Powerco Gas Information Disclosure 2018

30 MARCH 2019

Contents

1. Introduction

This disclosure of information is submitted by Powerco Limited ("Powerco") pursuant to subpart 9 of Part 4 of the Commerce Act 1986 and in accordance with the Commerce Commission's Gas Distribution Information Disclosure Determination 2012 ("IDD") and all its subsequent amendments including the 2015 information disclosure amendments.

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

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

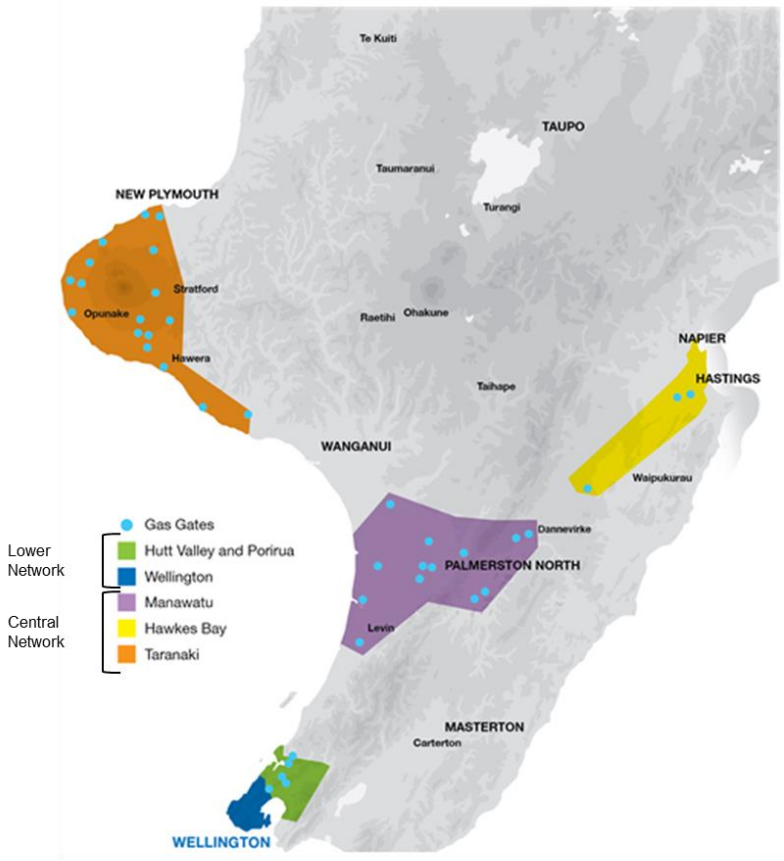
The IDD requires disclosure of the following information for the 2018 disclosure year:

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

The IDD requires that network and billed quantity information be provided separately for each sub-network of a supplier's network. Powerco has two sub-networks in the North Island; the Central Network and Lower Network. These sub-networks are shown in Map 1.

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

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



Map 1: Powerco's sub-networks

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

Directors' certification of the 2018 information disclosure is provided in section 23 at the end of this document.

2. Schedule 1: Analytical Ratios

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 1: ANALYTICAL RATIOS

This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination.
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

1(i): Expenditure Metrics

		Expenditure per TJ energy delivered to ICPs ($/TJ)	Expenditure per average no. of ICPs ($/ICP)	Ratio of expenditure to maximum monthly load ($ per GJ/month)	Expenditure per km of pipeline for supply ($/km)
9	**Operational expenditure**	1,715	139	15	2,487
10	Network	668	54	6	968
11	Non-network	1,048	85	9	1,519
12					
13	**Expenditure on assets**	2,276	184	19	3,301
14	Network	1,803	146	15	2,614
15	Non-network	474	38	4	687

1(ii): Revenue Metrics

		Revenue per TJ energy delivered to ICPs ($/TJ)	Revenue per average no. of ICPs ($/ICP)
19	**Total line charge revenue**	5,820	470
20	Standard consumer line charge revenue	9,559	421
21	Non-standard consumer line charge revenue	1,364	24,494

1(iii): Service Intensity Measures

25	Demand density	170	*Maximum monthly load (GJ per month) per system length*
26	Volume density	1	*Quantity of gas delivered per km of system length (TJ/km)*
27	Connection point density	18	*Average number of ICPs in disclosure year per system length*
28	Energy intensity	81	*Total GJ delivered to ICPs per average number of ICPs in disclosure year*

1(iv): Composition of Revenue Requirement

		($000)	% of revenue
32	Operational expenditure	14,915	29.38%
33	Pass-through and recoverable costs excluding financial incentives and wash-ups	1,663	3.28%
34	Total depreciation	13,662	26.92%
35	Total revaluations	6,831	13.46%
36	Regulatory tax allowance	5,516	10.87%
37	Regulatory profit/(loss) including financial incentives and wash-ups	21,832	43.01%
38	**Total regulatory income**	50,757	

1(v): Reliability

42	Interruption rate	14.56	*Interruptions per 100km of system length*

3. Schedule 2: Return on Investment

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

This schedule requires information on the Return on Investment (ROI) for the GDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. GDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If a GDB makes this election, information supporting this calculation must be provided in 2(iii).
GDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).
This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

2(i): Return on Investment

	for year ended	CY-2 30 Sep 16 %	CY-1 30 Sep 17 %	Current Year CY 30 Sep 18 %
ROI – comparable to a post tax WACC				
Reflecting all revenue earned		5.13%	7.58%	6.00%
Excluding revenue earned from financial incentives		5.13%	7.58%	6.00%
Excluding revenue earned from financial incentives and wash-ups		5.13%	7.58%	6.00%
Mid-point estimate of post tax WACC		5.69%	5.18%	5.18%
25th percentile estimate		4.88%	4.37%	4.47%
75th percentile estimate		6.50%	5.99%	5.89%
ROI – comparable to a vanilla WACC				
Reflecting all revenue earned		5.71%	8.07%	6.55%
Excluding revenue earned from financial incentives		5.71%	8.07%	6.55%
Excluding revenue earned from financial incentives and wash-ups		5.71%	8.07%	6.55%
WACC rate used to set regulatory price path		7.44%	7.44%	6.41%
Mid-point estimate of vanilla WACC		6.26%	5.67%	5.71%
25th percentile estimate		5.45%	4.86%	5.00%
75th percentile estimate		7.07%	6.48%	6.41%

2(ii): Information Supporting the ROI

		($000)		
	Total opening RAB value	364,155		
plus	Opening deferred tax	(27,404)		
Opening RIV			336,751	
Line charge revenue			50,609	
	Expenses cash outflow	16,578		
plus	Assets commissioned	12,763		
less	Asset disposals	160		
plus	Tax payments	4,934		
less	Other regulated income	148		
Mid-year net cash flows			33,968	
Term credit spread differential allowance			-	
	Total closing RAB value	369,556		
less	Adjustment resulting from asset allocation	(371)		
less	Lost and found assets adjustment	-		
plus	Closing deferred tax	(27,986)		
Closing RIV			341,941	
ROI – comparable to a vanilla WACC				6.55%
	Leverage (%)			44%
	Cost of debt assumption (%)			4.47%
	Corporate tax rate (%)			28%
ROI – comparable to a post tax WACC				6.00%

2(iii): Information Supporting the Monthly ROI

Opening RIV	N/A

($000)

	Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
Month 1						-
Month 2						-
Month 3						-
Month 4						-
Month 5						-
Month 6						-
Month 7						-
Month 8						-
Month 9						-
Month 10						-
Month 11						-
Month 12						-
Total	-	-	-	-	-	-

Tax Payments	N/A
Term credit spread differential allowance	N/A
Closing RIV	N/A
Monthly ROI – comparable to a vanilla WACC	N/A
Monthly ROI – comparable to a post tax WACC	N/A

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

Year-end ROI – comparable to a vanilla WACC	6.36%
Year-end ROI – comparable to a post tax WACC	5.81%

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

2(v): Financial Incentives and Wash-Ups

Net recoverable costs allowed under incremental rolling incentive scheme	-	
Other financial incentives	-	
Financial incentives		-
Impact of financial incentives on ROI		-
Input methodology claw-back	-	
Recoverable customised price-quality path costs	-	
Other wash-ups	-	
Wash-up costs		-
Impact of wash-up costs on ROIs		-

A monthly ROI must only be calculated if during the first three months or last three months of the 2018 disclosure year, the value of assets commissioned by Powerco had exceeded 10% of the total opening regulatory asset base values. These criteria are not met and Powerco has elected to report the ROI for the full disclosure year only.

4. Schedule 3: Regulatory Profit

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

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

sch ref				
7	**3(i): Regulatory Profit**			**($000)**
8		**Income**		
9		Line charge revenue		50,609
10	*plus*	Gains / (losses) on asset disposals		(160)
11	*plus*	Other regulated income (other than gains / (losses) on asset disposals)		308
12				
13		**Total regulatory income**		50,757
14		**Expenses**		
15	*less*	Operational expenditure		14,915
16				
17	*less*	Pass-through and recoverable costs excluding financial incentives and wash-ups		1,663
18				
19		**Operating surplus / (deficit)**		34,179
20				
21	*less*	Total depreciation		13,662
22				
23	*plus*	Total revaluations		6,831
24				
25		**Regulatory profit / (loss) before tax**		27,348
26				
27	*less*	Term credit spread differential allowance		-
28				
29	*less*	Regulatory tax allowance		5,516
30				
31		**Regulatory profit/(loss) including financial incentives and wash-ups**		21,832
32				
33	**3(ii): Pass-through and recoverable costs excluding financial incentives and wash-ups**			**($000)**
34		**Pass through costs**		
35		Rates	1,413	
36		Commerce Act levies	192	
37		Industry Levies	58	
38		CPP specified pass through costs		
39		**Recoverable costs excluding financial incentives and wash-ups**		
40		Other recoverable costs excluding financial incentives and wash-ups		
41		**Pass-through and recoverable costs excluding financial incentives and wash-ups**		1,663
42				
43				
44	**3(iii): Incremental Rolling Incentive Scheme**			**($000)**
45			**CY-1**	**CY**
46			**30 Sep 17**	**30 Sep 18**
47		Allowed controllable opex		
48		Actual controllable opex		
49				
50		**Incremental change in year**		
51			**Previous years' incremental change**	**Previous years' incremental change adjusted for inflation**
52				
53		CY-5 30 Sep 13		
54		CY-4 30 Sep 14		
55		CY-3 30 Sep 15		
56		CY-2 30 Sep 16		
57		CY-1 30 Sep 17		
58		**Net incremental rolling incentive scheme**		-
59				
60		**Net recoverable costs allowed under incremental rolling incentive scheme**		-
61				
62	**3(iv): Merger and Acquisition Expenditure**			
63				**($000)**
64		Merger and acquisition expenditure		-
65				
66		*Provide commentary on the benefits of merger and acquisition expenditure to the gas distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)*		
67				**($000)**
68	**3(v): Other Disclosures**			
69				**($000)**
70		Self-insurance allowance		

5. Schedule 4: Value of Regulatory Asset Base

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

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

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

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4(i): Regulatory Asset Base Value (Rolled Forward)

	for year ended	RAB 30 Sep 14 ($000)	RAB 30 Sep 15 ($000)	RAB 30 Sep 16 ($000)	RAB 30 Sep 17 ($000)	RAB 30 Sep 18 ($000)
	Total opening RAB value	339,835	340,539	348,395	351,954	364,155
less	**Total depreciation**	9,454	9,458	9,959	10,086	13,662
plus	**Total revaluations**	3,435	1,417	1,445	6,689	6,831
plus	**Assets commissioned**	6,931	16,706	12,910	16,198	12,763
less	**Asset disposals**	33	309	376	316	160
plus	**Lost and found assets adjustment**					-
plus	**Adjustment resulting from asset allocation**	(175)	(500)	(461)	(284)	(371)
	Total closing RAB value	340,539	348,395	351,954	364,155	369,556

4(ii): Unallocated Regulatory Asset Base

		Unallocated RAB * ($000)	($000)	($000)	RAB ($000)
	Total opening RAB value		416,815		364,155
less					
	Total depreciation		22,552		13,662
plus					
	Total revaluations		7,797		6,831
plus					
	Assets commissioned (other than below)	15,695		12,763	
	Assets acquired from a regulated supplier	-		-	
	Assets acquired from a related party	-		-	
	Assets commissioned		15,695		12,763
less					
	Asset disposals (other than below)	176		160	
	Asset disposals to a regulated supplier	-		-	
	Asset disposals to a related party	-		-	
	Asset disposals		176		160
plus	**Lost and found assets adjustment**		-		-
plus	**Adjustment resulting from asset allocation**				(371)
	Total closing RAB value		417,579		369,556

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

4(iii): Calculation of Revaluation Rate and Revaluation of Assets

	CPI_4	1,024
	CPI_4 $^{-4}$	1,005
	Revaluation rate (%)	1.89%

		Unallocated RAB * ($000)	($000)	RAB ($000)	($000)
	Total opening RAB value	416,815		364,155	
less	Opening value of fully depreciated, disposed and lost assets	4,410		2,817	
	Total opening RAB value subject to revaluation	412,405		361,338	
	Total revaluations		7,797		6,831

4(iv): Roll Forward of Works Under Construction

		Unallocated works under construction		Allocated works under construction	
	Works under construction—preceding disclosure year		8,986		3,644
plus	Capital expenditure	38,686		18,960	
less	Assets commissioned	15,695		12,763	
plus	Adjustment resulting from asset allocation			(37)	
	Works under construction - current disclosure year		31,976		9,803
	Highest rate of capitalised finance applied				5.64%

4(v): Regulatory Depreciation

	Unallocated RAB * ($000)	($000)	RAB ($000)	($000)
Depreciation - standard	13,515		12,084	
Depreciation - no standard life assets	9,036		1,578	
Depreciation - modified life assets	-		-	
Depreciation - alternative depreciation in accordance with CPP	-		-	
Total depreciation		22,552		13,662

($000 unless otherwise specified)

4(vi): Disclosure of Changes to Depreciation Profiles

Asset or assets with changes to depreciation	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation

** include additional rows if needed*

4(vii): Disclosure by Asset Category

($000 unless otherwise specified)

		Intermediate pressure main pipelines	Medium pressure main pipelines	Low pressure main pipelines	Service pipe	Stations	Line valve	Special crossings	Other network assets	Non-network assets	Total	
Total opening RAB value		47,581	172,315	4,665	99,475	6,480	3,021	523	15,792	14,303	364,155	
less	Total depreciation	1,399	6,219	140	2,779	313	65	9	685	2,053	13,662	
plus	Total revaluations	899	3,257	88	1,880	122	57	10	298	220	6,831	
plus	Assets commissioned	1,122	4,065	110	4,922	52	309	91	1,240	851	12,763	
less	Asset disposals	11	39	1	34	25	21	-	20	9	160	
plus	Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-	
plus	Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	(371)	(371)	
plus	Asset category transfers	(162)	(588)	(16)	(712)	(7)	(45)	(13)	1,543	-	0	
Total closing RAB value		48,031	172,791	4,706	102,752	6,308	3,256	602	18,168	12,941	369,556	
Asset Life												
Weighted average remaining asset life		34.0	27.7	33.2	35.8	20.7	46.4	58.0	23.1	22.5	(years)	
Weighted average expected total asset life		67.0	50.9	51.4	57.2	35.0	62.0	70.0	27.7	27.9	(years)	

6. Schedule 5a: Regulatory Tax Allowance

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

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

sch ref					
7	**5a(i): Regulatory Tax Allowance**				($000)
8		**Regulatory profit / (loss) before tax**			27,348
9					
10	*plus*	Income not included in regulatory profit / (loss) before tax but taxable	489	*	
11		Expenditure or loss in regulatory profit / (loss) before tax but not deductible	28	*	
12		Amortisation of initial differences in asset values	2,298		
13		Amortisation of revaluations	2,899		
14					5,714
15					
16	*less*	Total revaluations	6,831		
17		Income included in regulatory profit / (loss) before tax but not taxable	-	*	
18		Expenditure or loss deductible but not in regulatory profit / (loss) before tax	51	*	
19		Notional deductible interest	6,480		
20					13,362
21					
22		**Regulatory taxable income**			19,700
23					
24	*less*	Utilised tax losses			
25		Regulatory net taxable income			19,700
26					
27		Corporate tax rate (%)	28%		
28		**Regulatory tax allowance**			5,516
29					
30	* Workings to be provided in Schedule 14				
31					
32	**5a(ii): Disclosure of Permanent Differences**				
33		In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).			
34	**5a(iii): Amortisation of Initial Difference in Asset Values**				($000)
35					
36		Opening unamortised initial differences in asset values	73,531		
37	*less*	Amortisation of initial differences in asset values	2,298		
38	*plus*	Adjustment for unamortised initial differences in assets acquired	-		
39	*less*	Adjustment for unamortised initial differences in assets disposed	44		
40		Closing unamortised initial differences in asset values			71,189
41					
42		Opening weighted average remaining useful life of relevant assets (years)			32
43					

5a(iv): Amortisation of Revaluations

		($000)
Opening sum of RAB values without revaluations	332,648	
Adjusted depreciation	10,763	
Total depreciation	13,662	
Amortisation of revaluations		2,899

5a(v): Reconciliation of Tax Losses

		($000)
Opening tax losses	-	
plus Current period tax losses	-	
less Utilised tax losses	-	
Closing tax losses		-

5a(vi): Calculation of Deferred Tax Balance

		($000)
Opening deferred tax	(27,404)	
plus Tax effect of adjusted depreciation	3,014	
less Tax effect of tax depreciation	3,235	
plus Tax effect of other temporary differences*	217	
less Tax effect of amortisation of initial differences in asset values	643	
plus Deferred tax balance relating to assets acquired in the disclosure year	-	
less Deferred tax balance relating to assets disposed in the disclosure year	(19)	
plus Deferred tax cost allocation adjustment	47	
Closing deferred tax		(27,986)

5a(vii): Disclosure of Temporary Differences

In Schedule 14, Box 6, provide descriptions and workings of items recorded in the asterisked category in Schedule 5a(vi) (Tax effect of other temporary differences).

5a(viii): Regulatory Tax Asset Base Roll-Forward

		($000)
Opening sum of regulatory tax asset values	164,091	
less Tax depreciation	11,555	
plus Regulatory tax asset value of assets commissioned	12,889	
less Regulatory tax asset value of asset disposals	93	
plus Lost and found assets adjustment	-	
plus Adjustments resulting from asset allocation	(202)	
plus Other adjustments to the RAB tax value	2,459	
Closing sum of regulatory tax asset values		167,589

7. Schedule 5b: Related Party Transactions

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

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

sch ref

5b(i): Summary—Related Party Transactions

	($000)
Total regulatory income	
Operational expenditure	
Capital expenditure	
Market value of asset disposals	
Other related party transactions	

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

Name of related party	Related party relationship

** include additional rows if needed*

5b(iii): Related Party Transactions

Name of related party	Related party transaction type	Description of transaction	Value of transaction ($000)	Basis for determining value

** include additional rows if needed*

8. Schedule 5c: Term Credit Spread Differential

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

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

sch ref

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

Issuing party	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Cost of executing an interest rate swap	Debt issue cost readjustment
USPP (2011) US$72m/NZ$91.4m	7/06/2011	7/06/2011	9.0	BKBM+1.945%	91,370,558	102,395,328	137,056	-	(142,132)
USPP (2011) US$90m/NZ$114.2m	7/06/2011	7/06/2011	12.0	BKBM+1.835%	114,213,198	131,329,504	171,320	-	(233,185)
USPP (2011) US$83m/NZ$105.3m	7/06/2011	7/06/2011	15.0	BKBM+1.980%	105,329,949	123,233,296	157,995	-	(245,770)
2011 Wholesale Bond - Fixed rate	20/12/2011	20/12/2011	7.0	6.31%	65,000,000	65,755,903	97,500	13,139	(65,000)
2011 Wholesale Bond - Floating rate	20/12/2011	20/12/2011	6.0	BKBM + 2.60%	35,000,000	35,407,025	52,500	7,075	(20,417)
USPP(2013) US$25m/NZ$30.4m	23/01/2013	1/11/2012	12.0	BKBM + 2.20%	30,439,547	34,258,112	45,659	-	(62,147)
USPP(2013) US$80m/NZ$97.4m	23/01/2013	1/11/2012	15.0	BKBM + 2.21%	97,406,551	107,871,094	146,110	-	(227,282)
NZD USPP(2014) NZ$135m	15/10/2014	3/07/2014	12.5	6.62%	135,000,000	136,055,112	202,500	20,408	(283,500)
2015 Wholesale Bond - Fixed rate	28/09/2015	16/09/2015	7.0	4.76%	150,000,000	149,791,398	225,000	22,469	(150,000)
2016 Wholesale Bond - Fixed rate	15/11/2016	4/11/2016	8.0	4.67%	100,000,000	100,507,127	150,000	20,101	(131,250)
NZD USPP(2017) NZ$125m	16/11/2017	9/08/2017	12.0	BKBM + 1.84%	125,000,000	124,959,799	187,500	-	(255,208)
** include additional rows if needed*						1,111,563,699	1,573,140	83,192	(1,815,892)

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

Gross term credit spread differential		(159,560)
Total book value of interest bearing debt	1,348,093,825	
Leverage	44%	
Average opening and closing RAB values	366,855,290	
Attribution Rate (%)		12%
Term credit spread differential allowance		-

9. Schedule 5d: Cost Allocations

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

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

sch ref

5d(i): Operating Cost Allocations

	Value allocated ($000s)				
	Arm's length deduction	Gas distribution services	Non-gas distribution services	Total	OVABAA allocation increase ($000s)
Service interruptions, incidents and emergencies					
Directly attributable		469			
Not directly attributable				-	
Total attributable to regulated service		469			
Routine and corrective maintenance and inspection					
Directly attributable		2,650			
Not directly attributable				-	
Total attributable to regulated service		2,650			
Asset replacement and renewal					
Directly attributable		2,687			
Not directly attributable				-	
Total attributable to regulated service		2,687			
System operations and network support					
Directly attributable		3,382			
Not directly attributable		193	977	1,170	
Total attributable to regulated service		3,575			
Business support					
Directly attributable		945			
Not directly attributable		4,593	25,029	29,622	
Total attributable to regulated service		5,538			
Operating costs directly attributable		10,132			
Operating costs not directly attributable	-	4,785	26,006	30,791	-
Operational expenditure		14,918			

5d(ii): Other Cost Allocations

	Value allocated ($000s)				
	Arm's length deduction	Gas distribution services	Non-gas distribution services	Total	OVABAA allocation increase ($000s)
Pass through and recoverable costs					
Pass through costs					
Directly attributable		1,605			
Not directly attributable		58	186	244	
Total attributable to regulated service		1,663			
Recoverable costs					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			

5d(iii): Changes in Cost Allocations* †

Change in cost allocation 1

			($000)	
			CY-1	Current Year (CY)
Cost category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				

Change in cost allocation 2

			($000)	
			CY-1	Current Year (CY)
Cost category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				

Change in cost allocation 3

			($000)	
			CY-1	Current Year (CY)
Cost category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				

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

† include additional rows if needed

10. Schedule 5e: Asset Allocations

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

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

sch ref

5e(i): Regulated Service Asset Values

	Value allocated ($000s) Gas distribution services
Main pipe	
Directly attributable	225,528
Not directly attributable	-
Total attributable to regulated service	225,528
Service pipe	
Directly attributable	102,752
Not directly attributable	-
Total attributable to regulated service	102,752
Stations	
Directly attributable	6,308
Not directly attributable	-
Total attributable to regulated service	6,308
Line valve	
Directly attributable	3,256
Not directly attributable	-
Total attributable to regulated service	3,256
Special crossings	
Directly attributable	602
Not directly attributable	-
Total attributable to regulated service	602
Other network assets	
Directly attributable	18,168
Not directly attributable	-
Total attributable to regulated service	18,168
Non-network assets	
Directly attributable	3,392
Not directly attributable	9,549
Total attributable to regulated service	12,941
Regulated service asset value directly attributable	360,007
Regulated service asset value not directly attributable	9,549
Total closing RAB value	369,556

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

Change in asset value allocation 1

			($000) CY-1	Current Year (CY)
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				

Change in asset value allocation 2

			($000) CY-1	Current Year (CY)
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				

Change in asset value allocation 3

			($000) CY-1	Current Year (CY)
Asset category		Original allocation		
Original allocator or line items		New allocation		
New allocator or line items		Difference	-	-
Rationale for change				

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

† include additional rows if needed

11. Schedule 6a: Capital Expenditure

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

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

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

sch ref			($000)	($000)
7		**6a(i): Expenditure on Assets**		
8		Consumer connection		8,018
9		System growth		1,374
10		Asset replacement and renewal		2,137
11		Asset relocations		611
12		Reliability, safety and environment:		
13		Quality of supply	2,340	
14		Legislative and regulatory	-	
15		Other reliability, safety and environment	1,194	
16		**Total reliability, safety and environment**		3,534
17		**Expenditure on network assets**		15,674
18		Expenditure on non-network assets		4,120
19				
20		**Expenditure on assets**		19,794
21	*plus*	Cost of financing		58
22	*less*	Value of capital contributions		892
23	*plus*	Value of vested assets		-
24				
25		**Capital expenditure**		18,960

			($000)
26		**6a(ii): Subcomponents of Expenditure on Assets (where known)**	
27		Research and development	

			($000)	($000)
28		**6a(iii): Consumer Connection**		
29		*Consumer types defined by GDB**		
30		Residental/Small Commercial	6,766	
31		Commercial	742	
32		Industrial	510	
33				
34				
35		** include additional rows if needed*		
36		**Consumer connection expenditure**		8,018
37				
38	*less*	Capital contributions funding consumer connection expenditure	221	
39		**Consumer connection less capital contributions**		7,796
40				

			System Growth ($000)	Asset Replacement and Renewal ($000)
41		**6a(iv): System Growth and Asset Replacement and Renewal**		
42				
43				
44		**Intermediate pressure**		
45		Main pipe	-	(8)
46		Service pipe	-	-
47		Stations	130	480
48		Line valve	-	-
49		Special crossings	-	-
50		**Intermediate pressure -total**	130	472
51		**Medium pressure**		
52		Main pipe	1,245	1,505
53		Service pipe	-	130
54		Stations	-	-
55		Line valve	-	-
56		Special crossings	-	-
57		**Medium pressure - total**	1,245	1,634
58		**Low pressure**		
59		Main pipe		
60		Service pipe		
61		Line valve		
62		Special crossings		
63		**Low pressure - total**	-	-
64		**Other network assets**		
65		Monitoring and control systems	-	-
66		Cathodic protection systems	-	17
67		Other assets (other than above)	-	13
68		**Other network assets - total**	-	31
69				
70		**System growth and asset replacement and renewal expenditure**	1,374	2,137
71	*less*	Capital contributions funding system growth and asset replacement and renewal	135	-
72		**System growth and asset replacement and renewal less capital contributions**	1,239	2,137

6a(v): Asset Relocations

	($000)	($000)
*Project or programme**		
Transmission Gully Asset relocation	143	
Kenepuru IP Realignment	385	
* include additional rows if needed		
All other projects or programmes - asset relocations	84	
Asset relocations expenditure		611
less Capital contributions funding asset relocations	536	
Asset relocations less capital contributions		76

6a(vi): Quality of Supply

	($000)	($000)
*Project or programme**		
Wellington CBD - Phase 2	2,054	
* include additional rows if needed		
All other projects or programmes - quality of supply	287	
Quality of supply expenditure		2,340
less Capital contributions funding quality of supply		
Quality of supply less capital contributions		2,340

6a(vii): Legislative and Regulatory

	($000)	($000)
*Project or programme**		
* include additional rows if needed		
All other projects or programmes - legislative and regulatory		
Legislative and regulatory expenditure		-
less Capital contributions funding legislative and regulatory		
Legislative and regulatory less capital contributions		-

6a(viii): Other Reliability, Safety and Environment

	($000)	($000)
*Project or programme**		
DRS protection programme	238	
Riddlers Crescent DRS Rationalisation	636	
HAB IP Valve Safety Improvement	121	
Dover Street DRS Undergrounding	103	
* include additional rows if needed		
All other projects or programmes - other reliability, safety and environment	96	
Other reliability, safety and environment expenditure		1,194
less Capital contributions funding other reliability, safety and environment		
Other reliability, safety and environment less capital contributions		1,194

6a(ix): Non-Network Assets

Routine expenditure

	($000)	($000)
*Project or programme**		
IT Renewal	682	
	-	
* include additional rows if needed		
All other projects or programmes - routine expenditure	280	
Routine expenditure		962

Atypical expenditure

	($000)	($000)
*Project or programme**		
Enterprise Asset Management System	1,920	
Network Operations Centre	822	
Improve network Operations (OMS/DMS)	189	
Cybersecurity	116	
* include additional rows if needed		
All other projects or programmes - atypical expenditure	112	
Atypical expenditure		3,158

Expenditure on non-network assets 4,120

12. Schedule 6b: Operational Expenditure

		Company Name	**Powerco Limited**
		For Year Ended	**30 September 2018**

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

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

sch ref		($000)	($000)
7	**6b(i): Operational Expenditure**		
8	Service interruptions, incidents and emergencies	469	
9	Routine and corrective maintenance and inspection	2,650	
10	Asset replacement and renewal	2,687	
11	**Network opex**		5,805
12	System operations and network support	3,575	
13	Business support	5,535	
14	**Non-network opex**		9,110
15			
16	**Operational expenditure**		14,915
17	**6b(ii): Subcomponents of Operational Expenditure (where known)**		
18	Research and development		-
19	Insurance		91

13. Schedule 7: Forecast v Actual Expenditure

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

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

sch ref				
8	**7(i): Revenue**	**Target ($000) [1]**	**Actual ($000)**	**% variance**
9	Line charge revenue	50,050	50,609	1%
10	**7(ii): Expenditure on Assets**	**Forecast ($000) [2]**	**Actual ($000)**	**% variance**
11	Consumer connection	5,175	8,018	55%
12	System growth	1,599	1,374	(14%)
13	Asset replacement and renewal	1,707	2,137	25%
14	Asset relocations	112	611	446%
15	Reliability, safety and environment:			
16	Quality of supply	3,674	2,340	(36%)
17	Legislative and regulatory	-	-	-
18	Other reliability, safety and environment	2,325	1,194	(49%)
19	**Total reliability, safety and environment**	5,999	3,534	(41%)
	Expenditure on network assets	14,591	15,674	7%
21	Expenditure on non-network assets	3,901	4,120	6%
22	**Expenditure on assets**	18,492	19,794	7%
23	**7(iii): Operational Expenditure**			
24	Service interruptions, incidents and emergencies	375	469	25%
25	Routine and corrective maintenance and inspection	2,436	2,650	9%
26	Asset replacement and renewal	2,638	2,687	2%
27	**Network opex**	5,449	5,805	7%
28	System operations and network support	4,563	3,575	(22%)
29	Business support	6,581	5,535	(16%)
30	**Non-network opex**	11,144	9,110	(18%)
31	**Operational expenditure**	16,594	14,915	(10%)
32	**7(iv): Subcomponents of Expenditure on Assets (where known)**			
33	Research and development		-	-
34	**7(v): Subcomponents of Operational Expenditure (where known)**			
35	Research and development	-	-	-
36	Insurance	122	91	(25%)

37 *1 From the nominal dollar target revenue for the pricing year disclosed under clause 2.4.3(3) of this determination*

38 *2 From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the disclosure year (the second to last disclosure of Schedules 11a and 11b)*

14. Schedule 8: Billed Quantities and Line Charge Revenue

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-Network Name	**Powerco Limited**

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

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

sch ref

8(i): Billed quantities by price component

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Quantity of gas delivered (TJ)	Billed quantities by price component: Fixed (Days)	Variable (GJ)			
					Price component	Fixed	Variable		
					Unit charging basis (eg, days, GJ, etc.)	Days	GJ		
G06	Residential	Standard	25,658	315	-	314,875			
G11	Residential / Small Commercial	Standard	79,010	2,749	28,838,468	2,748,911			
G12	Commercial	Standard	1,813	443	661,563	443,199			
G14	Commercial	Standard	558	449	203,488	448,997			
G16	Commercial	Standard	283	595	103,295	595,285			
G18	Commercial	Standard	55	177	19,893	176,955			
G30	Commercial	Non-standard	122	442	32,766	441,654			
G40	Industrial	Non-standard	100	3,526	30,399	3,525,672			
		[Select one]							
		[Select one]							
		[Select one]							
		[Select one]							

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

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

Standard consumer totals	107,375	4,728	29,826,705	4,728,223	-	-	-	-
Non-standard consumer totals	221	3,967	63,165	3,967,326	-	-	-	-
Total for all consumers	107,596	8,696	29,889,870	8,695,549	-	-	-	-

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

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Line charge revenues ($000) by price component: Fixed ($/day)	Variable ($/GJ)			
					Price component	Fixed	Variable		
					Rate (eg, $ per day, $ per GJ, etc.)	$/day	$/GJ		
G06	Residential	Standard	$5,854		-	$5,854			
G11	Residential / Small Commercial	Standard	$30,098		$16,672	$13,426			
G12	Commercial	Standard	$2,856		$770	$2,087			
G14	Commercial	Standard	$2,779		$995	$1,783			
G16	Commercial	Standard	$2,862		$708	$2,154			
G18	Commercial	Standard	$746		$212	$534			
G30	Commercial	Non-standard	$1,186		$393	$793			
G40	Industrial	Non-standard	$4,227		$1,527	$2,700			
		[Select one]	-						
		[Select one]	-						
		[Select one]	-						
		[Select one]	-						

Add extra columns for additional line charge revenues by price component as necessary

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

Standard consumer totals	$45,196	-	$19,356	$25,840	-	-	-	-
Non-standard consumer totals	$5,413	-	$1,920	$3,493	-	-	-	-
Total for all consumers	$50,609	-	$21,276	$29,333	-	-	-	-

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-Network Name	**Central**

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

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

sch ref

8(i): Billed quantities by price component

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

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Quantity of gas delivered (TJ)	Price component	Fixed	Variable			
					Unit charging basis (eg, days, GJ, etc.)	Days	GJ			
G06	Residential	Standard	11,883	146		-	145,801			
G11	Residential / Small Commercial	Standard	31,860	964		11,628,900	963,601			
G12	Commercial	Standard	713	195		260,245	194,791			
G14	Commercial	Standard	288	249		104,938	249,357			
G16	Commercial	Standard	163	342		59,313	342,375			
G18	Commercial	Standard	35	135		12,593	135,420			
G30	Commercial	Non-standard	22	134		5,711	134,110			
G40	Industrial	Non-standard	70	2,884		23,464	2,884,089			
		[Select one]								
		[Select one]								
		[Select one]								
		[Select one]								

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

Standard consumer totals	44,941	2,031	12,065,988	2,031,346	-	-	-		
Non-standard consumer totals	91	3,018	29,175	3,018,199	-	-	-		
Total for all consumers	45,032	5,050	12,095,163	5,049,545	-	-	-		

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

Line charge revenues ($000) by price component — *Add extra columns for additional line charge revenues by price component as necessary*

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Price component	Fixed	Variable			
					Rate (eg, $ per day, $ per GJ, etc.)	$/day	$/GJ			
G06	Residential	Standard	$2,609			-	$2,609			
G11	Residential / Small Commercial	Standard	$10,876			$6,663	$4,213			
G12	Commercial	Standard	$1,115			$392	$723			
G14	Commercial	Standard	$1,092			$425	$668			
G16	Commercial	Standard	$1,304			$315	$989			
G18	Commercial	Standard	$474			$115	$359			
G30	Commercial	Non-standard	$415			$115	$300			
G40	Industrial	Non-standard	$3,321			$1,317	$2,004			
		[Select one]	-							
		[Select one]	-							
		[Select one]	-							
		[Select one]	-							

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

Standard consumer totals	$17,469	-	$7,910	$9,560	-	-	-		
Non-standard consumer totals	$3,736	-	$1,432	$2,304	-	-	-		
Total for all consumers	$21,205	-	$9,342	$11,864	-	-	-		

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-Network Name	**Lower**

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

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

sch ref

8(i): Billed quantities by price component

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

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Quantity of gas delivered (TJ)	Price component	Fixed	Variable			
					Unit charging basis (eg, days, GJ, etc.)	Days	GJ			
G06	Residential	Standard	13,775	169		-	169,074			
G11	Residential / Small Commercial	Standard	47,150	1,785		17,209,568	1,785,310			
G12	Commercial	Standard	1,100	248		401,318	248,409			
G14	Commercial	Standard	270	200		98,550	199,640			
G16	Commercial	Standard	121	253		43,983	252,909			
G18	Commercial	Standard	20	42		7,300	41,534			
G30	Commercial	Non-standard	100	308		27,055	307,543			
G40	Industrial	Non-standard	30	642		6,935	641,583			
		[Select one]								
		[Select one]								
		[Select one]								
		[Select one]								

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

Standard consumer totals	62,434	2,697	17,760,718	2,696,877	-	-	-		
Non-standard consumer totals	130	949	33,990	949,127	-	-	-		
Total for all consumers	62,564	3,646	17,794,708	3,646,004	-	-	-		

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

Line charge revenues ($000) by price component — *Add extra columns for additional line charge revenues by price component as necessary*

Consumer group name or price category code	Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Price component	Fixed	Variable			
					Rate (eg, $ per day, $ per GJ, etc.)	$/day	$/GJ			
G06	Residential	Standard	$3,247			-	$3,247			
G11	Residential / Small Commercial	Standard	$19,217			$10,009	$9,208			
G12	Commercial	Standard	$1,741			$378	$1,363			
G14	Commercial	Standard	$1,686			$571	$1,115			
G16	Commercial	Standard	$1,559			$393	$1,166			
G18	Commercial	Standard	$273			$96	$176			
G30	Commercial	Non-standard	$771			$278	$493			
G40	Industrial	Non-standard	$910			$210	$700			
		[Select one]	-							
		[Select one]	-							
		[Select one]	-							
		[Select one]	-							

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

Standard consumer totals	$27,722	-	$11,447	$16,276	-	-	-		
Non-standard consumer totals	$1,682	-	$488	$1,194	-	-	-		
Total for all consumers	$29,404	-	$11,935	$17,469	-	-	-		

15. Schedule 9a: Asset Register

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Powerco Limited**

SCHEDULE 9a: ASSET REGISTER

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class.

sch ref

8	Operating Pressure	Asset Category	Asset Class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1–4)
9	Intermediate Pressure	Main pipe	IP PE main pipe	km	1	2	1	3
10	Intermediate Pressure	Main pipe	IP steel main pipe	km	264	264	-	3
11	Intermediate Pressure	Main pipe	IP other main pipe	km	0	0	-	3
12	Intermediate Pressure	Service pipe	IP PE service pipe	km	0	0	-	3
13	Intermediate Pressure	Service pipe	IP steel service pipe	km	11	11	-	3
14	Intermediate Pressure	Service pipe	IP other service pipe	km	1	1	-	3
15	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	130	130	-	3
16	Intermediate Pressure	Line valve	IP line valves	No.	808	659	(149)	3
17	Intermediate Pressure	Special crossings	IP crossings	No.	104	106	2	3
18	Medium Pressure	Main pipe	MP PE main pipe	km	3469	3496	27	3
19	Medium Pressure	Main pipe	MP steel main pipe	km	152	151	-	3
20	Medium Pressure	Main pipe	MP other main pipe	km	31	30	(1)	3
21	Medium Pressure	Service pipe	MP PE service pipe	km	1859	1891	32	3
22	Medium Pressure	Service pipe	MP steel service pipe	km	51	50	(1)	3
23	Medium Pressure	Service pipe	MP other service pipe	km	54	53	(1)	3
24	Medium Pressure	Stations	Medium pressure DRS	No.	67	67	-	3
25	Medium Pressure	Line valve	MP line valves	No.	1492	1279	(213)	3
26	Medium Pressure	Special crossings	MP special crossings	No.	236	239	3	3
27	Low Pressure	Main pipe	LP PE main pipe	km	30	30	-	3
28	Low Pressure	Main pipe	LP steel main pipe	km	4	4	-	3
29	Low Pressure	Main pipe	LP other main pipe	km	1	1	-	3
30	Low Pressure	Service pipe	LP PE service pipe	km	11	11	(1)	3
31	Low Pressure	Service pipe	LP steel service pipe	km	1	1	-	3
32	Low Pressure	Service pipe	LP other service pipe	km	1	1	-	3
33	Low Pressure	Line valve	LP line valves	No.	220	183	(37)	3
34	Low Pressure	Special crossings	LP special crossings	No.	2	2	-	3
35	All	Monitoring and control systems	Remote terminal units	No.	159	139	(20)	4
36	All	Cathodic protection systems	Cathodic protection	No.	52	54	2	3

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Central**

SCHEDULE 9a: ASSET REGISTER

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class.

sch ref

8	Operating Pressure	Asset Category	Asset Class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1–4)
9	Intermediate Pressure	Main pipe	IP PE main pipe	km	1	2	1	3
10	Intermediate Pressure	Main pipe	IP steel main pipe	km	105	105	-	3
11	Intermediate Pressure	Main pipe	IP other main pipe	km	0	0	-	3
12	Intermediate Pressure	Service pipe	IP PE service pipe	km	0	0	-	3
13	Intermediate Pressure	Service pipe	IP steel service pipe	km	3	3	-	3
14	Intermediate Pressure	Service pipe	IP other service pipe	km	0	0	-	3
15	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	52	52	-	3
16	Intermediate Pressure	Line valve	IP line valves	No.	156	127	(29)	3
17	Intermediate Pressure	Special crossings	IP crossings	No.	55	56	1	3
18	Medium Pressure	Main pipe	MP PE main pipe	km	1818	1835	17	3
19	Medium Pressure	Main pipe	MP steel main pipe	km	138	138	-	3
20	Medium Pressure	Main pipe	MP other main pipe	km	18	17	(1)	3
21	Medium Pressure	Service pipe	MP PE service pipe	km	991	1009	18	3
22	Medium Pressure	Service pipe	MP steel service pipe	km	40	40	-	3
23	Medium Pressure	Service pipe	MP other service pipe	km	29	28	(1)	3
24	Medium Pressure	Stations	Medium pressure DRS	No.	44	44	-	3
25	Medium Pressure	Line valve	MP line valves	No.	874	762	(112)	3
26	Medium Pressure	Special crossings	MP special crossings	No.	147	150	3	3
27	Low Pressure	Main pipe	LP PE main pipe	km	3	3	-	3
28	Low Pressure	Main pipe	LP steel main pipe	km	3	3	-	3
29	Low Pressure	Main pipe	LP other main pipe	km	0	0	-	3
30	Low Pressure	Service pipe	LP PE service pipe	km	3	3	-	3
31	Low Pressure	Service pipe	LP steel service pipe	km	0	0	-	3
32	Low Pressure	Service pipe	LP other service pipe	km	1	1	-	3
33	Low Pressure	Line valve	LP line valves	No.	13	13	-	3
34	Low Pressure	Special crossings	LP special crossings	No.	0	0	-	3
35	All	Monitoring and control systems	Remote terminal units	No.	54	67	13	4
36	All	Cathodic protection systems	Cathodic protection	No.	37	37	-	3

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Lower**

SCHEDULE 9a: ASSET REGISTER

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class.

sch ref

8	Operating Pressure	Asset Category	Asset Class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1–4)
9	Intermediate Pressure	Main pipe	IP PE main pipe	km	0	0	-	3
10	Intermediate Pressure	Main pipe	IP steel main pipe	km	159	159	-	3
11	Intermediate Pressure	Main pipe	IP other main pipe	km	0	0	-	3
12	Intermediate Pressure	Service pipe	IP PE service pipe	km	0	0	-	3
13	Intermediate Pressure	Service pipe	IP steel service pipe	km	8	8	-	3
14	Intermediate Pressure	Service pipe	IP other service pipe	km	1	1	-	3
15	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	78	78	-	3
16	Intermediate Pressure	Line valve	IP line valves	No.	652	532	(120)	3
17	Intermediate Pressure	Special crossings	IP crossings	No.	49	50	1	3
18	Medium Pressure	Main pipe	MP PE main pipe	km	1650	1660	10	3
19	Medium Pressure	Main pipe	MP steel main pipe	km	13	13	-	3
20	Medium Pressure	Main pipe	MP other main pipe	km	13	13	-	3
21	Medium Pressure	Service pipe	MP PE service pipe	km	868	883	15	3
22	Medium Pressure	Service pipe	MP steel service pipe	km	11	10	(1)	3
23	Medium Pressure	Service pipe	MP other service pipe	km	25	24	(1)	3
24	Medium Pressure	Stations	Medium pressure DRS	No.	23	23	-	3
25	Medium Pressure	Line valve	MP line valves	No.	618	517	(101)	3
26	Medium Pressure	Special crossings	MP special crossings	No.	89	89	-	3
27	Low Pressure	Main pipe	LP PE main pipe	km	27	27	-	3
28	Low Pressure	Main pipe	LP steel main pipe	km	1	1	-	3
29	Low Pressure	Main pipe	LP other main pipe	km	1	1	-	3
30	Low Pressure	Service pipe	LP PE service pipe	km	9	8	(1)	3
31	Low Pressure	Service pipe	LP steel service pipe	km	1	1	-	3
32	Low Pressure	Service pipe	LP other service pipe	km	0	0	-	3
33	Low Pressure	Line valve	LP line valves	No.	207	170	(37)	3
34	Low Pressure	Special crossings	LP special crossings	No.	2	2	-	3
35	All	Monitoring and control systems	Remote terminal units	No.	105	72	(33)	4
36	All	Cathodic protection systems	Cathodic protection	No.	15	17	2	3

16. Schedule 9b: Asset Age Profile

Company Name	Powerco Limited
For Year Ended	30 September 2018
Network / Sub-network Name	Powerco Limited

SCHEDULE 9b: ASSET AGE PROFILE

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class.

sch ref																																		
8		Disclosure Year (year ended)	30 September 2018		Number of assets at disclosure year end by installation date																														
9	Operating Pressure	Asset Category	Asset Class	Units	pre-1970	1970 –1974	1975 –1979	1980 –1984	1985-1989	1990 –1994	1995 –1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	No. with age unknown	Items at end of year (quantity)	No. with default dates	Data accuracy (1–4)
10	Intermediate Pressure	Main pipe	IP PE main pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	0	0	1	-		2		3
11	Intermediate Pressure	Main pipe	IP steel main pipe	km	6	66	33	93	44	12	4	4	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0	0	0	0		264		3
12	Intermediate Pressure	Main pipe	IP other main pipe	km	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		0		3
13	Intermediate Pressure	Service pipe	IP PE service pipe	km	-	0	0	0	0	0	0	-	-	-	-	-	-	-	-	0	0	0	0	-	0	-	-	0	-	0	-		0		3
14	Intermediate Pressure	Service pipe	IP steel service pipe	km	0	1	2	3	3	1	0	0	0	-	0	0	0	0	0	0	0	0	0	0	0	-	-	0	-	0	0		11		3
15	Intermediate Pressure	Service pipe	IP other service pipe	km	-	0	0	1	0	-	-	0	-	-	-	-	0	-	-	-	0	-	-	-	-	-	0	-	-	-		1		3
16	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	-	2	2	34	29	26	1	-	-	-	1	1	2	2	1	2	-	2	3	3	-	2	8	3	3	3		130		3
17	Intermediate Pressure	Line valve	IP line valves	No.	2	39	28	104	309	61	11	3	1	-	3	3	9	5	6	8	6	9	13	13	4	2	5	3	8	4		659		3
18	Intermediate Pressure	Special crossings	IP crossings	No.	1	9	5	61	17	4	6	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-		106		3
19	Medium Pressure	Main pipe	MP PE main pipe	km	2	40	183	590	634	701	671	62	51	40	29	53	49	47	48	47	26	21	24	29	19	27	26	28	34	16		3,496		3
20	Medium Pressure	Main pipe	MP steel main pipe	km	6	58	26	24	24	7	6	1	0	0	0	0	0	-	0	0	0	0	0	0	-	0	0	0	0	0		151		3
21	Medium Pressure	Main pipe	MP other main pipe	km	1	1	5	8	9	3	3	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0	-		30		3
22	Medium Pressure	Service pipe	MP PE service pipe	km	5	16	86	327	312	372	307	34	29	28	25	26	23	23	25	21	18	21	21	23	20	21	25	28	31	22		1,891		3
23	Medium Pressure	Service pipe	MP steel service pipe	km	1	10	14	8	6	5	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0	0		50		3
24	Medium Pressure	Service pipe	MP other service pipe	km	0	1	2	24	13	8	2	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0		53		3
25	Medium Pressure	Stations	Medium pressure DRS	No.	-	-	-	7	34	13	1	-	-	1	-	-	2	-	-	-	1	-	2	2	-	2	2	-	-	-		67		3
26	Medium Pressure	Line valve	MP line valves	No.	4	8	28	45	491	219	20	1	2	11	10	20	13	26	19	30	33	38	52	48	15	33	40	18	35	20		1,279		3
27	Medium Pressure	Special crossings	MP special crossings	No.	2	18	7	88	51	31	21	3	6	2	-	1	3	-	-	1	3	-	-	-	1	-	-	-	-	1		239		3
28	Low Pressure	Main pipe	LP PE main pipe	km	-	0	0	2	5	15	3	0	0	-	1	0	0	0	0	1	0	0	0	0	0	2	0	0	0	0		30		3
29	Low Pressure	Main pipe	LP steel main pipe	km	-	-	0	0	0	3	0	-	-	-	-	-	-	-	-	-	-	-	-	0	-	0	-	-	-	-		4		3
30	Low Pressure	Main pipe	LP other main pipe	km	-	-	-	0	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	0	-		1		3
31	Low Pressure	Service pipe	LP PE service pipe	km	0	0	0	1	2	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		11		3
32	Low Pressure	Service pipe	LP steel service pipe	km	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	0	0	-	-	0	-	0	-	-	0	-		1		3
33	Low Pressure	Service pipe	LP other service pipe	km	0	-	0	0	0	0	0	0	-	0	0	-	-	0	-	0	-	0	0	0	-	0	0	-	0	-		1		3
34	Low Pressure	Line valve	LP line valves	No.	-	-	-	3	3	88	9	-	-	2	2	3	2	3	4	5	4	7	3	3	2	12	4	-	11	13		183		3
35	Low Pressure	Special crossings	LP special crossings	No.	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		2		3
36	All	Monitoring and control systems	Remote terminal units	No.	-	-	-	-	-	-	1	-	-	-	-	-	6	-	1	-	39	14	20	19	-	16	5	1	15	2		139		4
37	All	Cathodic protection systems	Cathodic protection	No.	1	10	5	7	4	5	4	3	1	1	-	1	1	1	-	-	-	-	-	-	-	-	1	2	4	3		54		3

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Central**

SCHEDULE 9b: ASSET AGE PROFILE

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class.

sch ref

8 **Disclosure Year (year ended)** 30 September 2018 **Number of assets at disclosure year end by installation date**

9	Operating Pressure	Asset Category	Asset Class	Units	pre-1970	1970 –1974	1975 –1979	1980 –1984	1985-1989	1990 –1994	1995 –1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	No. with age unknown	Items at end of year (quantity)	No. with default dates	Data accuracy (1–4)
10	Intermediate Pressure	Main pipe	IP PE main pipe	km																				1					1			2		3
11	Intermediate Pressure	Main pipe	IP steel main pipe	km	2	12	7	57	19	7	0	0	0	0		0	0	0	0	0	0	0		0		0	0	0	0	0		105		3
12	Intermediate Pressure	Main pipe	IP other main pipe	km	0																											0		3
13	Intermediate Pressure	Service pipe	IP PE service pipe	km					0		0										0								0			0		3
14	Intermediate Pressure	Service pipe	IP steel service pipe	km	0	0	1	1	1	0	0	0				0	0		0	0			0		0				0			3		3
15	Intermediate Pressure	Service pipe	IP other service pipe	km					0																							0		3
16	Intermediate Pressure	Stations	Intermediate pressure DRS	No.				3	28	12						1	2		1			1		1			2	1				52		3
17	Intermediate Pressure	Line valve	IP line valves	No.				10	67	21						1	3	1		1	2	5	2	6	3				4	1		127		3
18	Intermediate Pressure	Special crossings	IP crossings	No.		5	3	30	17		1																					56		3
19	Medium Pressure	Main pipe	MP PE main pipe	km	2	15	61	371	441	305	281	32	30	23	13	21	27	32	29	27	14	10	16	16	8	12	11	13	16	7		1,835		3
20	Medium Pressure	Main pipe	MP steel main pipe	km	6	55	23	20	22	5	4	1	0	0	0	0	0		0	0	0	0		0		0	0	0				138		3
21	Medium Pressure	Main pipe	MP other main pipe	km	1	1	3	3	7	1	1	0	0	0		0		0	0	0	0											17		3
22	Medium Pressure	Service pipe	MP PE service pipe	km	2	12	67	164	217	194	135	17	12	10	11	11	11	12	12	10	9	10	10	11	10	9	11	13	15	13		1,009		3
23	Medium Pressure	Service pipe	MP steel service pipe	km	1	9	13	7	6	3	1	0	0	0	0	0	0	0	0	0		0	0		0				0	0		40		3
24	Medium Pressure	Service pipe	MP other service pipe	km	0	1	1	6	12	7	0	0	0	0	0	1	0	0	0	0	0	0	0	0				0		0		28		3
25	Medium Pressure	Stations	Medium pressure DRS	No.					34	6	1						2										1					44		3
26	Medium Pressure	Line valve	MP line valves	No.	3	4	10	22	373	121	11	1	1	6	8	8	8	14	10	11	16	14	28	29	11	10	13	6	15	9		762		3
27	Medium Pressure	Special crossings	MP special crossings	No.	1	18		44	50	18	5	3	3	2		1	1				2				1					1		150		3
28	Low Pressure	Main pipe	LP PE main pipe	km		0		0	0	0	0	0			1					1						1				0		3		3
29	Low Pressure	Main pipe	LP steel main pipe	km			0	0	0	3	0																					3		3
30	Low Pressure	Main pipe	LP other main pipe	km				0		0																						0		3
31	Low Pressure	Service pipe	LP PE service pipe	km	0	0	0	0	1	1	1	0	0	0	0	0	0	0		0	0	0	0	0	0	0		0	0	0		3		3
32	Low Pressure	Service pipe	LP steel service pipe	km	0		0	0	0	0	0		0							0												0		3
33	Low Pressure	Service pipe	LP other service pipe	km	0		0	0	0	0	0	0		0	0					0		0										1		3
34	Low Pressure	Line valve	LP line valves	No.					2	2	2											1				6						13		3
35	Low Pressure	Special crossings	LP special crossings	No.																												-		3
36	All	Monitoring and control systems	Remote terminal units	No.													4		1		14		15	18		7	1	1	6			67		4
37	All	Cathodic protection systems	Cathodic protection	No.	1	9	3	6	4	3	3	3	1	1		1	1													1		37		3

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Lower**

SCHEDULE 9b: ASSET AGE PROFILE

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class.

sch ref

8 **Disclosure Year (year ended)** 30 September 2018 **Number of assets at disclosure year end by installation date**

9	Operating Pressure	Asset Category	Asset Class	Units	pre-1970	1970 –1974	1975 –1979	1980 –1984	1985-1989	1990 –1994	1995 –1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	No. with age unknown	Items at end of year (quantity)	No. with default dates	Data accuracy (1–4)
10	Intermediate Pressure	Main pipe	IP PE main pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-		0		3
11	Intermediate Pressure	Main pipe	IP steel main pipe	km	4	55	26	36	25	5	4	3	0	0	0	-	0	0	0	0	0	0	0	0	-	0	0	0	0	0		159		3
12	Intermediate Pressure	Main pipe	IP other main pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-		3
13	Intermediate Pressure	Service pipe	IP PE service pipe	km	-	0	0	0	-	0	0	-	-	-	-	-	-	-	0	0	-	0	-	0	-	-	0	-	-	-		0		3
14	Intermediate Pressure	Service pipe	IP steel service pipe	km	0	1	1	3	2	0	0	0	0	-	0	0	-	0	0	0	0	0	0	0	0	-	0	-	0	0		8		3
15	Intermediate Pressure	Service pipe	IP other service pipe	km	-	0	0	1	0	-	-	0	-	-	-	-	0	-	-	-	0	-	-	-	-	-	0	-	-	-		1		3
16	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	-	2	2	31	1	14	1	-	-	-	1	-	-	2	-	2	-	1	3	2	-	2	6	2	3	3		78		3
17	Intermediate Pressure	Line valve	IP line valves	No.	2	39	28	94	242	40	11	3	1	-	3	2	6	4	6	7	4	4	11	7	1	2	5	3	4	3		532		3
18	Intermediate Pressure	Special crossings	IP crossings	No.	1	4	2	31	-	4	5	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-		50		3
19	Medium Pressure	Main pipe	MP PE main pipe	km	0	24	122	219	193	396	390	30	21	16	16	32	22	14	19	20	12	11	8	13	11	15	15	14	19	9		1,660		3
20	Medium Pressure	Main pipe	MP steel main pipe	km	-	2	3	3	1	2	2	0	0	-	-	0	0	-	-	0	-	0	0	0	-	0	0	0	0	0		13		3
21	Medium Pressure	Main pipe	MP other main pipe	km	-	0	2	5	2	2	2	0	0	0	0	0	0	0	-	0	0	0	-	-	-	-	-	-	0	-		13		3
22	Medium Pressure	Service pipe	MP PE service pipe	km	3	5	20	163	95	178	173	17	18	18	13	15	13	11	13	11	9	10	11	12	11	12	14	15	16	9		883		3
23	Medium Pressure	Service pipe	MP steel service pipe	km	0	0	1	2	0	2	4	0	0	0	0	0	0	0	0	0	0	0	-	0	-	0	0	-	0	0		10		3
24	Medium Pressure	Service pipe	MP other service pipe	km	0	0	1	18	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		24		3
25	Medium Pressure	Stations	Medium pressure DRS	No.	-	-	-	7	-	7	-	-	-	1	-	-	-	-	-	-	1	-	2	2	-	2	1	-	-	-		23		3
26	Medium Pressure	Line valve	MP line valves	No.	1	4	18	23	118	98	9	-	1	5	2	12	5	12	9	19	17	24	24	19	4	23	27	12	20	11		517		3
27	Medium Pressure	Special crossings	MP special crossings	No.	1	-	7	44	1	13	16	-	3	-	-	-	2	-	-	1	1	-	-	-	-	-	-	-	-	-		89		3
28	Low Pressure	Main pipe	LP PE main pipe	km	-	0	0	2	5	14	3	0	0	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		27		3
29	Low Pressure	Main pipe	LP steel main pipe	km	-	-	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	0	-	0	-	-	-	-		1		3
30	Low Pressure	Main pipe	LP other main pipe	km	-	-	-	-	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	0	-		1		3
31	Low Pressure	Service pipe	LP PE service pipe	km	0	0	0	1	1	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		8		3
32	Low Pressure	Service pipe	LP steel service pipe	km	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	0	0	-	-	0	-	0	-	-	0	-		1		3
33	Low Pressure	Service pipe	LP other service pipe	km	-	-	0	0	0	0	0	-	-	-	-	-	-	0	-	0	-	-	0	0	-	0	0	-	0	-		0		3
34	Low Pressure	Line valve	LP line valves	No.	-	-	-	3	1	86	7	-	-	2	2	3	2	3	4	5	4	6	3	3	2	6	4	-	11	13		170		3
35	Low Pressure	Special crossings	LP special crossings	No.	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		2		3
36	All	Monitoring and control systems	Remote terminal units	No.	-	-	-	-	-	-	1	-	-	-	-	-	2	-	-	-	25	14	5	1	-	9	4	-	9	2		72		4
37	All	Cathodic protection systems	Cathodic protection	No.	-	1	2	1	-	2	1	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1	2	4	2		17		3

17. Schedule 9c: Report on Pipeline Data

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Powerco Limited**

SCHEDULE 9c: REPORT ON PIPELINE DATA

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

sch ref

Network Information (end of year)

System length by material (defined by GDB)	Length (km)	%
PE	5,430	90.55%
Steel	481	8.03%
Other	85	1.42%
		-
		-
		-
System length	5,997	100.00%

By operating pressure:	System length (km) (at year end)	Weighted average pipe diameter (mm)	Number of ICPs (at year end)	Gas conveyed for Persons not involved in the GDB (TJ)
Intermediate pressure	278	134	287	1,811
Medium pressure	5,671	40	106,929	6,554
Low pressure	48	80	1,200	331
Total	5,997	45	108,416	8,696

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Central**

SCHEDULE 9c: REPORT ON PIPELINE DATA

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

sch ref

Network Information (end of year)

System length by material (defined by GDB)	Length (km)	%
PE	2,852	89.46%
Steel	290	9.08%
Other	46	1.45%
		-
		-
		-
System length	3,188	100.00%

By operating pressure:	System length (km) (at year end)	Weighted average pipe diameter (mm)	Number of ICPs (at year end)	Gas conveyed for Persons not involved in the GDB (TJ)
Intermediate pressure	110	132	73	1,455
Medium pressure	3,067	37	44,924	3,574
Low pressure	10	49	332	20
Total	3,188	40	45,329	5,050

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Lower**

SCHEDULE 9c: REPORT ON PIPELINE DATA

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

sch ref

Network Information (end of year)

	System length by material (defined by GDB)	Length (km)	%
	PE	2,578	91.78%
	Steel	192	6.83%
	Other	39	1.39%
			-
			-
			-
	System length	2,809	100.00%

	By operating pressure:	System length (km) (at year end)	Weighted average pipe diameter (mm)	Number of ICPs (at year end)	Gas conveyed for Persons not involved in the GDB (TJ)
	Intermediate pressure	168	135	214	356
	Medium pressure	2,604	44	62,005	2,980
	Low pressure	38	88	868	310
	Total	2,809	50	63,087	3,646

18. Schedule 9d: Network Demand

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Powerco Limited**

SCHEDULE 9d: REPORT ON DEMAND

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

sch ref

9d(i): Consumer Connections

Number of ICPs connected in year by consumer type

Consumer types defined by GDB	**Number of connections (ICPs)**
Residential / Small Commercial	2,147
Commercial	129
Industrial	1
[GDB consumer type]	
[GDB consumer type]	
Total	2,277

9d(ii): Gas Delivered

Number of ICPs at year end	108,416	connections
Maximum daily load	43,231	(GJ per day)
Maximum monthly load	1,017,433	(GJ per month)
Number of directly billed ICPs	-	(at year end)
Total gas conveyed	8,687,511	(GJ per annum)
Average daily delivery	23,801	(GJ per day)
Load factor	71.16%	

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Central**

SCHEDULE 9d: REPORT ON DEMAND

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

sch ref

9d(i): Consumer Connections

Number of ICPs connected in year by consumer type

Consumer types defined by GDB	**Number of connections (ICPs)**
Residential / Small Commercial	893
Commercial	69
Industrial	1
[GDB consumer type]	
[GDB consumer type]	
Total	963

9d(ii): Gas Delivered

Number of ICPs at year end	45,329	connections
Maximum daily load	22,603	(GJ per day)
Maximum monthly load	543,041	(GJ per month)
Number of directly billed ICPs	-	(at year end)
Total gas conveyed	5,052,638	(GJ per annum)
Average daily delivery	13,843	(GJ per day)
Load factor	77.54%	

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Lower**

SCHEDULE 9d: REPORT ON DEMAND

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

sch ref

9d(i): Consumer Connections

Number of ICPs connected in year by consumer type

Consumer types defined by GDB	**Number of connections (ICPs)**
Residential / Small Commercial	1,254
Commercial	60
Industrial	-
[GDB consumer type]	
[GDB consumer type]	
Total	1,314

9d(ii): Gas Delivered

Number of ICPs at year end	63,087	connections
Maximum daily load	21,209	(GJ per day)
Maximum monthly load	478,413	(GJ per month)
Number of directly billed ICPs	-	(at year end)
Total gas conveyed	3,634,873	(GJ per annum)
Average daily delivery	9,959	(GJ per day)
Load factor	63.31%	

19. Schedule 10a: Network Reliability and Interruptions

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Powerco Limited**

SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

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

sch ref

10a(i): Interruptions

Interruptions by class

	Actual
Class A (planned interruptions by GTB)	-
Class B (planned interruptions on the network)	199
Class C (unplanned interruptions on the network)	469
Class D (unplanned interruptions by GTB)	-
Class I (unplanned interruptions caused by third party damage)	205
Total	873

Number of unplanned outage events (interruptions that affect more than 5 ICPs)	Actual
Wellington	2
Hutt Valley and Porirua	4
Taranaki	1
Manawatu & Horowhenua	1
Hawke's Bay	-

Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)	Actual
Wellington	2
Hutt Valley and Porirua	1
Taranaki	-
Manawatu & Horowhenua	1
Hawke's Bay	-

10a(ii): Reliability

Overall reliability

	SAIDI	SAIFI	CAIDI
Based on the total number of interruptions	2,210.85	13.579	162.82
Class I (unplanned interruptions caused by third party damage)	199.04	2.705	73.59

Class B (planned interruptions on the network)	SAIDI	SAIFI	CAIDI
Wellington	325.98	3.342	97.54
Hutt Valley and Porirua	1,685.26	5.770	292.06
Taranaki	112.64	2.538	44.39
Manawatu & Horowhenua	-	-	-
Hawke's Bay	-	-	-

Class C (unplanned interruptions on the network)	SAIDI	SAIFI	CAIDI
Wellington	363.06	3.973	91.39
Hutt Valley and Porirua	4,091.32	18.478	221.42
Taranaki	592.59	4.764	124.38
Manawatu & Horowhenua	124.54	2.193	56.80
Hawke's Bay	46.17	0.769	60.00

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Central**

SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

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

sch ref

10a(i): Interruptions

Interruptions by class

		Actual
10	Class A (planned interruptions by GTB)	-
11	Class B (planned interruptions on the network)	18
12	Class C (unplanned interruptions on the network)	132
13	Class D (unplanned interruptions by GTB)	-
14	Class I (unplanned interruptions caused by third party damage)	106
15	**Total**	256

	Number of unplanned outage events (interruptions that affect more than 5 ICPs)	Actual
17	Taranaki	1
18	Manawatu & Horowhenua	1
19	Hawke's Bay	-
20		
21		

	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)	Actual
23	Taranaki	-
24	Manawatu & Horowhenua	1
25	Hawke's Bay	-
26		
27		

10a(ii): Reliability

Overall reliability

		SAIDI	SAIFI	CAIDI
30	Based on the total number of interruptions	603.58	7.595	79.47
31	Class I (unplanned interruptions caused by third party damage)	239.08	3.375	70.83

	Class B (planned interruptions on the network)	SAIDI	SAIFI	CAIDI
33	Taranaki	112.64	2.538	44.39
34	Manawatu & Horowhenua	-	-	-
35	Hawke's Bay	-	-	-
36				-
37				-

	Class C (unplanned interruptions on the network)	SAIDI	SAIFI	CAIDI
39	Taranaki	592.59	4.764	124.38
40	Manawatu & Horowhenua	124.54	2.193	56.80
41	Hawke's Bay	46.17	0.769	60.00
42				-
43				-

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Lower**

SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

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

sch ref

10a(i): Interruptions

Interruptions by class

		Actual
10	Class A (planned interruptions by GTB)	-
11	Class B (planned interruptions on the network)	181
12	Class C (unplanned interruptions on the network)	337
13	Class D (unplanned interruptions by GTB)	-
14	Class I (unplanned interruptions caused by third party damage)	99
15	**Total**	617

	Number of unplanned outage events (interruptions that affect more than 5 ICPs)	Actual
17	Wellington	2
18	Hutt Valley and Porirua	4
19		
20		
21		

	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)	Actual
23	Wellington	2
24	Hutt Valley and Porirua	1
25		
26		
27		

10a(ii): Reliability

Overall reliability

		SAIDI	SAIFI	CAIDI
30	Based on the total number of interruptions	3,367.70	17.886	188.29
31	Class I (unplanned interruptions caused by third party damage)	170.23	2.222	76.62

	Class B (planned interruptions on the network)	SAIDI	SAIFI	CAIDI
33	Wellington	325.98	3.342	97.54
34	Hutt Valley and Porirua	1,685.26	5.770	292.06
35				-
36				-
37				-

	Class C (unplanned interruptions on the network)	SAIDI	SAIFI	CAIDI
39	Wellington	363.06	3.973	91.39
40	Hutt Valley and Porirua	4,091.32	18.478	221.42
41				-
42				-
43				-

20. Schedule 10b: Network Integrity and Consumer Service

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Powerco Limited**

SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE

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

sch ref

10b(i): System Condition and Integrity

Number of confirmed public reported gas escapes per system length (escapes/1000 km)

	Actual
Wellington	120.416
Hutt Valley and Porirua	121.071
Taranaki	54.711
Manawatu & Horowhenua	67.017
Hawke's Bay	9.920

Number of leaks detected by routine survey per system length (leaks/1000 km)

	Actual
Wellington	-
Hutt Valley and Porirua	3.614
Taranaki	5.471
Manawatu & Horowhenua	4.324
Hawke's Bay	-

Number of third party damage events per system length (events/1000 km)

	Actual
Wellington	58.011
Hutt Valley and Porirua	49.994
Taranaki	57.055
Manawatu & Horowhenua	71.341
Hawke's Bay	37.698

Number of poor pressure events due to network causes

	Actual
Wellington	2.000
Hutt Valley and Porirua	-
Taranaki	2.000
Manawatu & Horowhenua	1.000
Hawke's Bay	-

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

	Actual
All regions	96.48%
Region_02	
Region_03	
Region_04	
Region_05	

The Commerce Commission has granted Powerco an exemption from reporting this information by region and sub-network.

Product control—safety of distribution gas

	Actual
Number of non-compliant odour tests	2

10b(ii): Consumer Service

Response time to emergencies (RTE)	Proportion of emergencies responded to within 1 hour (%)	Proportion of emergencies responded to within 3 hours (%)	Average call response time (hours)	Number of emergencies
Wellington	100.00%	100.00%	0.42	7
Hutt Valley and Porirua	100.00%	100.00%	0.25	6
Taranaki	100.00%	100.00%	0.52	3
Manawatu & Horowhenua	100.00%	100.00%	0.28	8
Hawke's Bay	100.00%	100.00%	0.09	8

Number of complaints

	Actual
Number of complaints per average total consumer numbers	0.00035

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Central**

SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE

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

sch ref

10b(i): System Condition and Integrity

Number of confirmed public reported gas escapes per system length (escapes/1000 km)

	Actual
Taranaki	54.711
Manawatu & Horowhenua	67.017
Hawke's Bay	9.920

Number of leaks detected by routine survey per system length (leaks/1000 km)

	Actual
Taranaki	5.471
Manawatu & Horowhenua	4.324
Hawke's Bay	-

Number of third party damage events per system length (events/1000 km)

	Actual
Taranaki	57.055
Manawatu & Horowhenua	71.341
Hawke's Bay	37.698

Number of poor pressure events due to network causes

	Actual
Taranaki	2.000
Manawatu & Horowhenua	1.000
Hawke's Bay	-

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

	Actual	
All regions	96.48%	The Commerce Commission has granted Powerco an exemption from reporting this information by region and sub-network.

Product control—safety of distribution gas

	Actual
Number of non-compliant odour tests	2

10b(ii): Consumer Service

Response time to emergencies (RTE)

	Proportion of emergencies responded to within 1 hour (%)	Proportion of emergencies responded to within 3 hours (%)	Average call response time (hours)	Number of emergencies
Taranaki	100.00%	100.00%	0.52	3
Manawatu & Horowhenua	100.00%	100.00%	0.28	8
Hawke's Bay	100.00%	100.00%	0.09	8

Number of complaints

	Actual
Number of complaints per average total consumer numbers	0.00024

Company Name	**Powerco Limited**
For Year Ended	**30 September 2018**
Network / Sub-network Name	**Lower**

SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE

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

sch ref

10b(i): System Condition and Integrity

Number of confirmed public reported gas escapes per system length (escapes/1000 km)

	Actual
Wellington	120.416
Hutt Valley and Porirua	121.071

Number of leaks detected by routine survey per system length (leaks/1000 km)

	Actual
Wellington	-
Hutt Valley and Porirua	3.614

Number of third party damage events per system length (events/1000 km)

	Actual
Wellington	58.011
Hutt Valley and Porirua	49.994

Number of poor pressure events due to network causes

	Actual
Wellington	2.000
Hutt Valley and Porirua	-

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

	Actual	
All regions	96.48%	The Commerce Commission has granted Powerco an exemption from reporting this information by region and sub-network.

Product control—safety of distribution gas

	Actual
Number of non-compliant odour tests	-

10b(ii): Consumer Service

Response time to emergencies (RTE)

	Proportion of emergencies responded to within 1 hour (%)	Proportion of emergencies responded to within 3 hours (%)	Average call response time (hours)	Number of emergencies
Wellington	100.00%	100.00%	0.42	7
Hutt Valley and Porirua	100.00%	100.00%	0.25	6

Number of complaints

	Actual
Number of complaints per average total consumer numbers	0.00043

Schedule 14: Mandatory Explanatory Notes

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

20.1 Return on Investment (Schedule 2)

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

Box 1: Explanatory comment on return on investment

Our disclosed ROI under both a Vanilla and Post tax approach for 2018 is lower than 2017 primarily due lower operating profit and a higher opening RAB.

20.2 Regulatory Profit (Schedule 3)

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

a. a description of material items included in other regulated income (other than gains / (losses) on asset disposals), as disclosed in 3(i) of Schedule 3.
b. information on reclassified items in accordance with clause 2.7.1(2).

Box 2: Explanatory comment on regulatory profit

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

There have been no reclassified items.

Merger and acquisition expenses (Schedule 3(iv))

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

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

Box 3: Explanatory comment on merger and acquisition expenditure

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

20.3 Value of the Regulatory Asset Base (Schedule 4)

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

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

The Regulatory Asset Base (RAB) has increased by $5.4m during the 2018 disclosure year. This increase was lower than 2017 primarily due to lower commissioning of assets and a higher depreciation charge in 2018.

Due to ongoing data quality checks and updates to asset category mapping there are reclassifications in the Asset category transfer line in Schedule 4 (vii).

The movements are detailed below.

($000 unless otherwise specified)

	Intermediate pressure main pipelines	Medium pressure main pipelines	Low pressure main pipelines	Service pipe	Stations	Line valve	Special crossings	Other network assets	Non-network assets	Total
plus Asset category transfers	(162)	(588)	(16)	(712)	(7)	(45)	(13)	1,543	-	0
Total closing RAB value	48,031	172,791	4,706	102,752	6,308	3,256	602	18,168	12,941	369,556

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

This narrative provides descriptions and workings of the material item recorded in the asterisked categories in of 5a(i) of Schedule 5a -

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

Box 5: Regulatory tax allowance: permanent differences

Permanent differences are comprised of Customer Contributions income that is included in taxable income, but not regulatory profit, and entertainment costs. The total permanent difference is $517k.

A revaluation gain on RAB of $6.831m included in Regulatory Profit is not taxable.

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

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

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

Temporary differences amount to $776k ($217k tax effect) and relate to:

- $545k depreciation correction related to a reduction of depreciation related to prior years. Additional information in relation to this is disclosed in Schedule 15 – Voluntary Explanatory Notes.
- $717k related to CIW income that will be recognised as taxable income over a period of 10 years. Additional information in relation to this is disclosed in Schedule 15 – Voluntary Explanatory Notes.
- $45k movement in other general provisions

20.6 Related party transactions: disclosure of related party transactions (schedule 5b)

Related party transactions beyond those disclosed in Schedule 5b are described below. This includes identification and descriptions as to the nature of directly attributable costs disclosed under clause 2.3.6(2)(b).

Box 7: Related party transactions

There were no related party transactions in the 2018 disclosure year.

20.7 Cost allocation (Schedule 5d)

Comments on cost allocation as disclosed in Schedule 5d are set out below, including information on any reclassified items in accordance with clause 2.7.1(2).

Box 8: Cost allocation

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

All operating costs except some specified systems operations and network support (SONS) costs and some specified business supports costs are directly attributable to the specific regulatory businesses.

Directly attributable costs are primarily incurred in the functional areas of:

- SONS
- Network management and administration
- Customer related costs

Powerco has opted to use cost allocators that have been calculated under the ABAA (accounting based allocation approach) methodology type as defined in the IM determination, to allocate those operating costs that are not directly attributable costs.

The use of causal relationships has been utilised where the cost driver has led to the cost being incurred.

The use of proxy relationships has been utilised to allocate operating costs for which a causal relationship cannot be established. The rationale behind the use of each proxy allocator is based on an analysis of each financial statement item that are not directly attributable and the key cost driver as determined by management. This is based on a combination of managements experience and knowledge, an analysis of the costs and the comparative sizes of the regulated businesses.

The main reason why a causal relationship cannot be established is where there isn't one key causal cost driver in a functional area and the use of one causal allocator would unfairly reflect on the allocation of costs in line with management expectations of the relevant cost split.

SONS costs that are not directly attributable relate to network IS management costs and have been allocated based on a proxy fixed asset allocator (which is based on the carrying value of network fixed assets). The not directly attributable costs include the significant cost categories below:

- Personnel costs
- Professional services

Business support costs that are not directly attributable primarily arise in the functional areas of:

- Corporate services which has a proxy cost allocator of distribution line charge revenue
- Human resources which has a proxy cost allocator of employee numbers
- Regulatory management which has a causal allocation of managements estimate of staff time working on regulated and unregulated services and legal has a proxy fixed asset allocator
- Insurance which has causal allocators of indemnity values, vehicle allocations and employee numbers

- Facility costs which has a causal allocator of employee numbers and a proxy fixed assets allocator
- Information systems and projects which have a proxy fixed asset allocator.

The not directly attributable costs included in business support include the significant cost categories below:

- Personnel costs
- Professional services
- Information technology related expenses
- Building & insurance related costs
- Administration costs
- Communication & marketing costs.

Within each functional area across Powerco only one allocation methodology type has been used.

There have been no changes to the cost allocators applied in the current disclosure year.

20.8 Asset allocation (Schedule 5e)

Comments on asset allocation as disclosed in Schedule 5e are set out below, including information on any reclassified items in accordance with clause 2.7.1(2).

Box 9: Commentary on asset allocation

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

During the 2018 disclosure year there have been no reclassified items affecting asset allocation. Powerco has re-categorised $1.543m of assets. The details of this reclassification required by clause 2.7.1 (s) are provided in box 4.

20.9 Capital Expenditure for the Disclosure Year (Schedule 6a)

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

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

Box 10: Explanation of capital expenditure for the disclosure year

1. Materiality threshold

A materiality threshold of $0.1m has been applied to identify material projects and programmes listed in schedule 6a. Network projects or programmes of work have also been considered material if their costs make up 40% or more of the total costs in the expenditure category or 10% or more of the total costs in the other reliability, safety and environment category.

Expenditure Category	Threshold
Asset relocations	Projects exceed 40% of the total costs for that category in the disclosure year
Quality of supply Other Network capex	Project costs exceed $0.1m in the disclosure year
Other reliability, safety and environment	Projects greater than 10% of total costs for that category in the disclosure year

2. Items reclassified

No items of capital expenditure have been reclassified in the 2018 disclosure period.

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

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

a. Commentary on assets replaced or renewed with asset replacement and renewal operating expenditure, as reported in 6b(i) of Schedule 6b;
b. Information on reclassified items in accordance with clause 2.7.1(2);
c. Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, including the value of the expenditure, the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

Box 11: Explanation of operation expenditure for the disclosure year

1. Asset Replacement and Renewal

Powerco had asset replacement and renewal expenditure of $2.7m for the 2018 disclosure period.

Powerco considers replacement and renewal maintenance to be operating expenditure where the primary driver is the maintenance of asset integrity to address the progressive deterioration or obsolescence of particular assets, or the need to maintain physical security.

Powerco interprets asset replacement and renewal maintenance to include defect remedy of a non-routine nature which require the replacement of assets or asset subcomponents in order to maintain the asset in its current state, but do not meet the thresholds of our capitalisation policy.

2. Reclassified items

No items of operation expenditure have been reclassified in the 2018 disclosure period.

3. Atypical Expenditure

There have been no material items of atypical expenditure.

20.11 Variance between forecast and actual expenditure (Schedule 7)

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

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

Some movement in expenditure between categories has occurred. The reasons for variances are noted briefly below and commentary is provided for each category showing a forecast to actual variance of greater than 5% (subject to being material in dollar terms).

Network Capex

Network Capital expenditure is above forecast by $1.08m.

During a disclosure year, Powerco manages its overall capital expenditure balancing customer-driven activities, and planned projects. We aim to meet our network capital expenditure target, while recognising the importance of meeting our statutory requirements, customers' demand, and cost-efficiency.

2018 has been impacted by a large amount of unforeseen, customer-driven jobs. Across the Consumer Connection, System Growth, and Asset Relocation categories, $10.0m was spent against a forecast of $6.9m.

Examples of atypical expenditure in these categories include:

- The relocation of IP pipeline to allow the creation of a new subdivision in Porirua totalling $375k.
- The relocation of our IP pipeline to allow the works in Transmission Gully totalling $143k.
- The connection of an industrial customer in rural Taranaki totalling $510k.
- A series of complex commercial connections, including Wellington Airport and a few large building developments within Wellington CBD
- A record number of new connections, 2,277 against 1,871 forecasted.

In our 2018 AMP, we have reviewed the forecast number of connections and reflected this increase in customer activity. It is important to note, however, that the impact of the government's net-zero carbon policy on future connection numbers is difficult to assess at this stage and we have chosen to maintain a conservative forecasting approach.

Planned activities, comprising the Asset Replacement and Renewal, Quality of Supply, Legislative and Regulatory, and Other Reliability, Safety and Environment expenditure categories, are under forecast by $2.04m.

Given the amount of customer-driven activities, in a market with finite field resources, we deferred some lower-risk, non-urgent projects, and reviewed our delivery strategy to align our programme with the resources available. Our focus has been on:

- Prioritising the replacement of pipeline prone to leakage, and older, obsolete pressure regulation stations, which has increased the Asset Replacement and Renewal expenditure category compared to forecast.
- Reducing the number of projects in the Quality of Supply expenditure category to focus on the pressure increase project in Wellington CBD

This realignment of projects also allowed us to realise cost-efficiencies across some of these projects, most notably with Wellington CBD pressure increase and some station replacement work.

Operational Expenditure

Overall operational expenditure is under forecast by 10%.

Network operational expenditure is over forecast by $0.4m. In 2018, we tendered our gas field service agreement and some of the rates obtained were higher than the ones used for our 2017 forecast. In the 2018 AMP, we have revised our forecasts to reflect these changes.

Powerco's total non-network operational expenditure in the disclosure period was $2.0m below the forecast in the 2017 AMP.

The application of NZ IFRS 16 – Leases, has resulted in a $0.3m reduction in expenditure. This change will be on-going and will be reflected in future AMPs.

Expenditure was less than expected in relation to the network operations centre management, Customer and Commercial management and Regulation and Government Affairs.

Based on Powerco's capitalisation policy, the amount of costs capitalised in 2018 was higher than forecast. This was based on the nature and amount of qualifying expenditure in the current year.

20.12 Information relating to revenues and quantities for the disclosure year

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

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

Total line charge revenue for DY18 exceeded the target revenue forecast in the pricing methodology for the same period by $0.56m (or 1.1%).

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

Box 14: Explanatory comment relating to changed price category codes or consumer groups

No change in price category codes or consumer groups during the disclosure period.

20.13 Network Reliability for the disclosure year (Schedule 10a)

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

Box 15: Commentary on network reliability for the disclosure year

The amount of unplanned interruptions on the network remains in line with our previous disclosures. Although the overall numbers are down, we have had more planned interruptions in the Lower Network region, as the preparation work for the Wellington pressure upgrade project, and the replacement of pre-85 pipe in the Hutt Valley and Porirua region required us to interrupt supply to individual customers.

In December, an operating error during planned work in the Hutt Valley resulted in a supply interruption for 266 customers for almost 6 hours.

As discussed in our previous information disclosure, and previous Asset Management Plans, SAIDI remains a volatile measure which does not reflect the actual performance of the overall gas distribution network. In the event mentioned above, the duration of the interruption was necessary to purge and re-pressurise the entire affected area, ensuring the safety of end-consumers, public, and network operatives.

Other reliability measures remain in line with expectations.

20.14 Insurance Cover

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

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

Box 16: Explanation of insurance cover

Powerco holds significant insurance cover relating to material damage and business interruption, targeted at key assets. This includes full cover for buildings and contents, substations and IS server equipment, and natural disaster cover for distribution transformers and SCADA equipment.

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

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

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

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

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

20.15 Amendments to previously disclosed information

Information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:

a. a description of each error; and
b. for each error, a reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 17: Disclosure of amendment to previously disclosed information

There have been no amendments to previously disclosed information made in accordance with clause 2.12.1.

Schedule 15: Voluntary Explanatory Notes

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

Information in this Schedule is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

20.16 Financial Schedules

Regulatory Asset Base (schedule 4)

Powerco has continued to refine our data, which has led to some step changes in the 4(vii): Disclosure by Asset Category table, including changes in depreciation. The non-network depreciation now better represents the mix of assets in the category and the medium- and low-pressure pipelines' asset lives more accurately reflect the standard physical asset lives. These changes are due to improvements in our data quality, which is something we continue to build on each year.

Regulatory Tax Asset Base (schedule 5)

The 2018 Gas Information Disclosures include some corrections that relate to previous Gas Information Disclosures. These corrections are not considered to be material and do not require amendments to past disclosures but are outlined here to provide supplementary information to aid understanding of the 2018 schedules.

Customer Contribution income. A portion of customer contributions received has historically been recognised as taxable income and spread over 10 years as permitted under the Tax Rules. Historical Information Disclosures from 2010 to 2017 did not capture this correctly. The correction of this in the current year includes:

a. Inclusion of $0.6m (tax effect) as a temporary difference in Schedule 5a(vi) Calculation of Deferred Tax Balance. This reflects the net deferred tax impact of the Customer Contribution income that will be recognised as taxable income in future years, and the depreciation of these assets as they are now included in the Regulatory Tax Asset Base as per b. below.

b. Inclusion of $5.6m as an addition to Schedule 5a(viii) Regulatory Tax Asset Base Roll-Forward. This is included in the Other adjustments to the RAB tax value line. It reflects the Recognition of the Customer Contribution component as a Regulatory Tax Asset. Under the Tax Rules these are treated as an asset, and as such should also be included as a Regulatory Tax Asset.

Tax Depreciation. Previous Information Disclosures from 2010 to 2017 have not accurately reflected the tax depreciation filed in tax returns. This is the result of manual adjustments that are made post year-end and post publication of the Gas Information Disclosure, but prior to filing of the annual tax return. The correction of this in the current year includes:

c. Inclusion of -$0.5m (tax effect) as a temporary difference in Schedule 5a(vi) Calculation of Deferred Tax Balance. This reflects the tax effect of the depreciation adjustment (as per 2b. below) that would normally have flowed through line 64 (Tax effect of tax depreciation) of this schedule.

d. Inclusion of $1.9m of historical depreciation in Schedule 5a(viii) Regulatory Tax Asset Base Roll-Forward. This is included in the Other adjustments to the RAB tax value line. It corrects depreciation that had been understated in previous Information Disclosures by this amount.

20.17 Billed Quantities and Revenues (Schedule 8)

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

Table 1: Typical consumers in the different consumer categories

Consumer type	Price category	Typical characteristics
Residential	G06	Low-volume residential customers.
Residential/Small Commercial	G11	Standard residential customers and small commercial customers such as small cafes, fish and chip stores and pizza stores.
Commercial	G12 to G18	Commercial consumers are diverse in nature and include restaurants, office buildings and small industries.
	G30	Individually priced customers who do not have a time of use (TOU) meter, e.g. large commercial customers and large hotels.
Industrial	G40	Individually priced customers with a TOU meter and with an annual volume generally greater than 10TJ. Included in this group tend to be small manufacturing and industrial businesses such as dairy, meat or food processing plants.

For the purposes of schedule 9d, new connections for the G06 and G11 groups are reported together under the consumer type “residential/small commercial”.

20.18 Asset Information (Schedule 9a-9c)

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

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

Powerco initiated a programme of work focused on incremental improvements to data quality and depth. Further information on this programme of work is available in section 8.8 of Powerco’s Gas Asset Management Plan 2015 available on our website or by request.

In preparation for the ODV calculation in 2005 and 2006, Powerco reviewed asset dates and verified dates where previously there were default dates. Therefore no assets with default dates are recorded on the gas network. Further investigation into line valves operating pressure has increased asset knowledge and resulted in a transfer of line valves between pressure categories, where valves are found to be inactive or inaccessible valves they have been removed.

Network Asset Categorisation
The programmes we have put in place to ensure on-going improvement of asset data over time, means that from time to time we re-categorise small numbers of assets to reflect the latest available data.

Network Asset Classification
The programmes we have put in place to ensure on-going improvement of asset data over time, means that from time to time we re-classify small numbers of assets to reflect the latest available data.

20.19 Network Demand (Schedule 9d)

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

20.20 Network reliability, integrity and customer service (Schedule 10a and 10b)

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

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

As a result, Powerco has reported this metric on a whole of business basis for all regions and sub-networks as permitted by the Commerce Commission's exemption issued under clause 2.11.1(1) of the IDD on 18 August 2016.

21. Directors' Certificate for Year End Disclosures

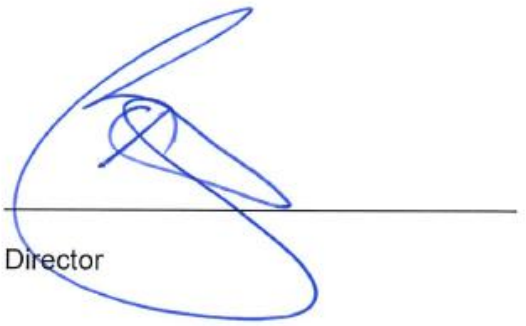
CERTIFICATE FOR YEAR-END DISCLOSURES

Pursuant to clause 2.9.3 of Section 2.9

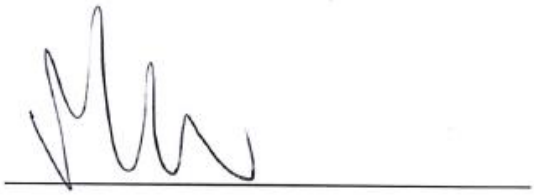
We, John Loughlin Director, and Paul Callow, being directors of Powerco Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

a) the information prepared for the purposes of clauses 2.3.1, 2.3.2, 2.4.21, 2.4.22, 2.5.1, 2.5.2 and 2.7.1 of the Gas Distribution Information Disclosure Determination 2012 in all material respects complies with that determination; and

b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d,10a, 10b and 14 has been properly extracted from Powerco Limited's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained.



Director



Director

14/3/19

Date

14/3/19

Date

22. Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF POWERCO LIMITED AND THE COMMERCE COMMISSION

Report on the Disclosure Information prepared in accordance with the Gas Distribution Disclosure Determination 2012 (consolidated in 2015)

We have been engaged by Board of Directors of Powerco Limited (the "Company") to conduct a reasonable assurance engagement to provide an opinion on whether schedules 1, 2, 3, 4, 5a-5g, 6a, 6b, 7, the system average interruption duration index ('SAIDI') and system average interruption frequency index ('SAIFI') information disclosed in Schedule 10a and the explanatory notes disclosed in boxes 1 to 12 of Schedule 14 for the disclosure year ended 30 September 2018 ('the Disclosure Information') have been prepared, in all material respects, in accordance with the Gas Distribution Information Disclosure Determination 2012 (consolidated in 2015) ('the Determination').

Opinion

This opinion has been formed on the basis of, and is subject to, the inherent limitations outlined elsewhere in this independent assurance report.

In our opinion:

- The Company has complied, in all material respects, with the Determination in preparing the Disclosure Information;
- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the Company; and
- As far as appears from an examination of the records, the information used in the preparation of the Disclosure Information has been properly extracted from the Company's accounting and other records and has been sourced, where appropriate, from the Company's financial and non-financial systems.

Basis of opinion

We have conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Standard on Assurance Engagements 3100 (Revised): *Compliance Engagements* ('SAE3100 (Revised)') issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the 'Our Responsibility for the Audit of the Disclosure Information' section below.

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

Responsibilities of the Board of Directors for the Disclosure Information

The Board of Directors is responsible on behalf of the Company for the preparation of the Disclosure Information in accordance with the Determination. The responsibility includes the design, implementation and maintenance of internal control relevant to the Company's preparation of the Disclosure Information in accordance with the Determination.

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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.

Other than in our capacity as independent auditor and the provision of other assurance services including the audit of regulatory disclosure statements, project quality assurance and trustee reporting, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor of Powerco Limited.

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.

Our responsibility for the audit of the Disclosure Information

Our responsibility is to express an opinion whether the Disclosure information has been prepared, in all material respects, in accordance with the Determination. SAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material aspects, with the Determination in relation to the preparation of the Disclosure Information.

An assurance engagement to report on the Company's preparation of the Disclosure Information in accordance with the Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the requirements of the Determination. The procedures selected depend on our judgement, including the identification and assessment of risk of material non-compliance with the Determination.

Our procedures included:

- evaluating the methodologies used in preparing the Disclosure Information and confirming that they are in accordance with the requirements set out in the Determination;
- ensuring proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the Company;
- identifying key inputs to the Disclosure Information;
- ensuring the information used in preparing the Disclosure Information has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and
- ensuring the calculations are mathematically correct.

These procedures have been undertaken to form an opinion as to whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination for the period 1 October 2017 to 30 September 2018.

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Inherent Limitations

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

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

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

Use of Report

This independent assurance report has been prepared solely for the directors of the Company and for the Commerce Commission in relation to section 2.8 of the Determination, for the purpose of providing those parties with reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the Company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Deloitte Limited

Chartered Accountants
Wellington, New Zealand
14 March 2019