



Buller Electricity Limited

Information for Disclosure for the year ended 31 March 2017

**Electricity distribution
information disclosure
determination 2012**

Approved 24 August 2017

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Company Name **Buller Electricity Limited**
For Year Ended **31 March 2017**

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

7 1(i): Expenditure metrics

	Expenditure per GWh energy delivered to ICPs (\$/GWh)	Expenditure per average no. of ICPs (\$/ICP)	Expenditure per MW maximum coincident system demand (\$/MW)	Expenditure per km circuit length (\$/km)	Expenditure per MVA of capacity from EDB- owned distribution transformers (\$/MVA)
Operational expenditure	63,090	688	304,250	4,907	87,497
Network	24,913	272	120,141	1,938	34,550
Non-network	38,177	416	184,110	2,969	52,947
Expenditure on assets	30,901	337	149,021	2,404	42,856
Network	27,690	302	133,534	2,154	38,402
Non-network	3,211	35	15,487	250	4,454

17 1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)
Total consumer line charge revenue	146,394	1,596
Standard consumer line charge revenue	146,394	1,596
Non-standard consumer line charge revenue	-	-

23 1(iii): Service intensity measures

Demand density	16	Maximum coincident system demand per km of circuit length (for supply) (kW/km)
Volume density	78	Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
Connection point density	7	Average number of ICPs per km of circuit length (for supply) (ICPs/km)
Energy intensity	10,903	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

30 1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	3,150	43.12%
Pass-through and recoverable costs excluding financial incentives and wash-ups	1,636	22.39%
Total depreciation	1,393	19.07%
Total revaluations	613	8.39%
Regulatory tax allowance	364	4.99%
Regulatory profit/(loss) including financial incentives and wash-ups	1,376	18.83%
Total regulatory income	7,306	

40 1(v): Reliability

Interruption rate	19.16	Interruptions per 100 circuit km
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Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

This schedule requires information on the Return on Investment (ROI) for the EDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. EDBs 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 an EDB makes this election, information supporting this calculation must be provided in 2(iii). EDBs 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

		CY-2	CY-1	Current Year CY
		31 Mar 15	31 Mar 16	31 Mar 17
		%	%	%
7	2(i): Return on Investment			
8				
9	ROI – comparable to a post tax WACC			
10	Reflecting all revenue earned	3.51%	3.24%	4.41%
11	Excluding revenue earned from financial incentives	3.51%	3.24%	4.41%
12	Excluding revenue earned from financial incentives and wash-ups	3.51%	3.24%	4.41%
13				
14	Mid-point estimate of post tax WACC	6.10%	5.37%	4.77%
15	25th percentile estimate	5.39%	4.66%	4.05%
16	75th percentile estimate	6.82%	6.09%	5.48%
17				
18				
19	ROI – comparable to a vanilla WACC			
20	Reflecting all revenue earned	4.29%	3.89%	4.96%
21	Excluding revenue earned from financial incentives	4.29%	3.89%	4.96%
22	Excluding revenue earned from financial incentives and wash-ups	4.29%	3.89%	4.96%
23				
24	WACC rate used to set regulatory price path			
25				
26	Mid-point estimate of vanilla WACC	6.89%	6.02%	5.31%
27	25th percentile estimate	6.17%	5.30%	4.59%
28	75th percentile estimate	7.60%	6.74%	6.03%
29				
30	2(ii): Information Supporting the ROI			
31				
32	Total opening RAB value	28,466		
33	plus Opening deferred tax	(821)		
34	Opening RIV		27,644	
35				
36	Line charge revenue		7,309	
37				
38	Expenses cash outflow	4,786		
39	add Assets commissioned	1,347		
40	less Asset disposals	142		
41	add Tax payments	171		
42	less Other regulated income	(3)		
43	Mid-year net cash outflows		6,164	
44				
45	Term credit spread differential allowance		-	
46				
47	Total closing RAB value	28,890		
48	less Adjustment resulting from asset allocation	0		
49	less Lost and found assets adjustment	-		
50	plus Closing deferred tax	(1,015)		
51	Closing RIV		27,875	
52				
53	ROI – comparable to a vanilla WACC			4.96%
54				
55	Leverage (%)			44%
56	Cost of debt assumption (%)			4.41%
57	Corporate tax rate (%)			28%
58				
59	ROI – comparable to a post tax WACC			4.41%
60				

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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sch ref	2(iii): Information Supporting the Monthly ROI					
61	Opening RIV					N/A
62						
63		Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income
64						Monthly net cash outflows
65						
66						
67	April					-
68	May					-
69	June					-
70	July					-
71	August					-
72	September					-
73	October					-
74	November					-
75	December					-
76	January					-
77	February					-
78	March					-
79	Total					-
80						
81	Tax payments					N/A
82						
83	Term credit spread differential allowance					N/A
84						
85	Closing RIV					N/A
86						
87						
88	Monthly ROI – comparable to a vanilla WACC					N/A
89						
90	Monthly ROI – comparable to a post tax WACC					N/A
91						
92	2(iv): Year-End ROI Rates for Comparison Purposes					
93						
94	Year-end ROI – comparable to a vanilla WACC					4.86%
95						
96	Year-end ROI – comparable to a post tax WACC					4.31%
97						
98	<i>* these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by EDBs and do not represent the Commission's current view on ROI.</i>					
99						
100	2(v): Financial Incentives and Wash-Ups					
101						
102	Net recoverable costs allowed under incremental rolling incentive scheme					-
103	Purchased assets – avoided transmission charge					
104	Energy efficiency and demand incentive allowance					
105	Quality incentive adjustment					
106	Other financial incentives					
107	Financial incentives					-
108						
109	Impact of financial incentives on ROI					-
110						
111	Input methodology claw-back					
112	Recoverable customised price-quality path costs					
113	Catastrophic event allowance					
114	Capex wash-up adjustment					
115	Transmission asset wash-up adjustment					
116	2013–2015 NPV wash-up allowance					
117	Reconsideration event allowance					
118	Other wash-ups					
119	Wash-up costs					-
120						
121	Impact of wash-up costs on ROI					-

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and 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

		(\$000)
7	3(i): Regulatory Profit	
8	Income	
9	Line charge revenue	7,309
10	plus Gains / (losses) on asset disposals	(142)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	139
12		
13	Total regulatory income	7,306
14	Expenses	
15	less Operational expenditure	3,150
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	1,636
18		
19	Operating surplus / (deficit)	2,520
20		
21	less Total depreciation	1,393
22		
23	plus Total revaluations	613
24		
25	Regulatory profit / (loss) before tax	1,740
26		
27	less Term credit spread differential allowance	-
28		
29	less Regulatory tax allowance	364
30		
31	Regulatory profit/(loss) including financial incentives and wash-ups	1,376
32		
33	3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	(\$000)
34	Pass through costs	
35	Rates	16
36	Commerce Act levies	3
37	Industry levies	20
38	CPP specified pass through costs	
39	Recoverable costs excluding financial incentives and wash-ups	
40	Electricity lines service charge payable to Transpower	1,143
41	Transpower new investment contract charges	
42	System operator services	
43	Distributed generation allowance	454
44	Extended reserves allowance	
45	Other recoverable costs excluding financial incentives and wash-ups	
46	Pass-through and recoverable costs excluding financial incentives and wash-ups	1,636
47		

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete all sections and 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

		(\$000)	
		CY-1	CY
		31 Mar 16	31 Mar 17
48	3(iii): Incremental Rolling Incentive Scheme		
49			
50			
51	Allowed controllable opex		
52	Actual controllable opex		
53			
54	Incremental change in year		
55			
56			Previous years' incremental change
57	CY-5 31 Mar 12		adjusted for inflation
58	CY-4 31 Mar 13		
59	CY-3 31 Mar 14		
60	CY-2 31 Mar 15		
61	CY-1 31 Mar 16		
62	Net incremental rolling incentive scheme		-
63			
64	Net recoverable costs allowed under incremental rolling incentive scheme		-
65	3(iv): Merger and Acquisition Expenditure		
66	Merger and acquisition expenditure		(\$000)
67			
68	<i>Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)</i>		
69	3(v): Other Disclosures		
70			(\$000)
71	Self-insurance allowance		

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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. EDBs 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.

sch ref

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

	for year ended				
	RAB 31 Mar 13 (\$000)	RAB 31 Mar 14 (\$000)	RAB 31 Mar 15 (\$000)	RAB 31 Mar 16 (\$000)	RAB 31 Mar 17 (\$000)
Total opening RAB value	27,768	27,683	28,264	28,540	28,466
less Total depreciation	1,243	1,270	1,290	1,307	1,393
plus Total revaluations	236	420	24	118	613
plus Assets commissioned	1,251	1,738	1,693	1,345	1,347
less Asset disposals	329	307	151	230	142
plus Lost and found assets adjustment	-	-	-	-	-
plus Adjustment resulting from asset allocation	-	-	-	-	0
Total closing RAB value	27,683	28,264	28,540	28,466	28,890

4(ii): Unallocated Regulatory Asset Base

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Total opening RAB value		28,466		28,466
less Total depreciation		1,393		1,393
plus Total revaluations		613		613
plus Assets commissioned (other than below)	160		160	
Assets acquired from a regulated supplier				
Assets acquired from a related party	1,186		1,186	
Assets commissioned		1,347		1,347
less Asset disposals (other than below)	142		142	
Asset disposals to a regulated supplier				
Asset disposals to a related party				
Asset disposals		142		142
plus Lost and found assets adjustment		-		-
plus Adjustment resulting from asset allocation				0
Total closing RAB value		28,890		28,890

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

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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. EDBs 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.

sch ref		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
51					
52	4(iii): Calculation of Revaluation Rate and Revaluation of Assets				
53					
54	CPI _t				1.226
55	CPI _{t-4}				1.200
56	Revaluation rate (%)				2.17%
57					
58					
59					
60	Total opening RAB value	28,466		28,466	
61	less Opening value of fully depreciated, disposed and lost assets	181		181	
62					
63	Total opening RAB value subject to revaluation	28,285		28,285	
64	Total revaluations		613		613
65					
66	4(iv): Roll Forward of Works Under Construction		612836.6199		
67					
68	Works under construction—preceding disclosure year		250		249
69	plus Capital expenditure	1,347		1,347	
70	less Assets commissioned	1,347		1,347	
71	plus Adjustment resulting from asset allocation				
72	Works under construction - current disclosure year		250		249
73					
74	Highest rate of capitalised finance applied				
75					

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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. EDBs 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.

sch ref

4(v): Regulatory Depreciation

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Depreciation - standard
 Depreciation - no standard life assets
 Depreciation - modified life assets
 Depreciation - alternative depreciation in accordance with CPP
Total depreciation

Unallocated RAB *		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
1,393		1,393	
	1,393		1,393

4(vi): Disclosure of Changes to Depreciation Profiles

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(\$000 unless otherwise specified)

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

* include additional rows if needed

4(vii): Disclosure by Asset Category

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109
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(\$000 unless otherwise specified)

	Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
Total opening RAB value	2,521	-	7,091	6,834	2,148	2,928	2,386	2,163	2,395	28,466
less Total depreciation	128	-	292	345	59	155	124	109	180	1,393
plus Total revaluations	54	-	154	147	46	63	51	46	52	613
plus Assets commissioned	90	-	-	414	33	198	322	130	160	1,347
less Asset disposals	11	-	-	54	7	25	23	22	-	142
plus Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
plus Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	-	-
plus Asset category transfers	-	-	-	-	-	-	-	-	-	-
Total closing RAB value	2,525	-	6,952	6,996	2,162	3,008	2,611	2,208	2,427	28,890
Asset Life										
Weighted average remaining asset life	26.29	-	30.87	29.34	40.63	25.31	21.15	26.85	34.26	(years)
Weighted average expected total asset life	53.51	-	43.55	54.87	54.12	43.42	32.83	38.26	39.72	(years)

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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). EDBs 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

		(\$000)	
7	5a(i): Regulatory Tax Allowance		
8	Regulatory profit / (loss) before tax		1,740
9			
10	<i>plus</i> Income not included in regulatory profit / (loss) before tax but taxable	-	*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	16	*
12	Amortisation of initial differences in asset values	569	
13	Amortisation of revaluations	115	
14			699
15			
16	<i>less</i> Total revaluations	613	
17	Income included in regulatory profit / (loss) before tax but not taxable	-	*
18	Discretionary discounts and customer rebates	-	
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	-	*
20	Notional deductible interest	525	
21			1,138
22			
23	Regulatory taxable income		1,301
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		1,301
27			
28	Corporate tax rate (%)	28%	
29	Regulatory tax allowance		364

* Workings to be provided in Schedule 14

5a(ii): Disclosure of Permanent Differences

In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).

5a(iii): Amortisation of Initial Difference in Asset Values

		(\$000)	
34			
35			
36	Opening unamortised initial differences in asset values	15,304	
37	<i>less</i> Amortisation of initial differences in asset values	569	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	-	
40	Closing unamortised initial differences in asset values		14,736
41			
42	Opening weighted average remaining useful life of relevant assets (years)		26.92
43			

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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). EDBs 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

44	5a(iv): Amortisation of Revaluations		(\$000)
45			
46	Opening sum of RAB values without revaluations	26,366	
47			
48	Adjusted depreciation	1,278	
49	Total depreciation	1,393	
50	Amortisation of revaluations		115
51			
52	5a(v): Reconciliation of Tax Losses		(\$000)
53			
54	Opening tax losses	-	
55	plus Current period tax losses	-	
56	less Utilised tax losses	-	
57	Closing tax losses		-
58	5a(vi): Calculation of Deferred Tax Balance		(\$000)
59			
60	Opening deferred tax	(821)	
61			
62	plus Tax effect of adjusted depreciation	358	
63			
64	less Tax effect of tax depreciation	432	
65			
66	plus Tax effect of other temporary differences*	7	
67			
68	less Tax effect of amortisation of initial differences in asset values	159	
69			
70	plus Deferred tax balance relating to assets acquired in the disclosure year	-	
71			
72	less Deferred tax balance relating to assets disposed in the disclosure year	(33)	
73			
74	plus Deferred tax cost allocation adjustment	(0)	
75			
76	Closing deferred tax		(1,015)
77			
78	5a(vii): Disclosure of Temporary Differences		
79			
80	<i>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).</i>		
81	5a(viii): Regulatory Tax Asset Base Roll-Forward		
82			(\$000)
83	Opening sum of regulatory tax asset values	11,478	
84	less Tax depreciation	1,543	
85	plus Regulatory tax asset value of assets commissioned	1,361	
86	less Regulatory tax asset value of asset disposals	23	
87	plus Lost and found assets adjustment	-	
88	plus Adjustment resulting from asset allocation	-	
89	plus Other adjustments to the RAB tax value	(350)	
90	Closing sum of regulatory tax asset values		10,923

Company Name	Buller Electricity Limited
For Year Ended	31 March 2017

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

7 5b(i): Summary—Related Party Transactions		(\$000)
8	Total regulatory income	1,040
9	Operational expenditure	1,831
10	Capital expenditure	1,186
11	Market value of asset disposals	
12	Other related party transactions	

13 5b(ii): Entities Involved in Related Party Transactions	
14 Name of related party	Related party relationship
15 BEL Investments NZ Limited (Pulse Energy Ltd)	Wholly owned subsidiary
16 Electro Services Limited	Wholly owned subsidiary
17 Key Management Personnel & Directors	Employed or engaged by the regulated entity (related party as per GAAP definition)
18	
19	

* include additional rows if needed

21 5b(iii): Related Party Transactions				
22 Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
23 BEL Investments NZ Limited (Pulse Energy Ltd)	Sales	Lines Charges	1,040	ID clause 2.3.7(2)(a)
24 Electro Services Limited	Opex	Maintenance of Network	1,244	ID clause 2.3.6(1)(b)
25 Electro Services Limited	Capex	Network Capital Works	1,186	IM clause 2.2.11(5)(g)
26 Key Management Personnel & Directors	Opex	Support	587	ID clause 2.3.6(1)(a)
27	[Select one]			[Select one]
28	[Select one]			[Select one]
29	[Select one]			[Select one]
30	[Select one]			[Select one]
31	[Select one]			[Select one]
32	[Select one]			[Select one]
33	[Select one]			[Select one]
34	[Select one]			[Select one]
35	[Select one]			[Select one]
36	[Select one]			[Select one]
37	[Select one]			[Select one]

* include additional rows if needed

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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
* include additional rows if needed									

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

Gross term credit spread differential									
Total book value of interest bearing debt									
Leverage				44%					
Average opening and closing RAB values									
Attribution Rate (%)									
Term credit spread differential allowance									

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. EDBs 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)				OVABAA allocation increase (\$000s)
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	
7	Service interruptions and emergencies					
8	Directly attributable		383			
9	Not directly attributable	-	-	-	-	
10	Total attributable to regulated service		383			
11	Vegetation management					
12	Directly attributable		254			
13	Not directly attributable	-	-	-	-	
14	Total attributable to regulated service		254			
15	Routine and corrective maintenance and inspection					
16	Directly attributable		338			
17	Not directly attributable	-	-	-	-	
18	Total attributable to regulated service		338			
19	Asset replacement and renewal					
20	Directly attributable		268			
21	Not directly attributable	-	-	-	-	
22	Total attributable to regulated service		268			
23	System operations and network support					
24	Directly attributable		42			
25	Not directly attributable	-	-	-	-	
26	Total attributable to regulated service		42			
27	Business support					
28	Directly attributable		1,505			
29	Not directly attributable	-	359		359	
30	Total attributable to regulated service		1,864			
31	Operating costs directly attributable		2,791			
32	Operating costs not directly attributable	-	359	-	359	-
33	Operational expenditure		3,150			

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. EDBs 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

39 **5d(ii): Other Cost Allocations**

40	Pass through and recoverable costs	(\$000)
41	Pass through costs	
42	Directly attributable	39
43	Not directly attributable	
44	Total attributable to regulated service	39
45	Recoverable costs	
46	Directly attributable	1,597
47	Not directly attributable	
48	Total attributable to regulated service	1,597

50 **5d(iii): Changes in Cost Allocations* †**

51	(\$000)			
52	Change in cost allocation 1		CY-1	Current Year (CY)
53	Cost category			
54	Original allocator or line items			
55	New allocator or line items			
56				
57	Rationale for change			

60	(\$000)			
61	Change in cost allocation 2		CY-1	Current Year (CY)
62	Cost category			
63	Original allocator or line items			
64	New allocator or line items			
65				
66	Rationale for change			

68	(\$000)			
69	Change in cost allocation 3		CY-1	Current Year (CY)
70	Cost category			
71	Original allocator or line items			
72	New allocator or line items			
73				
74	Rationale for change			

78 * 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.
 79 † include additional rows if needed

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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. EDBs 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) Electricity distribution services
Subtransmission lines	
Directly attributable	2,525
Not directly attributable	-
Total attributable to regulated service	2,525
Subtransmission cables	
Directly attributable	-
Not directly attributable	-
Total attributable to regulated service	-
Zone substations	
Directly attributable	6,952
Not directly attributable	-
Total attributable to regulated service	6,952
Distribution and LV lines	
Directly attributable	6,996
Not directly attributable	-
Total attributable to regulated service	6,996
Distribution and LV cables	
Directly attributable	2,162
Not directly attributable	-
Total attributable to regulated service	2,162
Distribution substations and transformers	
Directly attributable	3,008
Not directly attributable	-
Total attributable to regulated service	3,008
Distribution switchgear	
Directly attributable	2,611
Not directly attributable	-
Total attributable to regulated service	2,611
Other network assets	
Directly attributable	2,208
Not directly attributable	-
Total attributable to regulated service	2,208
Non-network assets	
Directly attributable	-
Not directly attributable	2,427
Total attributable to regulated service	2,427
Regulated service asset value directly attributable	26,463
Regulated service asset value not directly attributable	2,427
Total closing RAB value	28,890

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

		(\$000)	
		CY-1	Current Year (CY)
Change in asset value allocation 1			
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			
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			
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

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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. EDBs 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

7	6a(i): Expenditure on Assets		(\$000)	(\$000)
8	Consumer connection			213
9	System growth			-
10	Asset replacement and renewal			733
11	Asset relocations			87
12	Reliability, safety and environment:			
13	Quality of supply	9		
14	Legislative and regulatory	212		
15	Other reliability, safety and environment	128		
16	Total reliability, safety and environment			350
17	Expenditure on network assets			1,382
18	Expenditure on non-network assets			160
19				
20	Expenditure on assets			1,543
21	plus Cost of financing			-
22	less Value of capital contributions			196
23	plus Value of vested assets			-
24				
25	Capital expenditure			1,347
26	6a(ii): Subcomponents of Expenditure on Assets (where known)			(\$000)
27	Energy efficiency and demand side management, reduction of energy losses			-
28	Overhead to underground conversion			87
29	Research and development			-
30	6a(iii): Consumer Connection			
31	<i>Consumer types defined by EDB*</i>		(\$000)	(\$000)
32	Domestic LG1		-	-
33	Domestic Low use LGU1		-	-
34	Commercial < 15kVa LG2		118	-
35	Commercial > 15kVa LG3		95	-
36			-	-
37	<i>* include additional rows if needed</i>			
38	Consumer connection expenditure			213
39				
40	less Capital contributions funding consumer connection expenditure	164		
41	Consumer connection less capital contributions			49
42	6a(iv): System Growth and Asset Replacement and Renewal			
43			System Growth	Asset Replacement and Renewal
44			(\$000)	(\$000)
45	Subtransmission	-	-	47
46	Zone substations	-	-	-
47	Distribution and LV lines	-	-	360
48	Distribution and LV cables	-	-	4
49	Distribution substations and transformers	-	-	79
50	Distribution switchgear	-	-	196
51	Other network assets	-	-	48
52	System growth and asset replacement and renewal expenditure	-	-	733
53	less Capital contributions funding system growth and asset replacement and renewal	-	-	26
54	System growth and asset replacement and renewal less capital contributions	-	-	707
55				
56	6a(v): Asset Relocations			
57	<i>Project or programme*</i>		(\$000)	(\$000)
58	RUSSELL FEEDER HV WORK REPLACE SUB AND POLES ETC		38	-
59	WAYERLEY STREET REBUILD 2 POLE SUB. POLE 646		49	-
60	[Description of material project or programme]		-	-
61	[Description of material project or programme]		-	-
62	[Description of material project or programme]		-	-
63	<i>* include additional rows if needed</i>			
64	All other projects or programmes - asset relocations		-	-
65	Asset relocations expenditure			87
66	less Capital contributions funding asset relocations	1		
67	Asset relocations less capital contributions			86

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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. EDBs 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

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6a(vi): Quality of Supply

Project or programme*	(\$000)	(\$000)
Fault indicators	9	
[Description of material project or programme]	-	
[Description of material project or programme]	-	
[Description of material project or programme]	-	
[Description of material project or programme]	-	
<i>* include additional rows if needed</i>		
All other projects programmes - quality of supply	-	
Quality of supply expenditure		9
less Capital contributions funding quality of supply	0.12	
Quality of supply less capital contributions		9

6a(vii): Legislative and Regulatory

Project or programme*	(\$000)	(\$000)
Cape Regulators	103	
LV Retic Upgrade	67	
Capacitor Bank	28	
[Description of material project or programme]	-	
[Description of material project or programme]	-	
<i>* include additional rows if needed</i>		
All other projects or programmes - legislative and regulatory	14	
Legislative and regulatory expenditure		212
less Capital contributions funding legislative and regulatory	3	
Legislative and regulatory less capital contributions		209

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

Project or programme*	(\$000)	(\$000)
REBUILD STRUCTURES 8853 AND 70418 KARAMEA BLUFF	44	
KARAMEA BLUFF: CONVERT 1POLE TO 2 POLE STRUCTURE	17	
[Description of material project or programme]	-	
[Description of material project or programme]	-	
[Description of material project or programme]	-	
<i>* include additional rows if needed</i>		
All other projects or programmes - other reliability, safety and environment	67	
Other reliability, safety and environment expenditure		128
less Capital contributions funding other reliability, safety and environment	2	
Other reliability, safety and environment less capital contributions		127

6a(ix): Non-Network Assets

Routine expenditure

Project or programme*	(\$000)	(\$000)
[Description of material project or programme]		
[Description of material project or programme]		
[Description of material project or programme]		
[Description of material project or programme]		
[Description of material project or programme]		
<i>* include additional rows if needed</i>		
All other projects or programmes - routine expenditure		
Routine expenditure		-

Atypical expenditure

Project or programme*	(\$000)	(\$000)
Plant and Equipment	153	
Furniture and Fittings	4	
Computer and Communications Equipment	3	
[Description of material project or programme]		
[Description of material project or programme]		
<i>* include additional rows if needed</i>		
All other projects or programmes - atypical expenditure		
Atypical expenditure		160
Expenditure on non-network assets		160

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**

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

This schedule requires a breakdown of operational expenditure incurred in the disclosure year.

EDBs 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 and emergencies	383	
9	Vegetation management	254	
10	Routine and corrective maintenance and inspection	338	
11	Asset replacement and renewal	268	
12	Network opex		1,244
13	System operations and network support	42	
14	Business support	1,864	
15	Non-network opex		1,906
16			
17	Operational expenditure		3,150
18	6b(ii): Subcomponents of Operational Expenditure (where known)		
19	Energy efficiency and demand side management, reduction of energy losses		
20	Direct billing*		
21	Research and development		
22	Insurance		80
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name	Buller Electricity Limited
For Year Ended	31 March 2017

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.

EDBs 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

	Target (\$000) ¹	Actual (\$000)	% variance
7 (i): Revenue			
Line charge revenue	7,348	7,309	(1%)
7(ii): Expenditure on Assets	Forecast (\$000) ²	Actual (\$000)	% variance
Consumer connection	100	213	113%
System growth	-	-	-
Asset replacement and renewal	689	733	6%
Asset relocations	80	87	8%
Reliability, safety and environment:			
Quality of supply	16	9	(43%)
Legislative and regulatory	119	212	79%
Other reliability, safety and environment	162	128	(21%)
Total reliability, safety and environment	297	350	18%
Expenditure on network assets	1,166	1,382	19%
Expenditure on non-network assets	-	160	-
Expenditure on assets	1,166	1,543	32%
7(iii): Operational Expenditure			
Service interruptions and emergencies	265	383	44%
Vegetation management	265	254	(4%)
Routine and corrective maintenance and inspection	231	338	47%
Asset replacement and renewal	343	268	(22%)
Network opex	1,104	1,244	13%
System operations and network support	156	42	(73%)
Business support	1,995	1,864	(7%)
Non-network opex	2,150	1,906	(11%)
Operational expenditure	3,255	3,150	(3%)
7(iv): Subcomponents of Expenditure on Assets (where known)			
Energy efficiency and demand side management, reduction of energy losses	-	-	-
Overhead to underground conversion	80	87	8%
Research and development	-	-	-
7(v): Subcomponents of Operational Expenditure (where known)			
Energy efficiency and demand side management, reduction of energy losses	-	-	-
Direct billing	-	-	-
Research and development	-	-	-
Insurance	83	80	(4%)

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

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)

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2017**
 Network / Sub-Network Name

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB 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	Energy delivered to ICPs in disclosure year (MWh)	Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)	Billed quantities by price component									
						Days	kW	kWh							
LG1	Residential Standard	Standard	1,681	9,992											
LG1L	Residential Low User	Standard	2,269	9,369											
LG2	Small Commercial	Standard	532	9,347											
LG3	Medium Commercial	Standard	83	4,750											
LG4	Large Commercial	Standard	13	6,136											
LG5	Commercial >1000kVA	Standard	1	10,333											
		[Select one]													
		[Select one]													
		[Select one]													
		[Select one]													
Add extra rows for additional consumer groups or price category codes as necessary															
Standard consumer totals			4,579	49,927											
Non-standard consumer totals			--	--											
Total for all consumers			4,579	49,927											
						--	5,084	49,927,245	--	--	--				
						--	--	--	--	--	--				
						--	5,084	49,927,245	--	--	--				

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

Company Name	Buller Electricity Limited
For Year Ended	31 March 2017
Network / Sub-network Name	

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. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

	Voltage	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
8	All	Overhead Line	Concrete poles / steel structure	No.	5,175	5,169	- 6	3
9	All	Overhead Line	Wood poles	No.	1,601	1,598	- 3	3
10	All	Overhead Line	Other pole types	No.	239	238	- 1	3
11	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	105	104	- 0	3
12	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	2	1	- 0	4
13	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	1	1	-	3
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	4
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	4
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	-	-	-	4
17	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	4
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	4
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	4
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	4
21	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	4
22	HV	Zone substation Buildings	Zone substations up to 66kV	No.	3	3	-	4
23	HV	Zone substation Buildings	Zone substations 110kV+	No.	1	1	-	4
24	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	2
25	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	2	2	-	4
26	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	-	-	-	4
27	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	30	30	-	3
28	HV	Zone substation switchgear	33kV RMU	No.	-	-	-	4
29	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	-	-	-	4
30	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	16	16	-	3
31	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	-	-	-	3
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	25	25	-	3
33	HV	Zone Substation Transformer	Zone Substation Transformers	No.	13	13	-	3
34	HV	Distribution Line	Distribution OH Open Wire Conductor	km	374	373	- 1	3
35	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	-	-	-	2
36	HV	Distribution Line	SWER conductor	km	-	-	-	4
37	HV	Distribution Cable	Distribution UG XLPE or PVC	km	17	20	2	3
38	HV	Distribution Cable	Distribution UG PILC	km	-	-	-	3
39	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	4
40	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	52	51	- 1	3
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	-	-	-	4
42	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	980	988	8	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	-	-	-	4
44	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	8	9	1	3
45	HV	Distribution Transformer	Pole Mounted Transformer	No.	716	709	- 7	3
46	HV	Distribution Transformer	Ground Mounted Transformer	No.	81	81	-	3
47	HV	Distribution Transformer	Voltage regulators	No.	7	9	2	3
48	HV	Distribution Substations	Ground Mounted Substation Housing	No.	17	18	1	3
49	LV	LV Line	LV OH Conductor	km	111	111	-	3
50	LV	LV Cable	LV UG Cable	km	31	31	-	3
51	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	-	-	-	1
52	LV	Connections	OH/UG consumer service connections	No.	4,605	4,579	- 26	2
53	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	-	-	-	3
54	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
55	All	Capacitor Banks	Capacitors including controls	No.	-	1	1	4
56	All	Load Control	Centralised plant	Lot	1	1	-	4
57	All	Load Control	Relays	No.	-	-	-	4
58	All	Civils	Cable Tunnels	km	-	-	-	4

Company Name	Buller Electricity Limited
For Year Ended	31 March 2017
Network / Sub-network Name	

SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

		Overhead (km)	Underground (km)	Total circuit length (km)
9				
10	Circuit length by operating voltage (at year end)			
11	> 66kV	1	-	1
12	50kV & 66kV	-	-	-
13	33kV	105	1	105
14	SWER (all SWER voltages)	-	-	-
15	22kV (other than SWER)	-	-	-
16	6.6kV to 11kV (inclusive—other than SWER)	373	20	393
17	Low voltage (< 1kV)	111	32	143
18	Total circuit length (for supply)	590	52	642
19				
20	Dedicated street lighting circuit length (km)	57	8	64
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)			-
22				
23	Overhead circuit length by terrain (at year end)			
24	Urban	97		16%
25	Rural	432		73%
26	Remote only	9		2%
27	Rugged only	52		9%
28	Remote and rugged	-		-
29	Unallocated overhead lines	-		-
30	Total overhead length	590		100%
31				
32				
33	Length of circuit within 10km of coastline or geothermal areas (where known)	590		92%
34				
35	Overhead circuit requiring vegetation management	590		100%

Company Name	Buller Electricity Limited
For Year Ended	31 March 2017
Network / Sub-network Name	

SCHEDULE 9e: REPORT ON NETWORK DEMAND

This schedule requires a summary of the key measures of network utilisation for the disclosure year (number of new connections including distributed generation, peak demand and electricity volumes conveyed).

sch ref

9e(i): Consumer Connections

Number of ICPs connected in year by consumer type

Consumer types defined by EDB*

Residential Standard (LG1)
Residential Low User (LG1L)
Small Commercial(LG2)
Medium Commercial (LG3)
[EDB consumer type]

* include additional rows if needed

Connections total

Number of connections (ICPs)

12
1
7
5
-

25

Distributed generation

Number of connections made in year

Capacity of distributed generation installed in year

2

connections

0.01

MVA

9e(ii): System Demand

Maximum coincident system demand

GXP demand

plus Distributed generation output at HV and above

Maximum coincident system demand

less Net transfers to (from) other EDBs at HV and above

Demand on system for supply to consumers' connection points

Demand at time of maximum coincident demand (MW)

6

4

10

-

10

Electricity volumes carried

Electricity supplied from GXPs

less Electricity exports to GXPs

plus Electricity supplied from distributed generation

less Net electricity supplied to (from) other EDBs

Electricity entering system for supply to consumers' connection points

less Total energy delivered to ICPs

Electricity losses (loss ratio)

Load factor

Energy (GWh)

44

-

10

-

54

50

4	7.1%
---	------

0.59

9e(iii): Transformer Capacity

Distribution transformer capacity (EDB owned)

Distribution transformer capacity (Non-EDB owned, estimated)

Total distribution transformer capacity

Zone substation transformer capacity

(MVA)

36

10

46

53

Company Name **Buller Electricity Limited**

For Year Ended **31 March 2017**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI 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

8 **10(i): Interruptions**

9 **Interruptions by class**

	Number of interruptions
10 Class A (planned interruptions by Transpower)	-
11 Class B (planned interruptions on the network)	57
12 Class C (unplanned interruptions on the network)	65
13 Class D (unplanned interruptions by Transpower)	1
14 Class E (unplanned interruptions of EDB owned generation)	-
15 Class F (unplanned interruptions of generation owned by others)	-
16 Class G (unplanned interruptions caused by another disclosing entity)	-
17 Class H (planned interruptions caused by another disclosing entity)	-
18 Class I (interruptions caused by parties not included above)	-
19 Total	123

21 **Interruption restoration**

	≤3Hrs	>3hrs
22 Class C interruptions restored within	40	25

24 **SAIFI and SAIDI by class**

	SAIFI	SAIDI
25 Class A (planned interruptions by Transpower)	-	-
26 Class B (planned interruptions on the network)	0.73	289.5
27 Class C (unplanned interruptions on the network)	4.39	761.4
28 Class D (unplanned interruptions by Transpower)	1.00	43.2
29 Class E (unplanned interruptions of EDB owned generation)	-	-
30 Class F (unplanned interruptions of generation owned by others)	-	-
31 Class G (unplanned interruptions caused by another disclosing entity)	-	-
32 Class H (planned interruptions caused by another disclosing entity)	-	-
33 Class I (interruptions caused by parties not included above)	-	-
34 Total	6.12	1,094.1

36 **Normalised SAIFI and SAIDI**

	Normalised SAIFI	Normalised SAIDI
37 Classes B & C (interruptions on the network)	6.12	771.1

39 **Quality path normalised reliability limit**

	SAIFI reliability limit	SAIDI reliability limit
40 SAIFI and SAIDI limits applicable to disclosure year*	-	-

* not applicable to exempt EDBs

Company Name **Buller Electricity Limited**

For Year Ended **31 March 2017**

Network / Sub-network Name

SCHEDULE 10: REPORT ON NETWORK RELIABILITY

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and fault rate) for the disclosure year. EDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory notes to templates). The SAIFI and SAIDI 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.

10(ii): Class C Interruptions and Duration by Cause

Cause	SAIFI	SAIDI
Lightning	0.04	6.4
Vegetation	0.69	75.1
Adverse weather	0.67	35.5
Adverse environment	0.75	505.3
Third party interference	0.01	2.2
Wildlife	-	-
Human error	0.11	2.2
Defective equipment	1.16	62.4
Cause unknown	0.96	72.0

10(iii): Class B Interruptions and Duration by Main Equipment Involved

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	0.12	46.3
Subtransmission cables	-	-
Subtransmission other	-	-
Distribution lines (excluding LV)	0.60	242.1
Distribution cables (excluding LV)	0.01	1.2
Distribution other (excluding LV)	-	-

10(iv): Class C Interruptions and Duration by Main Equipment Involved

Main equipment involved	SAIFI	SAIDI
Subtransmission lines	2.20	122.6
Subtransmission cables	-	-
Subtransmission other	-	-
Distribution lines (excluding LV)	2.19	638.5
Distribution cables (excluding LV)	0.00	0.3
Distribution other (excluding LV)	-	-

10(v): Fault Rate

Main equipment involved	Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
Subtransmission lines	16	105	15.28
Subtransmission cables	-	1	-
Subtransmission other	-	-	-
Distribution lines (excluding LV)	48	374	12.85
Distribution cables (excluding LV)	1	18	5.71
Distribution other (excluding LV)	-	-	-
Total	65		

Company Name Buller Electricity Limited

For Year Ended 31 March 2017

Schedule 14 Mandatory Explanatory Notes

1. This schedule requires EDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and subclauses 2.5.1(1)(f), and 2.5.2(1)(e).
2. This schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 12 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for EDBs to give additional explanation of disclosed information should they elect to do so.

Return on Investment (Schedule 2)

4. In the box below, comment on return on investment as disclosed in Schedule 2. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 1: Explanatory comment on return on investment

Buller Electricity Limited (“BEL”) increased its tariffs for domestic customers by 1.64% for the 2016-17 year, being less than the total average increase of 2.30%, the latter including commercial customers. Notwithstanding said increase, revenue decreased by ± \$200k from last year due to the loss of the Holcim’s local connections and the downturn in Solid Energy.

BEL’s rate of return on investments (post tax = 4.41%, vanilla = 4.96%) fall below the Commerce Commission’s WACC’s for the 2017 Disclosure year. BEL’s ROI’s for 2017 are higher by ± 1 percentage point from the previous year, notwithstanding the decrease in revenue.

There was no reclassification of expenditures in the 2016-17 year.

BEL is not required to, and did not elect to, disclose information in accordance with part 2(iii) of Schedule 2.

Regulatory Profit (Schedule 3)

5. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 3. This comment must include-
 - 5.1 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

5.2 information on reclassified items in accordance with subclause 2.7.1(2).

Box 2: Explanatory comment on regulatory profit

BEL's regulatory result before tax for the 2016-17 year increased by \$275k, and was due to:

- \$127k decrease in regulatory income due to a \$198k decrease in line charge revenue and a decrease in losses on asset disposals of \$88k.
- Operational expenditure increased by \$8k and has been assessed as immaterial.
- Depreciation has increased by \$86k, which is in line with the commissioned and disposed assets for the year.
- Network revaluations increased by \$496k and was due to a higher revaluation rate as a result of a material increase in observed CPI rates between March 2016 and 2017.

There was no reclassification of expenditure affecting Schedule 3 in 2017.

Merger and acquisition expenses (3(iv) of Schedule 3)

6. If the EDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below-

- 6.1 information on reclassified items in accordance with subclause 2.7.1(2)
- 6.2 any other commentary on the benefits of the merger and acquisition expenditure to the EDB.

Box 3: Explanatory comment on merger and acquisition expenditure

BEL has not reflected any expenditure in relation to mergers and acquisitions within the regulatory profit and loss.

Value of the Regulatory Asset Base (Schedule 4)

7. In the box below, comment on the value of the regulatory asset base (rolled forward) in Schedule 4. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

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

There has been no reclassification of items in the disclosure year.

As in prior years, the value of the 2017 regulatory asset base has been determined by rolling forward the initial regulatory asset base with allowance made for additions, disposals, depreciation, and revaluation in accordance with the Electricity Distribution Services Input Methodologies Determination 2012.

All non-system fixed assets have been allocated to the regulated entity, as they would not be avoided if BEL's only activities were the provision of electricity distribution services.

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

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-
- 8.1 Income not included in regulatory profit / (loss) before tax but taxable;
 - 8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible;
 - 8.3 Income included in regulatory profit / (loss) before tax but not taxable;
 - 8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax.

Box 5: Regulatory tax allowance: permanent differences

Non-deductible expenditure in 2017 consisted of legal fees of \$11k and entertainment of \$5k. Depreciation on buildings was also not deductible, but this was treated by not including buildings (as an asset class) in the tax asset base.

Income included in regulatory profit, but not taxable, includes the revaluation of the RAB (2017: \$613k).

Notional deductible interest (regulatory interest) was lower due to a decrease in the cost of debt assumption (from 5.26% in 2016 to 4.41% for 2017).

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

9. In the box below, provide 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)

Other temporary differences disclosed in Schedule 5a were:

Provision for Doubtful Debts - closing	21,689
Provision for Doubtful Debts - opening	(16,900)
Provision for Holiday Pay / Annual Leave - closing	167,036
Holiday Pay/Annual Leave - 63 days	(11,877)
Provision for Holiday Pay / Annual Leave (net) - opening	(142,379)
Provision for Gratuity (net) - closing	23,467
Provision for Gratuity (net) - opening	(23,467)
Accrued ACC - closing	17,084
Accrued ACC - opening	(20,321)
Provision for Audit Fees - closing	0
Provision for Audit Fees - opening	(2,282)
Other accruals – closing	12,000
Other accruals – opening	0
	<hr/>
	24,050
Tax effect @28%	6,734

Related party transactions: disclosure of related party transactions (Schedule 5b)

10. In the box below, provide descriptions of related party transactions beyond those disclosed on Schedule 5b including identification and descriptions as to the nature of directly attributable costs disclosed under subclause 2.3.6(1)(b).

Box 7: Related party transactions

All related party transactions are on an arm's length basis with related parties. BEL's wholly owned contracting business (Electro Services Limited ("ESL")) has its own job costing system to track actual costs of jobs undertaken for BEL (and also for external customers). There is no margin charged by ESL to BEL for completed jobs. However, to the extent allowed by the information disclosure regulation, BEL includes a margin of 17.2% margin on its electrical lines contracting work.

ESL undertakes network maintenance and vegetation control work for BEL. ESL also provides capital works such as asset replacement and installing new infrastructure.

Cost allocation (Schedule 5d)

11. In the box below, comment on cost allocation as disclosed in Schedule 5d. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 8: Cost allocation

BEL's maintenance activities are outsourced to its contracting business (ESL) which is a separate legal entity and a related party. All directly attributable contracting costs relevant to the network business of BEL are able to be separately identified through job costing systems.

ESL's directly attributable costs of \$1,244k related to field maintenance work. BEL's total operational expenditure, including the \$1,244k from ESL, was \$3,150k. This included business support / admin costs of \$1,864k.

Some business support costs are not directly attributable to BEL's distribution service. However, BEL qualifies to use the avoided cost allocation methodology. Under the avoided cost allocation methodology these common costs are not avoidable by the regulated network business.

There has been no change in the use of allocators.

Asset allocation (Schedule 5e)

12. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

Box 9: Commentary on asset allocation

BEL's contracting business is a separate legal entity (ESL), and contracting assets are not seen as being connected with the lines service provided by BEL. As a consequence of the legal separation of entities (and fixed asset registers), all contracting assets have been excluded from the regulatory asset base. Nonetheless, BEL still has \$2.43m of assets with a common purpose (such as buildings, furniture and fittings, hardware and software, etc).

BEL qualifies to use the avoided cost allocation methodology to allocate shared use of non-system fixed assets. Under this methodology non-system fixed assets are not avoidable by the regulated network business.

There has been no change in the use of allocators.

Capital Expenditure for the Disclosure Year (Schedule 6a)

13. In the box below, comment on expenditure on assets for the disclosure year, as disclosed in Schedule 6a. This comment must include-
- 13.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;

13.2 information on reclassified items in accordance with subclause 2.7.1(2),

Box 10: Explanation of capital expenditure for the disclosure year

BEL plans for Network projects / jobs at an Asset Management Planning stage, and these jobs are assigned to an actual class or sub-class of regulatory asset expenditure. Budgets are set, and for each project the actual cost can be attributed.

In addition, a capex materiality threshold of \$500 applies to assets.

No items have been reclassified.

Operational Expenditure for the Disclosure Year (Schedule 6b)

14. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-

14.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b;

14.2 Information on reclassified items in accordance with subclause 2.7.1(2);

14.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

Box 11: Explanation of operational expenditure for the disclosure year

Service interruptions and emergencies: \$383k, includes all fault costs and standby allowance for contracting and network staff.

Vegetation management: \$254k, includes all tree cutting/trimming in relation to overhead lines.

Routine and corrective maintenance and inspection: \$338k, includes all line inspections, earth tests, substation checks and minor maintenance.

Asset replacement: \$268k, includes all asset attributable replacement including cross-arms, insulators, stays and earthing except where BEL is replacing the pole. In this instance it is all capex work.

System operations and network support: \$42k, includes all system operations and network support from third parties.

Business support: \$1,864k, includes all BEL business/corporate support to the BEL network—such as legal, finance, retailer billing, insurance, administration, ICP management.

Variance between forecast and actual expenditure (Schedule 7)

15. In the box below, comment 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 subclause 2.7.1(2).

Box 12: Explanatory comment on variance in actual to forecast expenditure			
Expenditure Class	Forecast (\$000)	Actual (\$000)	Comment
Consumer Connections	100	164	Additional larger consumer connections for the year exceeded expectations. Holcim Cement required office and pump station connections after closure of its Westport plant and exited from its direct connection from the Transpower WPT GXP. A fertiliser mixing plant and upgrade of dairy sheds from single to three phase were the other main connections.
System Growth	0	0	
Asset Replacement and renewal	689	733	Weather and major fault work delayed various projects that were in progress that added additional expense.
Asset relocations	80	87	The variance is due to weather and planning delays.
Reliability, safety and environment	297	350	Additional voltage support regulators and capacitors were installed at Cape Foulwind to ensure regulatory compliance after BEL exited the Transpower WPT GXP following the Holcim cement plant closure and supplied this area from BEL's Robertson Street GXP.
Non-Network Capex	0	160	Did not forecast for internally developed software and computer equipment.
Capex Subtotal	1,166	1,494	28% variation
Service interruptions and emergencies	265	383	Standby costs are included in expenditure. More fault work than anticipated for the year. Major faults included the November 14 earthquake, Karamea high winds causing conductor clashing, high sea erosion at Ngakawau and Ngakawau T2 transformer failure.
Vegetation Management	265	254	Minor underspend for the year.
Routine and corrective maintenance and inspection	231	338	Additional minor work was undertaken during the year such as asset I.D and safety label replacements and additional asset surveys.

Asset Replacement and renewal	343	268	Less than expected cross-arm replacement and transformer refurbishment work was undertaken for the year.
Opex Subtotal	1,104	1,244	13% variation
Combined Capex and Opex less system and business support	2,270	2,738	21% variation
System operations and support	156	42	Direct Network operation costs were well below forecast, the result of incorrect forecast assumptions.
Business support	1,995	1,864	The business support costs variance is 7%, which is considered immaterial.

Information relating to revenues and quantities for the disclosure year

16. In the box below provide-

- 16.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and subclause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and
- 16.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

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

BEL's Pricing Methodology 2016-17 forecast revenue was \$7,348k. The actual revenue was \$7,309k. The lower than forecast revenue was due to residential consumer revenues being below expectations. The difference of \$39k (0.6%) is considered immaterial.

Network Reliability for the Disclosure Year (Schedule 10)

17. In the box below, comment on network reliability for the disclosure year, as disclosed in Schedule 10.

Box 14: Commentary on network reliability for the disclosure year

BEL's SAIFI & SAIDI network reliability statistics of 6.12 and 1,094.1 were well above the 1.72 and 289.6 values forecast in the AMP (1 April 2016) for the 2016-17 year. The higher than expected level of SAIFI and SAIDI can be attributable to the following circumstances:

- Numerous unplanned 33kV network and Karamea outages in May 2017. These outages were caused by significant storm events and conductor clashing on the 33kV Karamea Bluff power line.
- The Kaikoura Earthquake on November 14th (at 00:04am) caused an unplanned outage for much of the network due to conductor clashing. BEL was not able to commence restoring the network until 6am once visual inspections could be carried out. This resulted in a minimum 6 hour outage for consumers that were affected.
- The BEL network experience a complete blackout on 18/2/2017 for 43 minutes due to a Transpower switching error at the Kikawa Substation
- The SAIDI associated with planned outages was also significantly above forecast due to the repair work which need to be carried out.

Insurance cover

18. In the box below, provide details of any insurance cover for the assets used to provide electricity distribution services, including-
- 18.1 The EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;
- 18.2 In respect of any self-insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

Box 15: Explanation of insurance cover

BEL has insurance cover for material damage to its substations (\$11.75m) and buildings (\$3m), however pole structures, pole mounted assets (e.g. transformers), and conductor spanning poles are not insured.

BEL also has insurance cover for business interruption (\$4.87m).

BEL does not have a self-insurance scheme.

Amendments to previously disclosed information

19. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:

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

Box 16: Disclosure of amendment to previously disclosed information

1. 5a(viii) – an adjustment has been made to the regulatory tax asset base to correct a prior period (\$350k in 2015) error which has had a cumulative effect on the roll-forward balance.
2. 4(vii) - following the process considering comments raised by the Office of the Auditor General in their draft report to Parliament regarding EDB Critical Infrastructure, we realised that there was an error made in regard to average weighted total life for the system (2013: understated by 3.86 years) and non-system (2016: 0.23 years) assets. The above has been communicated to both the OAG and the Commerce Commission in June 2017.

Company Name Buller Electricity Limited

For Year Ended 31 March 2017

Schedule 14a Mandatory Explanatory Notes on Forecast Information

1. This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.
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 current disclosure year and 10 year planning period, as disclosed in Schedule 11a.

Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts
 BEL utilised the Westpac economic forecast summaries to apply an uplift index to the constant prices for all categories to produce the nominal prices.

Indexation Summary	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
	0.00	2.10	3.94	6.02	7.92	10.19	12.51	14.87	17.28	19.74

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 current disclosure year and 10 year planning period, as disclosed in Schedule 11b.

Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts
 The Westpac economic forecast inflation CPI was used as the inflation factor to uplift nominal prices.

Indexation Summary	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
	0.00	2.10	3.94	6.02	7.92	10.19	12.51	14.87	17.28	19.74

Company Name Buller Electricity Limited

For Year Ended 31 March 2017

Schedule 15 Voluntary Explanatory Notes

1. This schedule enables EDBs to provide, should they wish to-
 - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1 and 2.5.2;
 - 1.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.
2. 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.
3. Provide additional explanatory comment in the box below.

Box 1: Voluntary explanatory comment on disclosed information

None



INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF BULLER ELECTRICITY AND THE COMMERCE COMMISSION

The Auditor-General is the auditor of Buller Electricity (the company). The Auditor-General has appointed me, David Gates, using the staff and resources of KPMG, to provide an opinion, on his behalf, on whether the information disclosed in schedules 1 to 4, 5a to 5g, 6a and 6b, 7, the system average interruption duration index ('SAIDI') and system average interruption frequency index ('SAIFI') information disclosed in Schedule 10 and the explanatory notes in boxes 1 to 12 in Schedule 14 ('the Disclosure Information') for the disclosure year ended 31 March 2017, have been prepared, in all material respects, in accordance with the Electricity Distribution Information Disclosure Determination 2012 (the 'Determination').

Directors' responsibility for the Disclosure Information

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

Our responsibility for the Disclosure Information

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

Basis of opinion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Standard on Assurance Engagements 3100: *Compliance Engagements* issued by the External Reporting Board. Copies of these standards are available on the External Reporting Board's website.

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

We have performed procedures to obtain evidence about the amounts and disclosures in the Disclosure Information. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Disclosure Information, whether due to fraud or error or non-compliance with the Determination. In making those risk assessments, we considered internal control relevant to the company's preparation of the Disclosure Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Use of this report

This independent assurance report has been prepared solely for the directors of the company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether the 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.

Scope and inherent limitations

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

We did not examine every transaction, adjustment or event underlying the 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.

Independence and quality control

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

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

We also complied with the independence requirements specified in the Determination.

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

Opinion

In our opinion:

- as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the company;
- as far as appears from an examination, 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; and
- the Disclosure Information has been prepared, in all material respects, in accordance with the Determination.

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



David Gates
KPMG
On behalf of the Auditor-General
Wellington, New Zealand
24 August 2017



Buller Electricity Limited

Robertson Street

Westport 7825

New Zealand

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Schedule 18 Certification for Year-end Disclosures

Clause 2.9.2

We, Francis Thomas Dooley and Graham Arthur Naylor, being directors of Buller Electricity 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 and 2.3.2; and clauses 2.4.21 and 2.4.22; clauses 2.5.1 and 2.5.2; and clauses 2.7.1 of the Electricity 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, 9e, 10 and 14 has been properly extracted from the Buller Electricity Limited's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained.

In respect of related party costs and revenues recorded in accordance with subclauses 2.3.6(1) (when valued in accordance with clause 2.2.11(5)(h)(ii) of the Electricity Distribution Services Input Methodologies Determination 2010), 2.3.6(1)(f) and 2.3.7(2)(b), we certify that, having made all reasonable enquiry, including enquiries of our related parties, we are satisfied that to the best of our knowledge and belief the costs and revenues recorded for related party transactions reasonably reflect the price or prices that would have been paid or received had these transactions been at arm's-length.

A handwritten signature in black ink, appearing to read "F. Dooley", written over a horizontal dotted line.

Francis Thomas Dooley

A handwritten signature in blue ink, appearing to read "G. Naylor", written over a horizontal dotted line.

Graham Arthur Naylor

Date: 24 August 2017