

Company Name	<u>Aurora Energy Limited</u>
For Year Ended	<u>31 March 2016</u>

Schedule 14a Mandatory Explanatory Notes on Forecast Information

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012)

1. This Schedule provides for EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.5.
2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

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

3. In the box below, comment on the difference between nominal and constant price capital expenditure for the disclosure year, as disclosed in Schedule 11a.

Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts
Constant pricing capital expenditure was inflated to reflect forecast nominal prices from CPI growth data 2015/16 – 2017/18 sourced from the New Zealand Treasury Half Year Economic and Fiscal Update (Dec 2014). The Treasury CPI growth value from 2016/17 was taken to calculate nominal pricing over 2018/19 – 2024/25 in lieu of available forecast data for this period.

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

4. In the box below, comment on the difference between nominal and constant price operational expenditure for the disclosure year, as disclosed in Schedule 11b.

Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts
Constant pricing capital expenditure was inflated to reflect forecast nominal prices from CPI growth data 2015/16 – 2017/18 sourced from the New Zealand Treasury Half Year Economic and Fiscal Update (Dec 2014). The Treasury CPI growth value from 2016/17 was taken to calculate nominal pricing over 2018/19 – 2024/25 in lieu of available forecast data for this period.