
Annual Compliance Statement

As at 31 March 2014

(Pursuant to the Electricity Distribution Services Default Price-Quality Path
Determination 2012)

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1 INTRODUCTION

Aurora is New Zealand's sixth-largest electricity distributor, annually receiving over 1,240 GWh of electricity for distribution to over 83,300 homes and businesses in Dunedin and Central Otago. The Aurora network comprises a total circuit length of over 5,540 kilometres, traversing a geographically diverse landscape, ranging from the urban precincts of Dunedin City to the remote and unforgiving high country environments of Central Otago.¹

This Annual Compliance Statement (Statement) is submitted by Aurora Energy Limited (Aurora) pursuant to clause 11 of the Electricity Distribution Services Default Price-Quality Path Determination 2012 (the Determination). The Determination specifies how price-quality regulation, made under section 54G of the Commerce Act 1986 (the Act), applies to non-exempt Electricity Distribution Businesses (EDBs), including Aurora.

The Determination requires Aurora to comply, during the regulatory period 1 April 2010 to 31 March 2015, with:

- a) the price path specified in clause 8; and
- b) the quality path specified in clause 9.

Aurora is required to provide this Statement to the Commerce Commission (Commission) and publicly disclose information relevant to the assessment of its performance against the price and quality paths.

1.1 Statement of Compliance

As required by clause 11.2(a) of the Determination, in respect of the Assessment Period ending on 31 March 2014, this Statement:

- a) declares Aurora's compliance with the price path requirements outlined in clause 8 of the Determination; and
- b) declares Aurora's compliance with the quality standards outlined in clause 9 of the Determination; and
- c) includes sufficient information, as outlined in clause 11.1(b) of the Determination, to support the Statement.

As required by clause 11.3(j) of the Determination, in respect of the Assessment Period ending on 31 March 2014, this Statement:

- d) declares that no transactions contemplated by clauses 10.1 to 10.4 (inclusive) of the Determination have occurred.

1.2 Disclaimer

Information disclosed in this Statement has been prepared solely for the purposes of the Determination. The information in this Statement should not be used for any other purpose than that intended under the Determination.

For presentation purposes, some figures in this Statement have been rounded. This may cause small discrepancies when aggregating some of the figures provided; however these discrepancies do not affect the overall compliance calculations which are based on more detailed figures.

¹ Statistics are for the Disclosure Year ended 31 March 2013

2 PRICE PATH

2.1 Introduction

This section of the Statement demonstrates compliance with the price path for the assessment period ending on 31 March 2014. The price path allows Aurora to increase prices by the change in the Consumers' Price Index (CPI), plus or minus a regulated rate of change ("X" factor). Changes in transmission costs, Commerce Commission levies, Electricity Authority levies, levies for the Electricity and Gas Complaints Commissioner scheme, and Local Authority rates may also be passed through into the prices charged by Aurora.

2.2 Demonstration of Compliance

The notional revenue (NR_{2014}) of a non-exempt electricity distribution business at any time during the assessment period must not exceed the allowable notional revenue (R_{2014}) for the assessment Period.

As outlined in the equation below, Aurora complies with the price path:

$$NR_t \leq R_t$$

$$NR_{2014} \leq R_{2014}$$

$$\$56,162,333 \leq \$56,452,400$$

Notional revenue for the 2014 assessment period:

$$NR_t = \sum P_{i,t} Q_{i,t-2} - K_t - V_t$$

$$NR_{2014} = \sum P_{i,2014} Q_{i,2012} - K_{2014} - V_{2014}$$

$$NR_{2014} = \$83,063,803 - \$1,058,028 - \$25,843,441$$

$$NR_{2014} = \$56,162,333$$

- Details of $\sum P_{i,2014} Q_{i,2012}$ are included in Appendix A and B.
- Details of K_{2014} are included in the pass-through cost section below.
- Details of V_{2014} are included in the recoverable cost section below.

Allowable notional revenue for the 2014 assessment period:

$$R_t = (MAR_t + (K_t + V_t)) / \Delta D - (K_t + V_t)$$

$$R_{2014} = (MAR_{2014} + (K_{2014} + V_{2014})) / \Delta D - (K_{2014} + V_{2014})$$

$$R_{2014} = (\$57,536,000 + (\$1,058,028 + \$25,843,411)) / 1.013 - (\$1,058,028 + \$25,843,411)$$

$$R_{2014} = \$56,452,400$$

2.3 Pass-through Costs

The Determination allows Aurora to pass-through the following costs into network prices:

- Local Authority Rates;
- Levies for the Electricity and Gas Complaints Commissioner scheme;
- Electricity Authority Levies; and
- Commerce Act Levies.

The table below provides a breakdown of pass-through costs incurred by Aurora in the 2014 assessment period. The table also includes Aurora's forecast pass-through costs for the assessment period when prices were determined in January 2013.

Pass-through Cost Category	K ₂₀₁₄ (Actual)	K ₂₀₁₄ (Forecast)
Local Authority rates	\$668,320	\$660,664
Electricity and Gas Complaints Commission levies	\$32,203	\$34,556
Electricity Authority levies	\$162,912	\$204,475
Commerce Act levies	\$194,593	\$148,402
Total	\$1,058,028	\$1,048,097

2.3.1 Local Authority Rates

Aurora is subject to rates from the following local authorities:

- Dunedin City Council;
- Central Otago District Council;
- Queenstown Lakes District Council; and
- Otago Regional Council.

Variance in rates between K₂₀₁₄ (Actual) and K₂₀₁₄ (Forecast) is primarily caused by the timing difference in the rating year and the assessment period for Aurora. When Aurora sets prices for the assessment period, the rates from July onwards in the assessment period (the commencement of the rating year) are unknown and must be forecast. Some variation between Aurora's forecast of rates changes and the actual changes in rates is inevitable.

2.3.2 Electricity and Gas Complaints Commissioner Scheme Levies

Aurora is a member of the Electricity and Gas Complaints Commissioner scheme (EGCC). The EGCC provides a free and independent service to consumers to resolve complaints against member companies that the two parties have not been able to resolve independently.

The EGCC is funded by levies charged to member companies. When Aurora set prices for the assessment period, the levies to be charged for the upcoming year are unknown and must be forecast.

2.3.3 **Electricity Authority Levies**

The Crown recovers the cost of operating the Electricity Authority through a levy on market participants. Different rates are levied on generators, purchasers, retailers, distributors and the grid owner, Transpower. Levy rates vary each year depending on annual costs, the volume of electricity generated, purchased and conveyed, and the number of consumer connections.

The Electricity Authority levies on distributors have a fixed component and a variable component. To forecast the levies imposed on Aurora by the Electricity Authority, Aurora must forecast network ICP numbers and network energy volumes for the assessment period. Aurora must also forecast the levy rates for each component in order to calculate the full levy cost.

The variance in Electricity Authority levies between K_{2014} (Actual) and K_{2014} (Forecast) is due to Aurora relying on previous year Electricity Authority levies as the forecast value of future Electricity Authority levies.

2.3.4 **Commerce Act Levies**

Commerce Act levies are charged in order to recover the Commerce Commission's costs in developing and administering the regulatory regime for electricity distributors, Transpower, gas pipeline distributors, and major international airports. The Commerce Commission's costs for implementing the new Part 4 of the Commerce Act can be divided into the cost of developing Input Methodologies for all regulated sectors and the costs of developing and administering other regulatory instruments, such as information disclosure requirements, for each regulated sector.

To assist in spreading the costs associated with the Input Methodology process over time, clause 8.8 of the Determination allows Aurora to apportion the 2009/10 Commerce Act levies over the five year regulatory period. For the 2014 assessment period Aurora has apportioned \$32,497 (1/5 of \$162,485) of the 2009/10 Commerce Act levies.

In addition to the apportioned 2009/10 levies, Aurora has incurred \$162,096 of Commerce Act levies in the 2014 assessment period. The variance in Commerce Act levies between K_{2014} (Actual) and K_{2014} (Forecast) is due to Aurora relying on previous year Commerce Act levies as the forecast value of future Commerce Act levies.

2.4 **Recoverable Costs**

The Determination allows Aurora to recover transmission costs levied by Transpower and avoided transmission costs paid to embedded generators into network prices.

The table below states the recoverable costs incurred by Aurora in the 2014 assessment period. The table also includes Aurora's forecast recoverable costs for the assessment period when prices were determined in January 2013.

Recoverable Cost Category	V_{2014} (Actual)	V_{2014} (Forecast)
Transmission charges	\$25,843,441	\$25,763,728

2.4.1 *Transmission Charges*

For the purposes of the calculations, transmission charges are the sum of:

- a) Transpower connection, interconnection, and new investment charges; and
- b) avoided transmission charges paid to distributed generators.

Loss and constraint rental rebates for grid exit point off-takes are excluded, as these are passed through to retailers each month on the basis of their share of monthly transmission charges. HVDC charges and loss and constraint rental rebates associated with injection at grid exit points are excluded, as these are recovered / passed through to distributed generators.

The variance in transmission charges between K_{2014} (Actual) and K_{2014} (Forecast) is primarily due to the addition of a New Investment Agreement (NIA) with Transpower at the South Dunedin GXP. The charges associated with this NIA were not sufficiently clear for incorporation into the network prices that were determined for the 2014 assessment period.

3 **QUALITY PATH**

Clause 9 of the Determination requires that Aurora must either:

- a) comply with the annual reliability assessment specified in clause 9.2 of the Determination for that assessment period; or
- b) comply with those annual reliability assessments for the two immediately preceding extant assessment periods.

The following reliability limits have been calculated for the reference period - 1 April 2004 to 31 March 2009 and were first published in Aurora's annual compliance statement for the year ended 31 March 2011.

3.1 **Boundary Values**

$$B_{SAIDI} = e(\alpha SAIDI + 2.5\beta SAIDI)$$

$$B_{SAIDI} = e(-2.75 + 5.23)$$

$$B_{SAIDI} = 11.93$$

$$B_{SAIFI} = e(\alpha SAIFI + 2.5\beta SAIFI)$$

$$B_{SAIFI} = e(-6.94 + 4.58)$$

$$B_{SAIFI} = 0.30$$

3.2 **Reliability Limits**

$$SAIDI_{LIMIT} = \mu SAIDI + \sigma SAIDI$$

$$SAIDI_{LIMIT} = 84.32 + 13.97$$

$$SAIDI_{LIMIT} = 98.29$$

$$SAIFI_{LIMIT} = \mu SAIFI + \sigma SAIFI$$

$$SAIFI_{LIMIT} = 1.47 + 0.20$$

$$SAIFI_{LIMIT} = 1.67$$

3.3 2014 Reliability Assessment

An annual reliability assessment for the period ending 31 March 2014 has been calculated and audited in preparation for the 2014 compliance statement.

Aurora's assessed values for the period must not exceed its reliability limits for that period, such that:

$$\text{SAIDI}_{\text{ASSESS}, t} / \text{SAIDI}_{\text{LIMIT}} \leq 1$$

$$\text{SAIFI}_{\text{ASSESS}, t} / \text{SAIFI}_{\text{LIMIT}} \leq 1$$

$$\text{SAIDI}_{\text{ASSESS}, 2012} / \text{SAIDI}_{\text{LIMIT}} \leq 1$$

$$\text{SAIFI}_{\text{ASSESS}, 2012} / \text{SAIFI}_{\text{LIMIT}} \leq 1$$

$$94.48 / 98.29 = 0.96$$

$$1.21 / 1.67 = 0.72$$

Reliability meets the standard

Reliability meets the standard

3.4 Prior Year Assessments

Year	SAIDI _{ASSESS}	SAIDI _{LIMIT}	Ratio	Status
2011	110.95	98.29	1.13	Does not comply
2012	115.88	98.29	1.18	Does not comply
2013	75.61	98.29	0.77	Complies
2014	94.48	98.29	0.96	Complies

Year	SAIFI _{ASSESS}	SAIFI _{LIMIT}	Ratio	Status
2011	1.48	1.67	0.89	Complies
2012	1.79	1.67	1.07	Does not comply
2013	1.05	1.67	0.63	Complies
2014	1.21	1.67	0.72	Complies

3.5 Compliance Statement

Aurora complies with the annual reliability assessment, since both SAIDI and SAIFI meet the required reliability standard in the current assessment period (section 9.1(a) of the Determination).

4 QUALITY POLICIES AND PROCEDURES

Quality records for all outages (planned and unplanned) on the Aurora Energy Ltd network are maintained by Delta under the asset services contract between the two parties for the operation and maintenance of the network. Delta has management policies and procedures that are certified to ISO 9001. The quality procedures pertinent to the recording of outage information are set out in document QP2109 "Network Outage Reporting".

The duty System Controller is responsible for initiating a fault report as soon as the fault occurs and, when completed, attaching relevant information such as switching instructions, SCADA print-outs, etc. The System Control Manager also examines the daily report from the after-hours telephone answering service to ensure that reports for outages involving single HV fuses or LV fuses supplying multiple consumers are captured. All details on the fault reports are subsequently checked by the System Control Manager.

The System Control Manager is also responsible for entering data from the report into the outage database. This database is used to collect data on all outages where equipment is removed from service. It therefore includes all planned and unplanned interruptions, as well as those involving all HV fuses and where LV fuses supply multiple ICPs. Momentary interruptions due to circuit reclosers at zone substations less than one minute are also included. Momentary interruptions due to reclosers in the HV network that are not connected to SCADA are recorded in the database if recorded by multiple UTL devices. The outage database holds the customer-minutes interrupted for each outage along with date, time, cause, voltage of faulted circuit, load lost and number of customers affected.

Consumer numbers are derived from the geographic information system (GIS) for that part of the circuit affected by the planned or unplanned outage. Each month the ICPs in the GIS are reconciled with the ICPs in the network connection database used for line charge billing to retailers. The network connection database is updated daily from the national registry and a full reconciliation with the national registry is carried out at the end of each month. The consumer number used in the annual outage report is the average of the start period consumer number billed to retailers and the end period consumer number billed to retailers. This average number is divided into the sum of all customer-minutes interrupted to derive the annual SAIDI minutes.

Each month a summary of outages (including details of the major outages) is reported to the directors of Aurora Energy Ltd. A separate report on outage performance is also included in the Quarterly Asset Performance Report to the directors of Aurora Energy Ltd. At the end of March each year an extract of all outages is imported into MS Excel where further analysis is carried out prior to the production of the reports for publication for the Information Disclosure Requirements. These reports are scrutinised by the System Control Managers and the Commercial Manager for consistency of coding and to ensure that all interruptions less than 1 minute or involving LV circuits are not included in the Class B or C interruptions.

APPENDIX A – SUMMARISED NOTIONAL REVENUES

Area	Description	P _{i,2014}	Q _{i,2012}	Reference table
Dunedin	Domestic fixed charges	\$	2,538,284	A
	Domestic variable charges	\$	23,142,702	B
	Non domestic fixed charges	\$	18,685,224	C
	Street Lighting charges	\$	363,232	D
	Non-standard charges	\$	119,932	E
	<i>Sub-total</i>	\$	44,849,375	
Clyde/Cromwell	Domestic fixed charges	\$	733,511	F
	Domestic variable charges	\$	12,019,763	G
	Non domestic fixed charges	\$	9,145,125	H
	Street Lighting charges	\$	138,711	I
	Non-standard charges	\$	408,735	J
	<i>Sub-total</i>	\$	22,445,843	
Frankton	Domestic fixed charges	\$	431,824	K
	Domestic variable charges	\$	6,641,641	L
	Non domestic fixed charges	\$	6,436,944	M
	Street Lighting charges	\$	65,508	N
	Non-standard charges	\$	39,765	O
	<i>Sub-total</i>	\$	13,615,683	
Frankton Sub Area	Domestic fixed charges	\$	66,410	P
	Domestic variable charges	\$	931,145	Q
	Non domestic fixed charges	\$	1,097,958	R
	<i>Sub-total</i>	\$	2,095,513	
Heritage	Domestic fixed charges	\$	3,574	S
	Domestic variable charges	\$	46,602	T
	Non domestic fixed charges	\$	4,321	U
	Street Lighting charges	\$	2,891	V
	<i>Sub-total</i>	\$	57,388	
All	Total	\$	83,063,803	

APPENDIX B – NOTIONAL REVENUES BY TARIFF

Dunedin Pricing Area

Table A: Dunedin Domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic 15	HWB/SDNStandard Domestic 15TOTAL	SHSD15	46,227	\$ 54.73	\$ 2,530,027
Standard Domestic 8	HWB/SDNStandard Domestic 8TOTAL	SHSD8	551	\$ 15.00	\$ 8,258
SUM					\$ 2,538,284

Table B: Dunedin Domestic variable charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic DN	General Purpose (Summer)	010S	7,991,427	\$ 0.0720	\$ 575,383
Standard Domestic DN	General Purpose (Winter)	010W	9,728,969	\$ 0.1083	\$ 1,053,647
Standard Domestic DN	Seasonal Day (Summer)	011S	936,175	\$ 0.0661	\$ 61,881
Standard Domestic DN	Seasonal Day (Winter)	011W	1,084,526	\$ 0.0996	\$ 108,019
Standard Domestic DN	Seasonal Night (Summer)	012S	517,682	\$ 0.0038	\$ 1,967
Standard Domestic DN	Seasonal Night (Winter)	012W	882,429	\$ 0.0038	\$ 3,353
Standard Domestic DN	General Purpose & 16 hour Water Heat (Summer)	017S	185,210,558	\$ 0.0442	\$ 8,186,307
Standard Domestic DN	General Purpose & 16 hour Water Heat (Winter)	017W	196,319,248	\$ 0.0666	\$ 13,074,862
Standard Domestic DN	Night + 3 hour other load	024	2,957,769	\$ 0.0200	\$ 59,155
Standard Domestic DN	Night Rate	028	4,770,529	\$ 0.0038	\$ 18,128
SUM					\$ 23,142,702

Table C: Dunedin Non-domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
L0	HWB/SDNLoad Group 0TOTAL	SH0	127	\$ 174.81	\$ 22,186
LOA	HWB/SDNLoad Group 0ATOTAL	SH0A	89	\$ 368.69	\$ 32,936
Load Group 1A	HWB/SDNLoad Group 1ATOTAL	SH1A-FIXD	383	\$ 10.01	\$ 3,833
Load Group 1A	HWB/SDNLoad Group 1ACAPACITY TOTAL	SH1A-CAPY	3,063	\$ 19.14	\$ 58,632
Load Group 1A	HWB/SDNLoad Group 1ACPD TOTAL	SH1A-CONG	373	\$ 183.13	\$ 68,292
Load Group 1	HWB/SDNLoad Group 1TOTAL	SH1-FIXD	3,109	\$ 10.01	\$ 31,117
Load Group 1	HWB/SDNLoad Group 1CAPACITY TOTAL	SH1-CAPY	46,629	\$ 16.54	\$ 771,240
Load Group 1	HWB/SDNLoad Group 1CPD TOTAL	SH1-CONG	7,891	\$ 183.13	\$ 1,445,015
Load Group 2	HWB/SDNLoad Group 2TOTAL	SH2-FIXD	2,977	\$ 21.57	\$ 64,208
Load Group 2	HWB/SDNLoad Group 2CAPACITY TOTAL	SH2-CAPY	150,160	\$ 15.79	\$ 2,371,021
Load Group 2	HWB/SDNLoad Group 2CPD TOTAL	SH2-CONG	25,492	\$ 183.13	\$ 4,668,413
Load Group 2	HWB/SDNLoad Group 2OTHER TOTAL	SH2-OTHER	1,373	\$ 1.00	\$ 1,373
Load Group 3	HWB/SDNLoad Group 3TOTAL	SH3-FIXD	102	\$ 393.00	\$ 40,184
Load Group 3	HWB/SDNLoad Group 3CAPACITY TOTAL	SH3-CAPY	20,054	\$ 27.80	\$ 557,499
Load Group 3	HWB/SDNLoad Group 3KVA KM	SH3-DIST	109,612	\$ 0.27	\$ 29,595
Load Group 3	HWB/SDNLoad Group 3CPD TOTAL	SH3-CONG	5,862	\$ 143.90	\$ 843,602
Load Group 3	HWB/SDNLoad Group 3OTHER TOTAL	SH3-OTHER	2,202	\$ 1.00	\$ 2,202
Load Group 3A	HWB/SDNLoad Group 3ATOTAL	SH3A-FIXD	94	\$ 393.00	\$ 36,778
Load Group 3A	HWB/SDNLoad Group 3ACAPACITY TOTAL	SH3A-CAPY	29,220	\$ 25.95	\$ 758,250
Load Group 3A	HWB/SDNLoad Group 3AKVA KM	SH3A-DIST	165,104	\$ 0.27	\$ 44,578
Load Group 3A	HWB/SDNLoad Group 3ACPD TOTAL	SH3A-CONG	9,508	\$ 143.90	\$ 1,368,177
Load Group 3A	HWB/SDNLoad Group 3AOTHER TOTAL	SH3A-OTHER	2,520	\$ 1.00	\$ 2,520
Load Group 4	HWB/SDNLoad Group 4TOTAL	SH4-FIXD	72	\$ 988.00	\$ 71,548
Load Group 4	HWB/SDNLoad Group 4CAPACITY TOTAL	SH4-CAPY	56,652	\$ 17.39	\$ 985,172
Load Group 4	HWB/SDNLoad Group 4KVA KM	SH4-DIST	321,887	\$ 0.27	\$ 86,910
Load Group 4	HWB/SDNLoad Group 4CPD TOTAL	SH4-CONG	17,012	\$ 142.10	\$ 2,417,334
Load Group 4	HWB/SDNLoad Group 4OTHER TOTAL	SH4-OTHER	403,606	\$ 1.00	\$ 403,606
Load Group 5	HWB/SDNLoad Group 5TOTAL	SH5-FIXD	7	\$ 988.00	\$ 6,751
Load Group 5	HWB/SDNLoad Group 5CAPACITY TOTAL	SH5-CAPY	29,925	\$ 9.15	\$ 273,814
Load Group 5	HWB/SDNLoad Group 5KVA KM	SH5-DIST	239,949	\$ 0.27	\$ 64,786
Load Group 5	HWB/SDNLoad Group 5CPD TOTAL	SH5-CONG	8,645	\$ 122.65	\$ 1,060,350
Load Group 5	HWB/SDNLoad Group 5OTHER TOTAL	SH5-OTHER	105,490	\$ 1.00	\$ 105,490
SUM					\$ 18,685,224

Table D: Dunedin Street Lighting charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Street Lighting	Street Lighting	SDNSTL	1	\$ 122,933.00	\$ 122,933
Street Lighting	Street Lighting	HWBSTL	1	\$ 240,299.00	\$ 240,299
SUM					\$ 363,232

Table E: Dunedin Non-standard charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Non-standard	Generation	ICP AAA	1	\$ 119,932.00	\$ 119,932
SUM					\$ 119,932

Clyde / Cromwell Pricing Area

Table F: Clyde/Cromwell Domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic 15	CYD/CMLStandard Domestic 15TOTAL	CCSD15	13,388	\$ 54.73	\$ 732,730
Standard Domestic 8	CYD/CMLStandard Domestic 8TOTAL	CCSD8	52	\$ 15.00	\$ 781
SUM					\$ 733,511

Table G: Clyde/Cromwell Domestic variable charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic CYD/CML	General Purpose (Summer)	101S	30,885,527	\$ 0.1215	\$ 3,752,592
Standard Domestic CYD/CML	General Purpose (Winter)	101W	35,056,518	\$ 0.1828	\$ 6,408,331
Standard Domestic CYD/CML	Night + 5 hour other load	103	737,506	\$ 0.0796	\$ 58,705
Standard Domestic CYD/CML	Night + 3 hour other load	104	2,471,398	\$ 0.0600	\$ 148,284
Standard Domestic CYD/CML	Std Water Heating 16 hour	106	23,336,561	\$ 0.0672	\$ 1,568,217
Standard Domestic CYD/CML	Night rate	108	1,255,124	\$ 0.0432	\$ 54,221
Standard Domestic CYD/CML	Peak Water Heating 20 hour	109	303,529	\$ 0.0969	\$ 29,412
SUM					\$ 12,019,763

Table H: Clyde/Cromwell Non-domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
L0	CYD/CMLLoad Group 0TOTAL	CC0	118	\$ 256.46	\$ 30,284
LOA	CYD/CMLLoad Group 0ATOTAL	CC0A	140	\$ 523.15	\$ 73,023
Load Group 1A	CYD/CMLLoad Group 1ATOTAL	CC1A-FIXD	206	\$ 13.54	\$ 2,795
Load Group 1A	CYD/CMLLoad Group 1ACAPACITY TOTAL	CC1A-CAPY	1,651	\$ 33.72	\$ 55,683
Load Group 1A	CYD/CMLLoad Group 1ACPD TOTAL	CC1A-CONG	181	\$ 274.88	\$ 49,664
Load Group 1	CYD/CMLLoad Group 1TOTAL	CC1-FIXD	1,654	\$ 13.54	\$ 22,395
Load Group 1	CYD/CMLLoad Group 1CAPACITY TOTAL	CC1-CAPY	24,810	\$ 30.37	\$ 753,480
Load Group 1	CYD/CMLLoad Group 1CPD TOTAL	CC1-CONG	3,153	\$ 274.88	\$ 866,655
Load Group 2	CYD/CMLLoad Group 2TOTAL	CC2-FIXD	1,442	\$ 28.44	\$ 41,015
Load Group 2	CYD/CMLLoad Group 2CAPACITY TOTAL	CC2-CAPY	74,213	\$ 28.51	\$ 2,115,817
Load Group 2	CYD/CMLLoad Group 2CPD TOTAL	CC2-CONG	8,659	\$ 266.49	\$ 2,307,612
Load Group 2	CYD/CMLLoad Group 2OTHER TOTAL	CC2-OTHER	10,634	\$ 1.00	\$ 10,634
Load Group 3	CYD/CMLLoad Group 3TOTAL	CC3-FIXD	61	\$ 542.00	\$ 32,836
Load Group 3	CYD/CMLLoad Group 3CAPACITY TOTAL	CC3-CAPY	11,293	\$ 32.37	\$ 365,568
Load Group 3	CYD/CMLLoad Group 3KVA KM	CC3-DIST	378,465	\$ 0.37	\$ 140,032
Load Group 3	CYD/CMLLoad Group 3CPD TOTAL	CC3-CONG	1,610	\$ 276.52	\$ 445,128
Load Group 3	CYD/CMLLoad Group 3OTHER TOTAL	CC3-OTHER	27,104	\$ 1.00	\$ 27,104
Load Group 3A	CYD/CMLLoad Group 3ATOTAL	CC3A-FIXD	34	\$ 542.00	\$ 18,473
Load Group 3A	CYD/CMLLoad Group 3ACAPACITY TOTAL	CC3A-CAPY	10,126	\$ 29.12	\$ 294,859
Load Group 3A	CYD/CMLLoad Group 3AKVA KM	CC3A-DIST	284,275	\$ 0.37	\$ 105,182
Load Group 3A	CYD/CMLLoad Group 3ACPD TOTAL	CC3A-CONG	1,720	\$ 276.52	\$ 475,591
Load Group 3A	CYD/CMLLoad Group 3AOTHER TOTAL	CC3A-OTHER	24,819	\$ 1.00	\$ 24,819
Load Group 4	CYD/CMLLoad Group 4TOTAL	CC4-FIXD	15	\$ 1,424.00	\$ 20,648
Load Group 4	CYD/CMLLoad Group 4CAPACITY TOTAL	CC4-CAPY	10,375	\$ 19.07	\$ 197,851
Load Group 4	CYD/CMLLoad Group 4KVA KM	CC4-DIST	473,169	\$ 0.37	\$ 175,072
Load Group 4	CYD/CMLLoad Group 4CPD TOTAL	CC4-CONG	2,547	\$ 225.33	\$ 573,916
Load Group 4	CYD/CMLLoad Group 4OTHER TOTAL	CC4-OTHER	44,100	\$ 1.00	\$ 44,100
Load Group 5	CYD/CMLLoad Group 5TOTAL	CC5-FIXD	-	\$ 1,424.00	\$ -
Load Group 5	CYD/CMLLoad Group 5CAPACITY TOTAL	CC5-CAPY	-	\$ 17.04	\$ -
Load Group 5	CYD/CMLLoad Group 5KVA KM	CC5-DIST	-	\$ 0.37	\$ -
Load Group 5	CYD/CMLLoad Group 5CPD TOTAL	CC5-CONG	-	\$ 215.04	\$ -
Load Group 5	CYD/CMLLoad Group 5OTHER TOTAL	CC5-OTHER	-	\$ 1.00	\$ -
SUM					\$ 9,145,125

Table I: Clyde/Cromwell Street Lighting charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Street Lighting kWh CYD/CML	Street Lighting kWh	110	1,696,622	\$ 0.0528	\$ 89,582
Street Lighting Lamps CYD/CML	Street Lighting Lamps	CCSTL	3,623	\$ 13.56	\$ 49,129
SUM					\$ 138,711

Table J: Clyde/Cromwell Non standard charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Non standard	Generation	ICP AAB	1	\$ 383,271.52	\$ 383,272
Non standard	Generation	ICP AAC	1	\$ 25,463.00	\$ 25,463
SUM					\$ 408,735

Frankton Pricing Area

Table K: Frankton Domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic 15	FKNStandard Domestic 15TOTAL	FRSD15	7,884	\$ 54.73	\$ 431,487
Standard Domestic 8	FKNStandard Domestic 8TOTAL	FRSD8	23	\$ 15.00	\$ 338
SUM					\$ 431,824

Table L: Frankton Domestic variable charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic FKN	General Purpose (Summer)	201S	20,492,600	\$ 0.0941	\$ 1,928,354
Standard Domestic FKN	General Purpose (Winter)	201W	27,911,607	\$ 0.1409	\$ 3,932,745
Standard Domestic FKN	Night + 5 hour other load	203	1,350,652	\$ 0.0461	\$ 62,265
Standard Domestic FKN	Night + 3 hour other load	204	1,421,519	\$ 0.0267	\$ 37,955
Standard Domestic FKN	Std Water Heating 16 hour	206	19,240,332	\$ 0.0335	\$ 644,551
Standard Domestic FKN	Night rate	208	999,686	\$ 0.0128	\$ 12,796
Standard Domestic FKN	Peak Water Heating 20 hour	209	360,112	\$ 0.0638	\$ 22,975
SUM					\$ 6,641,641

Table M: Frankton Non-domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Load Group 0	FKNLoad Group 0TOTAL	FR0	75	\$ 201.73	\$ 15,113
Load Group 0A	FKNLoad Group 0ATOTAL	FR0A	105	\$ 394.20	\$ 41,260
Load Group 1A	FKNLoad Group 1ATOTAL	FR1A-FIXD	120	\$ 12.07	\$ 1,442
Load Group 1A	FKNLoad Group 1ACAPACITY TOTAL	FR1A-CAPY	956	\$ 27.40	\$ 26,194
Load Group 1A	FKNLoad Group 1ACPD TOTAL	FR1A-CONG	113	\$ 174.85	\$ 19,751
Load Group 1	FKNLoad Group 1TOTAL	FR1-FIXD	793	\$ 12.07	\$ 9,568
Load Group 1	FKNLoad Group 1CAPACITY TOTAL	FR1-CAPY	11,891	\$ 25.78	\$ 306,556
Load Group 1	FKNLoad Group 1CPD TOTAL	FR1-CONG	2,349	\$ 174.85	\$ 410,809
Load Group 2	FKNLoad Group 2TOTAL	FR2-FIXD	1,140	\$ 19.62	\$ 22,370
Load Group 2	FKNLoad Group 2CAPACITY TOTAL	FR2-CAPY	55,025	\$ 22.51	\$ 1,238,611
Load Group 2	FKNLoad Group 2CPD TOTAL	FR2-CONG	9,542	\$ 192.74	\$ 1,839,181
Load Group 2	FKNLoad Group 2OTHER TOTAL	FR2-OTHER	3,194	\$ 1.00	\$ 3,194
Load Group 3	FKNLoad Group 3TOTAL	FR3-FIXD	31	\$ 445.00	\$ 13,869
Load Group 3	FKNLoad Group 3CAPACITY TOTAL	FR3-CAPY	4,468	\$ 52.69	\$ 235,436
Load Group 3	FKNLoad Group 3KVA KM	FR3-DIST	65,904	\$ 0.35	\$ 23,067
Load Group 3	FKNLoad Group 3CPD TOTAL	FR3-CONG	1,083	\$ 151.28	\$ 163,874
Load Group 3	FKNLoad Group 3OTHER TOTAL	FR3-OTHER	4,650	\$ 1.00	\$ 4,650
Load Group 3A	FKNLoad Group 3ATOTAL	FR3A-FIXD	25	\$ 445.00	\$ 10,977
Load Group 3A	FKNLoad Group 3ACAPACITY TOTAL	FR3A-CAPY	7,598	\$ 49.54	\$ 376,405
Load Group 3A	FKNLoad Group 3AKVA KM	FR3A-DIST	108,540	\$ 0.35	\$ 37,989
Load Group 3A	FKNLoad Group 3ACPD TOTAL	FR3A-CONG	2,049	\$ 151.28	\$ 309,897
Load Group 3A	FKNLoad Group 3AOTHER TOTAL	FR3A-OTHER	-	\$ 1.00	\$ -
Load Group 4	FKNLoad Group 4TOTAL	FR4-FIXD	16	\$ 1,173.00	\$ 18,866
Load Group 4	FKNLoad Group 4CAPACITY TOTAL	FR4-CAPY	10,838	\$ 28.46	\$ 308,435
Load Group 4	FKNLoad Group 4KVA KM	FR4-DIST	126,868	\$ 0.35	\$ 44,404
Load Group 4	FKNLoad Group 4CPD TOTAL	FR4-CONG	4,514	\$ 147.88	\$ 667,530
Load Group 4	FKNLoad Group 4OTHER TOTAL	FR4-OTHER	90,300	\$ 1.00	\$ 90,300
Load Group 5	FKNLoad Group 5TOTAL	FR5-FIXD	1	\$ 1,173.00	\$ 1,173
Load Group 5	FKNLoad Group 5CAPACITY TOTAL	FR5-CAPY	5,200	\$ 11.29	\$ 58,708
Load Group 5	FKNLoad Group 5KVA KM	FR5-DIST	64,896	\$ 0.35	\$ 22,714
Load Group 5	FKNLoad Group 5CPD TOTAL	FR5-CONG	1,014	\$ 128.49	\$ 130,289
Load Group 5	FKNLoad Group 5OTHER TOTAL	FR5-OTHER	-	\$ 1.00	\$ -
SUM					\$ 6,436,944

Table N: Frankton Street Lighting charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Street Lighting kWh FKN	Street Lighting kWh	210	1,055,085	\$ 0.0304	\$ 32,075
Street Lighting Lamps FKN	Street Lighting Lamps	FRSTL	2,466	\$ 13.56	\$ 33,433
SUM					\$ 65,508

Table O: Frankton Non standard charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Non standard	Generation	ICP AAC	1	\$ 39,765.48	\$ 39,765
SUM					\$ 39,765

Frankton Sub Pricing Area

Table P: Frankton Sub-area Domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic 15	FKN SUBStandard Domestic 15TOTAL	FKSD15	1,213	\$ 54.73	\$ 66,410
Standard Domestic 8	FKN SUBStandard Domestic 8TOTAL	FKSD8	-	\$ 15.00	\$ -
SUM					\$ 66,410

Table Q: Frankton Sub-area Domestic variable charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic FKN Sub	General Purpose (Summer)	301S	2,678,095	\$ 0.0941	\$ 252,009
Standard Domestic FKN Sub	General Purpose (Winter)	301W	3,896,916	\$ 0.1409	\$ 549,075
Standard Domestic FKN Sub	Night + 5 hour other load	303	742,504	\$ 0.0461	\$ 34,229
Standard Domestic FKN Sub	Night + 3 hour other load	304	201,488	\$ 0.0267	\$ 5,380
Standard Domestic FKN Sub	Std Water Heating 16 hour	306	2,488,989	\$ 0.0335	\$ 83,381
Standard Domestic FKN Sub	Night rate	308	129,936	\$ 0.0128	\$ 1,663
Standard Domestic FKN Sub	Peak Water Heating 20 hour	309	84,748	\$ 0.0638	\$ 5,407
SUM					\$ 931,145

Table R: Frankton Sub-area Non-domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Load Group 0	FKN SUBLoad Group 0TOTAL	FK0	11	\$ 201.73	\$ 2,219
Load Group 0A	FKN SUBLoad Group 0ATOTAL	FK0A	2	\$ 394.20	\$ 690
Load Group 1	FKN SUBLoad Group 1ATOTAL	FK1A-FIXD	13	\$ 12.07	\$ 152
Load Group 1	FKN SUBLoad Group 1ACAPACITY TOTAL	FK1A-CAPY	101	\$ 27.40	\$ 2,758
Load Group 1	FKN SUBLoad Group 1ACPD TOTAL	FK1A-CONG	14	\$ 174.85	\$ 2,360
Load Group 1A	FKN SUBLoad Group 1TOTAL	FK1-FIXD	115	\$ 12.07	\$ 1,382
Load Group 1A	FKN SUBLoad Group 1CAPACITY TOTAL	FK1-CAPY	1,718	\$ 25.78	\$ 44,277
Load Group 1A	FKN SUBLoad Group 1CPD TOTAL	FK1-CONG	350	\$ 174.85	\$ 61,211
Load Group 2	FKN SUBLoad Group 2TOTAL	FK2-FIXD	141	\$ 17.66	\$ 2,483
Load Group 2	FKN SUBLoad Group 2CAPACITY TOTAL	FK2-CAPY	6,668	\$ 20.37	\$ 135,824
Load Group 2	FKN SUBLoad Group 2CPD TOTAL	FK2-CONG	1,080	\$ 182.07	\$ 196,564
Load Group 2	FKN SUBLoad Group 2OTHER TOTAL	FK2-OTHER	- 308	\$ 1.00	\$ -308
Load Group 3	FKN SUBLoad Group 3TOTAL	FK3-FIXD	8	\$ 367.13	\$ 2,753
Load Group 3	FKN SUBLoad Group 3CAPACITY TOTAL	FK3-CAPY	1,451	\$ 44.94	\$ 65,185
Load Group 3	FKN SUBLoad Group 3KVA KM	FK3-DIST	3,066	\$ 0.35	\$ 1,073
Load Group 3	FKN SUBLoad Group 3CPD TOTAL	FK3-CONG	445	\$ 138.46	\$ 61,615
Load Group 3	FKN SUBLoad Group 3OTHER TOTAL	FK3-OTHER	- 1,972	\$ 1.00	\$ -1,972
Load Group 3A	FKN SUBLoad Group 3ATOTAL	FK3A-FIXD	8	\$ 367.13	\$ 2,906
Load Group 3A	FKN SUBLoad Group 3ACAPACITY TOTAL	FK3A-CAPY	2,577	\$ 42.34	\$ 109,110
Load Group 3A	FKN SUBLoad Group 3AKVA KM	FK3A-DIST	8,555	\$ 0.35	\$ 2,994
Load Group 3A	FKN SUBLoad Group 3ACPD TOTAL	FK3A-CONG	801	\$ 138.46	\$ 110,860
Load Group 3A	FKN SUBLoad Group 3AOTHER TOTAL	FK3A-OTHER	-	\$ 1.00	\$ -
Load Group 4	FKN SUBLoad Group 4TOTAL	FK4-FIXD	5	\$ 909.08	\$ 4,924
Load Group 4	FKN SUBLoad Group 4CAPACITY TOTAL	FK4-CAPY	3,463	\$ 23.05	\$ 79,811
Load Group 4	FKN SUBLoad Group 4KVA KM	FK4-DIST	13,278	\$ 0.35	\$ 4,647
Load Group 4	FKN SUBLoad Group 4CPD TOTAL	FK4-CONG	1,388	\$ 132.16	\$ 183,438
Load Group 4	FKN SUBLoad Group 4OTHER TOTAL	FK4-OTHER	21,000	\$ 1.00	\$ 21,000
Load Group 5	FKN SUBLoad Group 5TOTAL	FK5-FIXD	-	\$ 909.08	\$ -
Load Group 5	FKN SUBLoad Group 5CAPACITY TOTAL	FK5-CAPY	-	\$ 10.55	\$ -
Load Group 5	FKN SUBLoad Group 5KVA KM	FK5-DIST	-	\$ 0.35	\$ -
Load Group 5	FKN SUBLoad Group 5CPD TOTAL	FK5-CONG	-	\$ 117.13	\$ -
Load Group 5	FKN SUBLoad Group 5OTHER TOTAL	FK5-OTHER	-	\$ 1.00	\$ -
SUM					\$ 1,097,958

Heritage Estate Pricing Area

Table S: Heritage Domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic 15	HERITAGEStandard Domestic 15TOTAL	HESD15	65	\$ 54.73	\$ 3,544
Standard Domestic 8	HERITAGEStandard Domestic 8TOTAL	HESD8	2	\$ 15.00	\$ 30
SUM					\$ 3,574

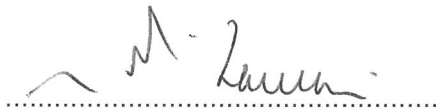
Table T: Heritage Domestic variable charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Standard Domestic Heritage	General Purpose (Summer)	401S	160,215	\$ 0.1030	\$ 16,502
Standard Domestic Heritage	General Purpose (Winter)	401W	167,761	\$ 0.1536	\$ 25,768
Standard Domestic Heritage	Night + 3 hour other load	404	4,110	\$ 0.0424	\$ 174
Standard Domestic Heritage	Std Water Heating 16 hour	406	80,795	\$ 0.0476	\$ 3,846
Standard Domestic Heritage	Night Rate	408	10,392	\$ 0.0300	\$ 312
SUM					\$ 46,602

Table U: Heritage Non domestic fixed charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Load Group 0	HERITAGELoad Group 0TOTAL	HE0	-	\$ 213.63	\$ -
Load Group 0A	HERITAGELoad Group 0ATOTAL	HE0A	5	\$ 435.78	\$ 2,215
Load Group 1	HERITAGELoad Group 1ATOTAL	HE1A-FIXD	1	\$ 11.28	\$ 11
Load Group 1	HERITAGELoad Group 1ACAPACITY TOTAL	HE1A-CAPY	8	\$ 28.09	\$ 225
Load Group 1	HERITAGELoad Group 1ACPD TOTAL	HE1A-CONG	1	\$ 228.98	\$ 252
Load Group 1A	HERITAGELoad Group 1TOTAL	HE1-FIXD	1	\$ 11.28	\$ 13
Load Group 1A	HERITAGELoad Group 1CAPACITY TOTAL	HE1-CAPY	18	\$ 25.30	\$ 443
Load Group 1A	HERITAGELoad Group 1CPD TOTAL	HE1-CONG	2	\$ 228.98	\$ 447
Load Group 2	HERITAGELoad Group 2TOTAL	HE2-FIXD	1	\$ 23.69	\$ 24
Load Group 2	HERITAGELoad Group 2CAPACITY TOTAL	HE2-CAPY	24	\$ 23.75	\$ 570
Load Group 2	HERITAGELoad Group 2CPD TOTAL	HE2-CONG	1	\$ 221.99	\$ 122
Load Group 2	HERITAGELoad Group 2OTHER TOTAL	HE2-OTHER	-	\$ 1.00	\$ -
SUM					\$ 4,321

Table V: Heritage Street Lighting charges			t period		
Load Group	Description	Code	Q _{i,2012}	P _{i,2014}	P _{i,2014} Q _{i,2012}
Street Lighting kWh	Street Lighting kWh	410	26,877	\$ 0.0667	\$ 1,793
Street Lighting Lamps	Street Lighting Lamps	HESL	81	\$ 13.5600	\$ 1,098
SUM					\$ 2,891

APPENDIX C – DIRECTORS' CERTIFICATE

We, Stuart James McLauchlan and Trevor John Kempton, being Directors of Aurora Energy Limited, certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Annual Compliance Statement of Aurora Energy Limited, and related information, prepared for the purposes of the Electricity Distribution Services Default Price-Quality Path Determination 2012 are true and accurate:



Stuart James McLauchlan



Trevor John Kempton

Date 29 May 2014

APPENDIX D – AUDIT REPORT

Independent Auditor's Report

To the directors of Aurora Energy Limited and to the Commerce Commission

The Auditor-General is the auditor of Aurora Energy Limited (the company). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to provide an opinion, on her behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2014 on pages 2 to 7 complies, in all material respects, with the Electricity Distribution Services Default Price-Quality Path Determination 2012 NZCC 35 (the Determination).

Directors' responsibilities for the Annual Compliance Statement

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

Auditor's responsibility for the Annual Compliance Statement

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

Basis of opinions

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

These standards require that we comply with ethical requirements and plan and perform our audit to provide reasonable assurance (which is also referred to as 'audit' assurance) about whether the Annual Compliance Statement has been prepared in all material respects in accordance with the Determination.

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

In relation to the price path set out in clause 8 of the Determination, our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 2 to 4 of the Annual Compliance Statement.

In relation to the SAIDI and SAIFI statistics for the Reference Period and the Assessment Period ended on 31 March 2014, including the calculation of the Reliability Limits and the Assessed Values, which are relevant to the quality standards set out in clause 9 of the Determination, our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 5 to 7 of the Annual Compliance Statement.

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

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

Use of this report

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

Scope and inherent limitations

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

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

The opinions expressed in this independent auditor's report have been formed on the above basis.

Independence

When carrying out the engagement we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. We also complied with the independent auditor requirements specified in the Determination.

The Auditor-General, and her employees, and Audit New Zealand and its employees may deal with the company on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of business, this engagement, the information disclosure regulation reports and the annual audit of the company's financial statements, we have no relationship with or interests in the company.

Opinions

Opinion on the Price Path Information

In our opinion, section 2 on pages 2 to 4 of the company's Annual Compliance Statement for the Assessment Period ended on 31 March 2014 that relates to Price Path, has been prepared, in all material respects, in accordance with the Determination.

Opinion on the 2014, 2013 and 2011 Reliability Assessment Information

In our opinion, the company's Annual Compliance Statement for the Assessment Period ended on 31 March 2014 that relates to Reliability Assessment for 2014, 2013 and 2011 (in section 3 on pages 5 to 7 of the Annual Compliance Statement) has been prepared, in all material respects, in accordance with the Determination.

Disclaimer of Opinion on the 2012 Reliability Assessment Information

In our independent auditor's report dated 1 August 2012 on the company's Annual Compliance Statement prepared for the Assessment Period ended 31 March 2012, we reported that we were unable to form an opinion on the 2012 SAIDI and SAIFI statistics. We reported that SCADA Data records for service interruptions between 1 April and 14 August 2011 are not available and the company has been unable to provide us with information to support the underlying calculations of the 2012 SAIDA and SAIFI statistics.

The 2012 comparative SAIDI and SAIFI statistics are disclosed in section 3 on pages 5 and 6 of the Annual Compliance Statement for the Assessment Period ended on 31 March 2014. We confirm that we were unable to form an opinion on the 2012 comparative SAIDI and SAIFI statistics.

Our audit was completed on 10 June 2014 and our opinions are expressed as at that date.



Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand