due to multiple state highway road closures.

The extensive damage and very limited road access hindered response times and the reinstatement of electricity. An MED day was reported as the duration of total supply interruptions exceeded the SAIDI boundary level over this period.

14 Appendix G – Compliance References

The following tables reference the Determination requirements and provide guidance on the section of this Statement that meets the specified requirements.

Table 15: Price Path Summary

Determination clause	Requirement	Section of this document
8.3	Notional Revenue in an assessment period must not exceed the Allowable Notional Revenue for the assessment period	2.1
8.6	Demonstrate the recovery of pass-through costs and recoverable costs by calculating the pass-through balance	2.5

Table 16: Quality Path Summary

Determination clause	Requirement	Section of this document
9.1(a)	Comply with the annual reliability assessment where assessed values for SAIDI and SAIFI for the Assessment Period must not exceed the reliability limits for SAIDI and SAIFI	3.1
9.1(b)	Comply with the annual reliability assessments for each of the two immediately preceding assessment periods	3.4

Table 17: Annual compliance statement

Determination clause	Requirement	Section of this document
An annual Compliance Statement must be provided to the Commission consisting of:		
11.2(a)	A statement regarding compliance with the price path and quality standards	1
11.2(b)	Information required to evidence price path compliance, being:	
11.4(a)	Any reasons for non-compliance with the price path	N/A
11.4(b)	Actions taken to mitigate any non-compliance and to prevent similar non-compliance in future periods	N/A
11.4(c)	The amount of allowable notional revenue, notional revenue, distribution prices, quantity, along with all numeric data, other	2.2, 2.3 and

Determination clause	Requirement	Section of this document
	relevant data, information and calculations	Appendix A
11.4(d)	In relation to each price during any part of the assessment period, the price and the portion of that price that are pass-through prices and the portion that are distribution prices	2.4.2 and Appendix B
11.4(e)	The methodology used to calculate distribution and pass-through prices, along with information clearly identifying the portion of pass-through prices attributable to: (i) pass-through costs and recoverable costs for the assessment period in question; and (ii) Any under or over-recovery of pass-through costs and recoverable costs from a prior assessment period, as reflected by the pass-through balance	2.4
11.4(f)	The pass-through balance, pass-through prices, and quantities for the Assessment Period and the preceding Assessment Period, along with the units of measurement associated with all numeric data, and other relevant data, information and calculations	2.5 and Appendix C
11.4(g)	The amount of pass-through costs and recoverable costs included in the calculation of the pass-through balance for the Assessment Period and supporting data, information and calculations used to determine those amounts	2.4.3
11.4(h)	Evidence of the amount of charge relating to any investment contract entered into in the Assessment Period consistent with clause 3.1.3(c) of the IM Determination, which need not be disclosed under 11.1(c)	Appendix D
11.4(i)	The amount of any pass-through costs and recoverable Costs (actual or forecast) used to set pass-through prices for the Assessment Period	2.4.3
11.4(j)	An explanation as to the cause, or likely cause, of any differences between the amounts of pass-through or recoverable costs used to set prices and actual amounts of those pass-through costs and recoverable costs	2.4
11.4(k)	A reconciliation between the pass-through balance for the Assessment period with the pass-through balance for the preceding Assessment Period	2.5.2
11.2(c)	Information required to evidence compliance with the quality standards, being:	
11.5(a)	Any reasons for non-compliance with the annual reliability assessment	N/A
11.5(b)	Actions taken to mitigate any non-compliance and to prevent similar	N/A

Determination clause	Requirement	Section of this document
	non-compliance in future periods	
11.5(c)	SAIDI and SAIFI assessed values, limits, unplanned boundary values, caps, collars and targets for the assessment period and any supporting calculations (including those in schedule 4A) and the annual reliability assessments for the two previous assessment periods	3.1-3.4 and appendix E
11.5(d)	Any recalculations of the SAIDI and SAIFI limits, unplanned boundary values, targets, caps and collars following a major transaction or transfer of transmission assets from Transpower that become system fixed assets, or a transfer of system fixed assets to Transpower including any supporting information, calculations, or data used to determine the historic SAIDI and SAIFI values of the newly acquired or transferred assets	N/A (refer 5,6 and appendix E)
11.5(e)	A descriptions of the policies and procedures which Powerco has used for capturing and recording interruptions and for calculating SAIDI and SAIFI assessed values for the assessment period	3.5
11.5(f)	The cause of each Major Event Day within the assessment period	Appendix F
11.2(d)	State whether or not— (i) Powerco has undertaken a restructure of prices during the assessment period; (ii) Powerco has received a transfer of transmission assets from Transpower that become system fixed assets, or transferred system fixed assets to Transpower; (iii) Any amalgamation or merger has occurred in the assessment period; and (iv) Any major transaction has occurred in the period	4-6
11.2(e)	If there has been an amalgamation, merger or major transaction, the annual compliance statement for the assessment period must— i) State whether Powerco has complied with clauses 10.1 to 10.4 of the Determination; and ii) Include any information or calculations required to be made under clauses 10.1 to 10.4 of the Determination	NA
11.2(f)	If there has been a restructure of prices in the assessment period or the previous assessment period include any additional information in accordance with clauses 11.7 and 11.8 of the Determination as below	
11.7	If Powerco has undertaken a restructure of prices that first applied during the current or preceding assessment period, the annual compliance statement must state the nature of the restructure of the prices and identify the consumer groups impacted by the restructure of prices	2.6

Determination clause	Requirement	Section of this document
11.8	If Powerco has undertaken a restructure of prices that first applied during the current or preceding assessment period, and Powerco has derived quantities for the purposes of calculating ANR or NR as provided for under clause 8.10 of the Determination (where quantities for the period two years prior are not available, the annual compliance statement must include— i) The methodology used to determine the quantities that corresponds to each restructured price; ii) The forecast of the quantities corresponding to each restructured price prepared by Powerco for that assessment period and the actual quantities; and iii) An explanation for any differences between the actual and forecast quantities	NA
11.2(g)	State the date on which the statement was certified	Cover
11.3(a)	Include a certificate in the form set out in Schedule 6 signed by at least one Director of Powerco	Page 3
11.3(b)	Include an assurance report, meeting the requirements specified in Schedule 7, in respect of all information contained in the annual compliance statement.	7