

Buller Electricity Limited

Information for Disclosure for the year ended 31 March 2018

**Electricity distribution
information disclosure
determination 2012**

Approved 30 August 2018

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Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2018**

SCHEDULE 1: ANALYTICAL RATIOS

This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination.

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

1(i): Expenditure metrics

	Expenditure per 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	55,716	618	259,918	4,447	80,209
Network	19,080	211	89,010	1,523	27,468
Non-network	36,636	406	170,908	2,924	52,741
Expenditure on assets	44,117	489	205,807	3,521	63,511
Network	16,778	186	78,268	1,339	24,153
Non-network	27,339	303	127,539	2,182	39,358

1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)
Total consumer line charge revenue	150,461	1,668
Standard consumer line charge revenue	150,461	1,668
Non-standard consumer line charge revenue	–	–

1(iii): Service intensity measures

Demand density	17	Maximum coincident system demand per km of circuit length (for supply) (kW/km)
Volume density	80	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	11,083	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	2,855	36.67%
Pass-through and recoverable costs excluding financial incentives and wash-ups	1,746	22.43%
Total depreciation	2,214	28.44%
Total revaluations	316	4.06%
Regulatory tax allowance	302	3.87%
Regulatory profit/(loss) including financial incentives and wash-ups	986	12.66%
Total regulatory income	7,787	

1(v): Reliability

Interruption rate	18.22	Interruptions per 100 circuit km
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Company Name **Buller Electricity Limited**
For Year Ended **31 March 2018**

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).

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sch ref

2(i): Return on Investment

ROI – comparable to a post tax WACC

Reflecting all revenue earned
Excluding revenue earned from financial incentives
Excluding revenue earned from financial incentives and wash-ups

Mid-point estimate of post tax WACC

25th percentile estimate
75th percentile estimate

ROI – comparable to a vanilla WACC

Reflecting all revenue earned
Excluding revenue earned from financial incentives
Excluding revenue earned from financial incentives and wash-ups

WACC rate used to set regulatory price path

Mid-point estimate of vanilla WACC

25th percentile estimate
75th percentile estimate

	CY-2	CY-1	Current Year CY
	31 Mar 16	31 Mar 17	31 Mar 18
	%	%	%
Reflecting all revenue earned	3.24%	4.41%	2.91%
Excluding revenue earned from financial incentives	3.24%	4.41%	2.91%
Excluding revenue earned from financial incentives and wash-ups	3.24%	4.41%	2.91%
Mid-point estimate of post tax WACC	5.37%	4.77%	5.04%
25th percentile estimate	4.66%	4.05%	4.36%
75th percentile estimate	6.09%	5.48%	5.72%
ROI – comparable to a vanilla WACC			
Reflecting all revenue earned	3.89%	4.96%	3.51%
Excluding revenue earned from financial incentives	3.89%	4.96%	3.51%
Excluding revenue earned from financial incentives and wash-ups	3.89%	4.96%	3.51%
WACC rate used to set regulatory price path			
Mid-point estimate of vanilla WACC	6.02%	5.31%	5.60%
25th percentile estimate	5.30%	4.59%	4.92%
75th percentile estimate	6.74%	6.03%	6.29%

2(ii): Information Supporting the ROI

(\$000)

Total opening RAB value
plus Opening deferred tax
Opening RIV

Line charge revenue

Expenses cash outflow
add Assets commissioned
less Asset disposals
add Tax payments
less Other regulated income
Mid-year net cash outflows

Term credit spread differential allowance

Total closing RAB value
less Adjustment resulting from asset allocation
less Lost and found assets adjustment
plus Closing deferred tax
Closing RIV

28,890	
(1,015)	
	27,875
	7,711
4,602	
2,229	
148	
174	
76	
	6,780
	–
29,073	
(0)	
–	
(1,142)	
	27,931

ROI – comparable to a vanilla WACC

Leverage (%)
Cost of debt assumption (%)
Corporate tax rate (%)

ROI – comparable to a post tax WACC

3.51%
44%
4.80%
28%
2.91%

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

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EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).

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sch ref

2(iii): Information Supporting the Monthly ROI

Opening RIV

N/A

	Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
April						–
May						–
June						–
July						–
August						–
September						–
October						–
November						–
December						–
January						–
February						–
March						–
Total	–	–	–	–	–	–

Tax payments

N/A

Term credit spread differential allowance

N/A

Closing RIV

N/A

Monthly ROI – comparable to a vanilla WACC

N/A

Monthly ROI – comparable to a post tax WACC

N/A

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

Year-end ROI – comparable to a vanilla WACC

3.40%

Year-end ROI – comparable to a post tax WACC

2.81%

** 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.*

2(v): Financial Incentives and Wash-Ups

Net recoverable costs allowed under incremental rolling incentive scheme

–

Purchased assets – avoided transmission charge

Energy efficiency and demand incentive allowance

Quality incentive adjustment

Other financial incentives

Financial incentives

–

Impact of financial incentives on ROI

–

Input methodology claw-back

Recoverable customised price-quality path costs

Catastrophic event allowance

Capex wash-up adjustment

Transmission asset wash-up adjustment

2013–2015 NPV wash-up allowance

Reconsideration event allowance

Other wash-ups

Wash-up costs

–

Impact of wash-up costs on ROI

–

Company Name **Buller Electricity Limited**
For Year Ended **31 March 2018**

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

7	3(i): Regulatory Profit		(\$000)
8	Income		
9	Line charge revenue	7,711	
10	plus Gains / (losses) on asset disposals	127	
11	plus Other regulated income (other than gains / (losses) on asset disposals)	(51)	
12			
13	Total regulatory income	7,787	
14	Expenses		
15	less Operational expenditure	2,855	
16			
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	1,746	
18			
19	Operating surplus / (deficit)	3,186	
20			
21	less Total depreciation	2,214	
22			
23	plus Total revaluations	316	
24			
25	Regulatory profit / (loss) before tax	1,288	
26			
27	less Term credit spread differential allowance	–	
28			
29	less Regulatory tax allowance	302	
30			
31	Regulatory profit/(loss) including financial incentives and wash-ups	986	
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	14	
38	CPP specified pass through costs	–	
39	Recoverable costs excluding financial incentives and wash-ups		
40	Electricity lines service charge payable to Transpower	1,333	
41	Transpower new investment contract charges	–	
42	System operator services	–	
43	Distributed generation allowance	380	
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	1,746	
47			

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2018**

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 31 Mar 17	CY 31 Mar 18
48	3(iii): Incremental Rolling Incentive Scheme		
49			
50			
51	Allowed controllable opex		
52	Actual controllable opex		
53			
54	Incremental change in year		
55			
		Previous years' incremental change	Previous years' incremental change adjusted for inflation
56			
57	CY-5 31 Mar 13		
58	CY-4 31 Mar 14		
59	CY-3 31 Mar 15		
60	CY-2 31 Mar 16		
61	CY-1 31 Mar 17		
62	Net incremental rolling incentive scheme		—
63			
64	Net recoverable costs allowed under incremental rolling incentive scheme		—
65	3(iv): Merger and Acquisition Expenditure		
70			(\$000)
66	Merger and acquisition expenditure		
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 2018****SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2.

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 14 (\$000)	RAB 31 Mar 15 (\$000)	RAB 31 Mar 16 (\$000)	RAB 31 Mar 17 (\$000)	RAB 31 Mar 18 (\$000)
Total opening RAB value	27,683	28,264	28,540	28,466	28,890
less Total depreciation	1,270	1,290	1,307	1,393	2,214
plus Total revaluations	420	24	118	613	316
plus Assets commissioned	1,738	1,693	1,345	1,347	2,229
less Asset disposals	307	151	230	142	148
plus Lost and found assets adjustment	–	–	–	–	–
plus Adjustment resulting from asset allocation	–	–	–	–	(0)
Total closing RAB value	28,264	28,540	28,466	28,890	29,073

4(ii): Unallocated Regulatory Asset Base

	Unallocated RAB *	RAB
	(\$000)	(\$000)
Total opening RAB value	28,890	28,890
less Total depreciation	2,214	2,214
plus Total revaluations	316	316
plus Assets commissioned (other than below)	2,224	2,224
Assets acquired from a regulated supplier		
Assets acquired from a related party	5	5
Assets commissioned	2,229	2,229
less Asset disposals (other than below)	148	148
Asset disposals to a regulated supplier		
Asset disposals to a related party		
Asset disposals	148	148
plus Lost and found assets adjustment		
plus Adjustment resulting from asset allocation		(0)
Total closing RAB value	29,073	29,073

* 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 2018****SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)**

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2.

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

51

52 4(iii): Calculation of Revaluation Rate and Revaluation of Assets

53

54

CPI_t

1,011

55

CPI_{t-4}

1,000

56

Revaluation rate (%)

1.10%

57

58

59

60

Total opening RAB value

Unallocated RAB *		RAB	
(\$000)	(\$000)	(\$000)	(\$000)
28,890		28,890	
120		120	
28,770		28,770	
	316		316

61

less Opening value of fully depreciated, disposed and lost assets

62

63

Total opening RAB value subject to revaluation

64

Total revaluations

65

66 4(iv): Roll Forward of Works Under Construction

67

68

Works under construction—preceding disclosure year

69

plus Capital expenditure

70

less Assets commissioned

71

plus Adjustment resulting from asset allocation

72

Works under construction - current disclosure year

73

74

Highest rate of capitalised finance applied

75

Unallocated works under construction		Allocated works under construction	
	403		403
2,261		2,261	
2,229		2,229	
	435		435

Company Name	Buller Electricity Limited
For Year Ended	31 March 2018

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

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2.

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

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)
2,214		2,214	
	2,214		2,214

4(vi): Disclosure of Changes to Depreciation Profiles

(\$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 under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation

* include additional rows if needed

4(vii): Disclosure by Asset Category

(\$000 unless otherwise specified)

	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	2,525	–	6,952	6,996	2,162	3,008	2,611	2,208	2,427	28,890
less Total depreciation	133	–	288	384	57	150	134	120	948	2,214
plus Total revaluations	28	–	76	77	24	33	29	24	26	316
plus Assets commissioned	150	–	12	380	76	45	34	130	1,401	2,229
less Asset disposals	7	–	40	34	0	5	9	24	29	148
plus Lost and found assets adjustment	–	–	–	–	–	–	–	–	–	–
plus Adjustment resulting from asset allocation	–	–	–	–	–	–	–	–	–	–
plus Asset category transfers	–	–	–	–	–	–	–	–	–	–
Total closing RAB value	2,563	–	6,713	7,035	2,205	2,931	2,531	2,217	2,878	29,073
Asset Life										
Weighted average remaining asset life	28.6	–	29.7	30.9	41.1	26.8	24.9	27.9	23.6	(years)
Weighted average expected total asset life	54.6	–	42.9	56.8	54.6	45.0	36.7	39.3	28.1	(years)

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).

sch ref

S5a.Regulatory Tax Allowance

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). 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

sch ref

5a(iv): Amortisation of Revaluations

(\$000)

Opening sum of RAB values without revaluations

26,304

Adjusted depreciation

2,087

Total depreciation

2,214

Amortisation of revaluations

127

5a(v): Reconciliation of Tax Losses

(\$000)

Opening tax losses

-

plus Current period tax losses

-

less Utilised tax losses

-

Closing tax losses

-

5a(vi): Calculation of Deferred Tax Balance

(\$000)

Opening deferred tax

(1,015)

plus Tax effect of adjusted depreciation

584

less Tax effect of tax depreciation

614

plus Tax effect of other temporary differences*

28

less Tax effect of amortisation of initial differences in asset values

159

plus Deferred tax balance relating to assets acquired in the disclosure year

-

less Deferred tax balance relating to assets disposed in the disclosure year

(34)

plus Deferred tax cost allocation adjustment

0

Closing deferred tax

(1,142)

5a(vii): Disclosure of Temporary Differences

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

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

(\$000)

Opening sum of regulatory tax asset values

10,923

less Tax depreciation

2,193

plus Regulatory tax asset value of assets commissioned

2,194

less Regulatory tax asset value of asset disposals

28

plus Lost and found assets adjustment

-

plus Adjustment resulting from asset allocation

-

plus Other adjustments to the RAB tax value

-

Closing sum of regulatory tax asset values

10,896

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination.

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

5b(i): Summary—Related Party Transactions

(\$000)

Total regulatory income	1,243
Operational expenditure	589
Capital expenditure	5
Market value of asset disposals	
Other related party transactions	

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

Name of related party	Related party relationship
Ltd)	Wholly owned subsidiary
Electro Services Limited	Wholly owned subsidiary
Key Management Personnel & Directors	Employed or engaged by the regulated entity (related party as per GAAP definition)

* include additional rows if needed

5b(iii): Related Party Transactions

Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
Ltd)	Sales	Lines Charges	1,243	ID clause 2.3.6(1)(d)
Electro Services Limited	Opex	Customers - new connections	0	ID clause 2.3.6(1)(a)
Electro Services Limited	Opex	Maintenance of Network	3	ID clause 2.3.6(1)(a)
Electro Services Limited	Capex	Network Capital Works	5	IM clause 2.2.11(5)(g)
Key Management Personnel & Directors	Opex	Support	585	ID clause 2.3.6(1)(a)
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]
	[Select one]			[Select one]

* include additional rows if needed

Company Name	Buller Electricity Limited
For Year Ended	31 March 2018

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

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

sch ref

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

Issuing party	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Cost of executing an interest rate swap	Debt issue cost readjustment
* include additional rows if needed						—	—	—	—

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 2018****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

7 5d(i): Operating Cost Allocations

		Value allocated (\$000s)				OVABAA allocation increase (\$000s)
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	
10	Service interruptions and emergencies					
11	Directly attributable		360			
12	Not directly attributable	–	–	–	–	–
13	Total attributable to regulated service		360			
14	Vegetation management					
15	Directly attributable		211			
16	Not directly attributable	–	–	–	–	–
17	Total attributable to regulated service		211			
18	Routine and corrective maintenance and inspection					
19	Directly attributable		376			
20	Not directly attributable	–	–	–	–	–
21	Total attributable to regulated service		376			
22	Asset replacement and renewal					
23	Directly attributable		31			
24	Not directly attributable	–	–	–	–	–
25	Total attributable to regulated service		31			
26	System operations and network support					
27	Directly attributable		113			
28	Not directly attributable	–	–	–	–	–
29	Total attributable to regulated service		113			
30	Business support					
31	Directly attributable		1,764			
32	Not directly attributable	–	–	–	–	–
33	Total attributable to regulated service		1,764			
34						
35	Operating costs directly attributable		2,855			
36	Operating costs not directly attributable	–	–	–	–	–
37	Operational expenditure		2,855			

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2018**

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(ii): Other Cost Allocations

Pass through and recoverable costs

(\$000)

Pass through costs

Directly attributable

33

Not directly attributable

—

Total attributable to regulated service

33

Recoverable costs

Directly attributable

1,713

Not directly attributable

—

Total attributable to regulated service

1,713

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

(\$000)

Change in cost allocation 1

Cost category

Original allocator or line items

New allocator or line items

Original allocation

New allocation

Difference

CY-1 Current Year (CY)

—

—

Rationale for change

(\$000)

Change in cost allocation 2

Cost category

Original allocator or line items

New allocator or line items

Original allocation

New allocation

Difference

CY-1 Current Year (CY)

—

—

Rationale for change

(\$000)

Change in cost allocation 3

Cost category

Original allocator or line items

New allocator or line items

Original allocation

New allocation

Difference

CY-1 Current Year (CY)

—

—

Rationale for change

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

† include additional rows if needed

Company Name

Buller Electricity Limited

For Year Ended

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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	2,563
Not directly attributable	—
Total attributable to regulated service	2,563
Subtransmission cables	
Directly attributable	—
Not directly attributable	—
Total attributable to regulated service	—
Zone substations	
Directly attributable	6,713
Not directly attributable	—
Total attributable to regulated service	6,713
Distribution and LV lines	
Directly attributable	7,035
Not directly attributable	—
Total attributable to regulated service	7,035
Distribution and LV cables	
Directly attributable	2,205
Not directly attributable	—
Total attributable to regulated service	2,205
Distribution substations and transformers	
Directly attributable	2,931
Not directly attributable	—
Total attributable to regulated service	2,931
Distribution switchgear	
Directly attributable	2,531
Not directly attributable	—
Total attributable to regulated service	2,531
Other network assets	
Directly attributable	2,217
Not directly attributable	—
Total attributable to regulated service	2,217
Non-network assets	
Directly attributable	—
Not directly attributable	2,878
Total attributable to regulated service	2,878
Regulated service asset value directly attributable	26,195
Regulated service asset value not directly attributable	2,878
Total closing RAB value	29,073

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 compone

† include additional rows if needed

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

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

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. 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		83
9	System growth		—
10	Asset replacement and renewal		738
11	Asset relocations		8
12	Reliability, safety and environment:		
13	Quality of supply	4	
14	Legislative and regulatory	26	
15	Other reliability, safety and environment	—	
16	Total reliability, safety and environment		31
17	Expenditure on network assets		860
18	Expenditure on non-network assets		1,401
19			
20	Expenditure on assets		2,261
21	plus Cost of financing		—
22	less Value of capital contributions		32
23	plus Value of vested assets		32
24			
25	Capital expenditure		2,261
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		—
29	Research and development		—
30	6a(iii): Consumer Connection		
31	<i>Consumer types defined by EDB*</i>	(\$000)	(\$000)
32	Domestic LG1	56	
33	Domestic Low use LGU1	18	
34	Commercial < 15kVa LG2	8	
35	[EDB consumer type]	—	
36	[EDB consumer type]	—	
37	<i>* include additional rows if needed</i>		
38	Consumer connection expenditure		83
39			
40	less Capital contributions funding consumer connection expenditure	32	
41	Consumer connection less capital contributions		51
42	6a(iv): System Growth and Asset Replacement and Renewal		
43		System Growth	Asset Replacement and Renewal
44		(\$000)	(\$000)
45	Subtransmission	—	150
46	Zone substations	—	12
47	Distribution and LV lines	—	343
48	Distribution and LV cables	—	56
49	Distribution substations and transformers	—	35
50	Distribution switchgear	—	34
51	Other network assets	—	108
52	System growth and asset replacement and renewal expenditure	—	738
53	less Capital contributions funding system growth and asset replacement and renewal	—	—
54	System growth and asset replacement and renewal less capital contributions	—	738
55			
56	6a(v): Asset Relocations		
57	<i>Project or programme*</i>	(\$000)	(\$000)
58	Relocate U/G Pillar Box Wakefield Street	8	
59	[Description of material project or programme]	—	
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		8
66	less Capital contributions funding asset relocations	—	
67	Asset relocations less capital contributions		8

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

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

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs.

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

68					
69	6a(vi): Quality of Supply				
70	<i>Project or programme*</i>		(\$000)	(\$000)	
71	McKenna Road Install Additional HV Isolation Fuses		4		
72	[Description of material project or programme]		—		
73	[Description of material project or programme]		—		
74	[Description of material project or programme]		—		
75	[Description of material project or programme]		—		
76	<i>* include additional rows if needed</i>				
77	All other projects programmes - quality of supply		—		
78	Quality of supply expenditure			4	
79	less Capital contributions funding quality of supply		—		
80	Quality of supply less capital contributions			4	
81	6a(vii): Legislative and Regulatory				
82	<i>Project or programme*</i>		(\$000)	(\$000)	
83	Aerial Trespasses		26		
84	[Description of material project or programme]		—		
85	[Description of material project or programme]		—		
86	[Description of material project or programme]		—		
87	[Description of material project or programme]		—		
88	<i>* include additional rows if needed</i>				
89	All other projects or programmes - legislative and regulatory		—		
90	Legislative and regulatory expenditure			26	
91	less Capital contributions funding legislative and regulatory		—		
92	Legislative and regulatory less capital contributions			26	
93	6a(viii): Other Reliability, Safety and Environment				
94	<i>Project or programme*</i>		(\$000)	(\$000)	
95	[Description of material project or programme]		—		
96	[Description of material project or programme]		—		
97	[Description of material project or programme]		—		
98	[Description of material project or programme]		—		
99	[Description of material project or programme]		—		
100	<i>* include additional rows if needed</i>				
101	All other projects or programmes - other reliability, safety and environment		—		
102	Other reliability, safety and environment expenditure			—	
103	less Capital contributions funding other reliability, safety and environment		—		
104	Other reliability, safety and environment less capital contributions			—	
105					
106	6a(ix): Non-Network Assets				
107	Routine expenditure				
108	<i>Project or programme*</i>		(\$000)	(\$000)	
109	[Description of material project or programme]		—		
110	[Description of material project or programme]		—		
111	[Description of material project or programme]		—		
112	[Description of material project or programme]		—		
113	[Description of material project or programme]		—		
114	<i>* include additional rows if needed</i>				
115	All other projects or programmes - routine expenditure		—		
116	Routine expenditure			—	
117	Atypical expenditure				
118	<i>Project or programme*</i>		(\$000)	(\$000)	
119	Plant and Equipment		404		
120	Furniture and Fittings		3		
121	Computer and Communications Equipment		44		
122	Vehicles		940		
123	Land and Buildings		10		
124	<i>* include additional rows if needed</i>				
125	All other projects or programmes - atypical expenditure		—		
126	Atypical expenditure			1,401	
127					
128	Expenditure on non-network assets			1,401	

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

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	360	
9	Vegetation management	211	
10	Routine and corrective maintenance and inspection	376	
11	Asset replacement and renewal	31	
12	Network opex		978
13	System operations and network support	113	
14	Business support	1,764	
15	Non-network opex		1,878
16			
17	Operational expenditure		2,855
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		143
23	* Direct billing expenditure by suppliers that directly bill the majority of their consumers		

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

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

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

7	7(i): Revenue	Target (\$000) ¹	Actual (\$000)	% variance
8	Line charge revenue	7,696	7,711	0%
9	7(ii): Expenditure on Assets	Forecast (\$000) ²	Actual (\$000)	% variance
10	Consumer connection	100	83	(17%)
11	System growth	–	–	–
12	Asset replacement and renewal	679	738	9%
13	Asset relocations	–	8	–
14	Reliability, safety and environment:			
15	Quality of supply	22	4	(80%)
16	Legislative and regulatory	85	26	(69%)
17	Other reliability, safety and environment	160	–	(100%)
18	Total reliability, safety and environment	267	31	(88%)
19	Expenditure on network assets	1,046	860	(18%)
20	Expenditure on non-network assets	–	1,401	–
21	Expenditure on assets	1,046	2,261	116%
22	7(iii): Operational Expenditure			
23	Service interruptions and emergencies	316	360	14%
24	Vegetation management	249	211	(15%)
25	Routine and corrective maintenance and inspection	397	376	(5%)
26	Asset replacement and renewal	264	31	(88%)
27	Network opex	1,226	978	(20%)
28	System operations and network support	193	113	(41%)
29	Business support	1,654	1,764	7%
30	Non-network opex	1,847	1,878	2%
31	Operational expenditure	3,074	2,855	(7%)
32	7(iv): Subcomponents of Expenditure on Assets (where known)			
33	Energy efficiency and demand side management, reduction of energy losses	–	–	–
34	Overhead to underground conversion	81	–	(100%)
35	Research and development	–	–	–
36				
37	7(v): Subcomponents of Operational Expenditure (where known)			
38	Energy efficiency and demand side management, reduction of energy losses	–	–	–
39	Direct billing	–	–	–
40	Research and development	–	–	–
41	Insurance	103	143	39%
42				
43	¹ From the nominal dollar target revenue for the disclosure year disclosed under clause 2.4.3(3) of this determination			
44	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 2018
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)
LG1	Residential Standard	Standard	1,660	9,527
LG1L	Residential Low User	Standard	2,337	9,404
LG2	Small Commercial	Standard	528	9,445
LG3	Medium Commercial	Standard	86	5,983
LG4	Large Commercial	Standard	12	5,676
LG5	Commercial >1000KVA	Standard	1	11,215
		[Select one]		
		[Select one]		
		[Select one]		
		[Select one]		
Add extra rows for additional consumer groups or price category codes as necessary				
Standard consumer totals			4,624	51,250
Non-standard consumer totals			-	-
Total for all consumers			4,624	51,250

Unit charging basis (eg, days, kW of demand, kVA of capacity, etc.)

Price component

Billed quantities by price component

Days	kW	kWh			

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

		9,527,110			
		9,404,888			
		9,445,102			
		5,982,611			
	1,892	5,676,450			
	2,429	11,215,320			

-	4,321	51,251,481	-	-	-
-	-	-	-	-	-
-	4,321	51,251,481	-	-	-

Company Name	Buller Electricity Limited
For Year Ended	31 March 2018
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.

8(ii): Line Charge Revenues (\$000) by Price Component

					Line charge revenues (\$000) by price component					
					Price component	Fixed Daily	Fixed Capacity	Variable kWh	Asset Specific	
Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg, \$ per day, \$ per kWh, etc.)	\$/Day	\$/kW/Day	\$/kWh
LG1	Residential Standard	Standard	\$1,743		\$1,743			\$824	-	\$919
LG1L	Residential Low User	Standard	\$1,548		\$1,548			\$127	-	\$1,421
LG2	Small Commercial	Standard	\$1,563		\$1,563			\$512	-	\$1,045
LG3	Medium Commercial	Standard	\$809		\$809			\$317	-	\$492
LG4	Large Commercial	Standard	\$821		\$821			-	\$323	\$498
LG5	Commercial >1000kVA	Standard	\$1,228		\$1,228			-	\$604	\$624
		[select one]	-							
		[select one]	-							
		[select one]	-							
		[select one]	-							
Add extra rows for additional consumer groups or price category codes as necessary										
Standard consumer totals			\$7,711	-	\$7,711	-		\$1,780	\$927	\$4,998
Non-standard consumer totals			-	-	-	-		-	-	-
Total for all consumers			\$7,711	-	\$7,711	-		\$1,780	\$927	\$4,998

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

8(iii): Number of ICPs directly billed

Number of directly billed ICPs at year end

Check

Company Name **Buller Electricity Limited**For Year Ended **31 March 2018**

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

						Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
	Voltage	Asset category	Asset class	Units					
8	All	Overhead Line	Concrete poles / steel structure	No.		5,169	5,157	(12)	3
9	All	Overhead Line	Wood poles	No.		1,598	1,581	(17)	3
10	All	Overhead Line	Other pole types	No.		238	211	(27)	3
11	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km		104	104	(0)	3
12	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km		1	1	(0)	3
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		—	—	—	3
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km		—	—	—	3
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km		—	—	—	3
17	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km		—	—	—	3
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km		—	—	—	3
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km		—	—	—	3
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km		—	—	—	3
21	HV	Subtransmission Cable	Subtransmission submarine cable	km		—	—	—	3
22	HV	Zone substation Buildings	Zone substations up to 66kV	No.		3	3	—	3
23	HV	Zone substation Buildings	Zone substations 110kV+	No.		1	1	—	3
24	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.		—	—	—	3
25	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.		2	2	—	3
26	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.		—	—	—	3
27	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.		30	32	2	3
28	HV	Zone substation switchgear	33kV RMU	No.		—	—	—	3
29	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.		—	—	—	3
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		373	371	(2)	3
35	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km		—	—	—	3
36	HV	Distribution Line	SWER conductor	km		—	—	—	3
37	HV	Distribution Cable	Distribution UG XLPE or PVC	km		20	22	2	3
38	HV	Distribution Cable	Distribution UG PILC	km		—	—	—	3
39	HV	Distribution Cable	Distribution Submarine Cable	km		—	—	—	3
40	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.		51	50	(1)	3
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.		—	—	—	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.		988	999	11	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.		—	—	—	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.		9	9	—	3
45	HV	Distribution Transformer	Pole Mounted Transformer	No.		709	712	3	3
46	HV	Distribution Transformer	Ground Mounted Transformer	No.		81	82	1	3
47	HV	Distribution Transformer	Voltage regulators	No.		9	9	—	3
48	HV	Distribution Substations	Ground Mounted Substation Housing	No.		18	17	(1)	3
49	LV	LV Line	LV OH Conductor	km		111	111	(0)	3
50	LV	LV Cable	LV UG Cable	km		31	31	(0)	3
51	LV	LV Street lighting	LV OH/UG Streetlight circuit	km		—	—	—	3
52	LV	Connections	OH/UG consumer service connections	No.		4,579	4,623	44	3
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	—	3
55	All	Capacitor Banks	Capacitors including controls	No.		1	1	—	3
56	All	Load Control	Centralised plant	Lot		1	1	—	3
57	All	Load Control	Relays	No.		—	—	—	3
58	All	Civils	Cable Tunnels	km		—	—	—	3

Company Name
For Year Ended
Network / Sub-network Name

Buller Electricity Limited
31 March 2018

SCHEDULE 9b: ASSET AGE PROFILE

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

[illegible]

Company Name **Buller Electricity Limited**For Year Ended **31 March 2018**

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

9			
10	Circuit length by operating voltage (at year end)	Overhead (km)	Underground (km)
11	> 66kV	1	—
12	50kV & 66kV	—	—
13	33kV	105	1
14	SWER (all SWER voltages)	—	—
15	22kV (other than SWER)	—	—
16	6.6kV to 11kV (inclusive—other than SWER)	371	22
17	Low voltage (< 1kV)	111	31
18	Total circuit length (for supply)	588	54
19			
20	Dedicated street lighting circuit length (km)	57	8
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		—
22			
23	Overhead circuit length by terrain (at year end)	Circuit length (km)	(% of total overhead length)
24	Urban	94	16%
25	Rural	433	74%
26	Remote only	10	2%
27	Rugged only	52	9%
28	Remote and rugged	0	0%
29	Unallocated overhead lines	—	—
30	Total overhead length	588	100%
31			
32		Circuit length (km)	(% of total circuit length)
33	Length of circuit within 10km of coastline or geothermal areas (where known)	642	100%
34		Circuit length (km)	(% of total overhead length)
35	Overhead circuit requiring vegetation management	588	100%

Company Name	Buller Electricity Limited
For Year Ended	31 March 2018

SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS

This schedule requires information concerning embedded networks owned by an EDB that are embedded in another EDB's network or in another embedded network.

sch ref			Number of ICPs	Line charge revenue
			served	(\$000)
8	Location *			
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26	* Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB's network or in another embedded network			

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

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)

16
5
6
1
—

28

Distributed generation

Number of connections made in year

Capacity of distributed generation installed in year

1 connections

0.00 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)

11
—
11
11

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)

45
—
10
—
55
51
4

6.8%

0.57

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 2018**

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

10(i): Interruptions**Interruptions by class****Number of interruptions**

Class A (planned interruptions by Transpower)
 Class B (planned interruptions on the network)
 Class C (unplanned interruptions on the network)
 Class D (unplanned interruptions by Transpower)
 Class E (unplanned interruptions of EDB owned generation)
 Class F (unplanned interruptions of generation owned by others)
 Class G (unplanned interruptions caused by another disclosing entity)
 Class H (planned interruptions caused by another disclosing entity)
 Class I (interruptions caused by parties not included above)

—
45
71
1
—
—
—
—
—
117

Total**Interruption restoration**

≤3Hrs

>3hrs

Class C interruptions restored within

35	36
----	----

SAIFI and SAIDI by class

SAIFI

SAIDI

Class A (planned interruptions by Transpower)
 Class B (planned interruptions on the network)
 Class C (unplanned interruptions on the network)
 Class D (unplanned interruptions by Transpower)
 Class E (unplanned interruptions of EDB owned generation)
 Class F (unplanned interruptions of generation owned by others)
 Class G (unplanned interruptions caused by another disclosing entity)
 Class H (planned interruptions caused by another disclosing entity)
 Class I (interruptions caused by parties not included above)

—	—
0.40	107.28
4.26	497.99
1.00	206.49
—	—
—	—
—	—
—	—
—	—
5.66	811.8

Total**Normalised SAIFI and SAIDI**

Normalised SAIFI

Normalised SAIDI

Classes B & C (interruptions on the network)

4.66	597.64
------	--------

Quality path normalised reliability limit

SAIFI reliability limit

SAIDI reliability limit

SAIFI and SAIDI limits applicable to disclosure year*

—	—
---	---

* not applicable to exempt EDBs

Company Name **Buller Electricity Limited**For Year Ended **31 March 2018**

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	0.18	7.94
Vegetation	0.60	86.74
Adverse weather	0.80	248.44
Adverse environment	0.87	39.84
Third party interference	0.01	2.22
Wildlife	0.05	11.82
Human error	0.26	18.13
Defective equipment	1.15	50.35
Cause unknown	0.35	32.49

10(iii): Class B Interruptions and Duration by Main Equipment Involved**Main equipment involved****SAIFI****SAIDI**

Subtransmission lines	0.03	11.65
Subtransmission cables	–	–
Subtransmission other	–	–
Distribution lines (excluding LV)	0.34	89.38
Distribution cables (excluding LV)	0.02	6.25
Distribution other (excluding LV)	–	–

10(iv): Class C Interruptions and Duration by Main Equipment Involved**Main equipment involved****SAIFI****SAIDI**

Subtransmission lines	1.23	51.83
Subtransmission cables	–	–
Subtransmission other	–	–
Distribution lines (excluding LV)	2.88	387.62
Distribution cables (excluding LV)	0.11	6.56
Distribution other (excluding LV)	–	–

10(v): Fault Rate**Main equipment involved****Number of Faults****Circuit length
(km)****Fault rate (faults
per 100km)**

Subtransmission lines	8	105	7.64
Subtransmission cables	–	1	–
Subtransmission other	–	–	–
Distribution lines (excluding LV)	58	371	15.62
Distribution cables (excluding LV)	1	22	4.61
Distribution other (excluding LV)	–	–	–
Total	67		

Company Name
For Year Ended

Buller Electricity Limited
31 March 2018

SCHEDULE 5f: REPORT SUPPORTING COST ALLOCATIONS

This schedule requires additional detail on the asset allocation methodology applied in allocating asset values that are not directly attributable, to support the information provided in Schedule 5d (Cost allocations). This schedule is not required to be publicly disclosed, but must be disclosed to the Commission.

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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9

Have costs been allocated in aggregate using ACAM in accordance with clause 2.1.1(3) of the IM Determination?

[Select one]

10

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Line Item*	Allocation methodology type	Cost allocator	Allocator type	Allocator Metric (%)		Value allocated (\$000)				OVABAA allocation increase (\$000)
				Electricity distribution services	Non-electricity distribution services	Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	
Service interruptions and emergencies										
Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
Not directly attributable						-	-	-	-	-
Vegetation management										
Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
Not directly attributable						-	-	-	-	-
Routine and corrective maintenance and inspection										
Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
Not directly attributable						-	-	-	-	-
Asset replacement and renewal										
Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
Not directly attributable						-	-	-	-	-

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

SCHEDULE 5f: REPORT SUPPORTING COST ALLOCATIONS

This schedule requires additional detail on the asset allocation methodology applied in allocating asset values that are not directly attributable, to support the information provided in Schedule 5d (Cost allocations). This schedule is not required to be publicly disclosed, but must be disclosed to the Commission.

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

37	System operations and network support										
38	Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
39	Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
40	Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
41	Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
42	Not directly attributable						-	-	-	-	-
43	Business support										
44	Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
45	Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
46	Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
47	Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
48	Not directly attributable						-	-	-	-	-
49											
50	Operating costs not directly attributable						-	-	-	-	-
51											
52	Pass through and recoverable costs										
53	Pass through costs										
54	Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
55	Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
56	Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
57	Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
58	Not directly attributable						-	-	-	-	-
59	Recoverable costs										
60	Insert cost description	e.g. ABAA	Allocator 1	[Select one]						-	
61	Insert cost description	e.g. ABAA	Allocator 2	[Select one]						-	
62	Insert cost description	e.g. ABAA	Allocator 3	[Select one]						-	
63	Insert cost description	e.g. ABAA	Allocator 4	[Select one]						-	
64	Not directly attributable						-	-	-	-	-
65	* include additional rows if needed										

Company Name

Buller Electricity Limited

For Year Ended

31 March 2018

SCHEDULE 5g: REPORT SUPPORTING ASSET ALLOCATIONS

This schedule requires additional detail on the asset allocation methodology applied in allocating asset values that are not directly attributable, to support the information provided in Schedule 5e (Report on Asset Allocations). This schedule is not required to be publicly disclosed, but must be disclosed to the Commission.

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	Have assets been allocated in aggregate using ACAM in accordance with clause 2.1.1(3) of the IM Determination?										Yes
8											
9											
10					Allocator Metric (%)		Value allocated (\$000)				
11	Line Item*	Allocation methodology type	Allocator	Allocator type	Electricity distribution services	Non-electricity distribution services	Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000)
12	Subtransmission lines										
13	Insert asset description	e.g. ABAA	Allocator 1	[Select one]						-	
14	Insert asset description	e.g. ABAA	Allocator 2	[Select one]						-	
15	Insert asset description	e.g. ABAA	Allocator 3	[Select one]						-	
16	Insert asset description	e.g. ABAA	Allocator 4	[Select one]						-	
17	Not directly attributable						-	-	-	-	-
18	Subtransmission cables										
19	Insert asset description	e.g. ABAA	Allocator 1	[Select one]						-	
20	Insert asset description	e.g. ABAA	Allocator 2	[Select one]						-	
21	Insert asset description	e.g. ABAA	Allocator 3	[Select one]						-	
22	Insert asset description	e.g. ABAA	Allocator 4	[Select one]						-	
23	Not directly attributable						-	-	-	-	-
24	Zone substations										
25	Insert asset description	e.g. ABAA	Allocator 1	[Select one]						-	
26	Insert asset description	e.g. ABAA	Allocator 2	[Select one]						-	
27	Insert asset description	e.g. ABAA	Allocator 3	[Select one]						-	
28	Insert asset description	e.g. ABAA	Allocator 4	[Select one]						-	
29	Not directly attributable						-	-	-	-	-
30	Distribution and LV lines										
31	Insert asset description	e.g. ABAA	Allocator 1	[Select one]						-	
32	Insert asset description	e.g. ABAA	Allocator 2	[Select one]						-	
33	Insert asset description	e.g. ABAA	Allocator 3	[Select one]						-	
34	Insert asset description	e.g. ABAA	Allocator 4	[Select one]						-	
35	Not directly attributable						-	-	-	-	-

Company Name **Buller Electricity Limited**
 For Year Ended **31 March 2018**

SCHEDULE 5g: REPORT SUPPORTING ASSET ALLOCATIONS

This schedule requires additional detail on the asset allocation methodology applied in allocating asset values that are not directly attributable, to support the information provided in Schedule 5e (Report on Asset Allocations). This schedule is not required to be publicly disclosed, but must be disclosed to the Commission.

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

36	Distribution and LV cables										
37	Insert asset description	e.g. ABAA	Allocator 1	[Select one]							
38	Insert asset description	e.g. ABAA	Allocator 2	[Select one]							
39	Insert asset description	e.g. ABAA	Allocator 3	[Select one]							
40	Insert asset description	e.g. ABAA	Allocator 4	[Select one]							
41	Not directly attributable								-	-	-
42											
43	Distribution substations and transformers										
44	Insert asset description	e.g. ABAA	Allocator 1	[Select one]							
45	Insert asset description	e.g. ABAA	Allocator 2	[Select one]							
46	Insert asset description	e.g. ABAA	Allocator 3	[Select one]							
47	Insert asset description	e.g. ABAA	Allocator 4	[Select one]							
48	Not directly attributable								-	-	-
49											
50	Distribution switchgear										
51	Insert asset description	e.g. ABAA	Allocator 1	[Select one]							
52	Insert asset description	e.g. ABAA	Allocator 2	[Select one]							
53	Insert asset description	e.g. ABAA	Allocator 3	[Select one]							
54	Insert asset description	e.g. ABAA	Allocator 4	[Select one]							
55	Not directly attributable								-	-	-
56	Other network assets										
57	Insert asset description	e.g. ABAA	Allocator 1	[Select one]							
58	Insert asset description	e.g. ABAA	Allocator 2	[Select one]							
59	Insert asset description	e.g. ABAA	Allocator 3	[Select one]							
60	Insert asset description	e.g. ABAA	Allocator 4	[Select one]							
61	Not directly attributable								-	-	-
62	Non-network assets										
63	Land & Buildings	ACAM	Avoidable test	Proxy	100.00%			2,007		2,007	
64	Vehicles	ACAM	Avoidable test	Proxy	100.00%			430		430	
	Plant and Equipment	ACAM	Avoidable test	Proxy	100.00%			199		199	
65	Furniture and Fittings	ACAM	Avoidable test	Proxy	100.00%			7		7	
66	Computer and Communications Equipment	ACAM	Avoidable test	Proxy	100.00%			234		234	
67	Not directly attributable								-	2,878	-
68											
69	Regulated service asset value not directly attributable								-	2,878	-
70	<i>* include additional rows if needed</i>										

Company Name	Buller Electricity Limited
For Year Ended	31 March 2018

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 2.98% for the 2017/18 year. This was less than the total average increase of 6.15% which includes commercial and industrial customers. Due to these tariff changes revenue increased by \$402k (or 5.5%) which partially recovered prior period losses incurred because of the Holcim exit in 2016.

BEL’s rate of return on investments (post tax = 2.91%, vanilla = 3.51%) fall below the Commerce Commission’s WACC’s for the 2018 Disclosure year. BEL’s ROI’s for 2018 are lower by ± 1.5 percentage points from the previous year, notwithstanding the increase in revenue, but because of the increase in cash outflows by 10%.

There was no reclassification of expenditures in the 2017/18 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 2017/18 year, in comparison to last year, decreased by \$306k, and was due to:

- \$478k increase in regulatory income due to the increase in lines revenue as per the 6.15% increase to make up for the prior periods Holcim exit.
- Operational expenditure and business support costs decreased by \$294k.
- However, the above was more than offset by an increase in depreciation of \$822k, being the transfer of assets from our subsidiary company Electro Services Limited as per a planned internal efficiency restructure, and
- Because of a reduction in revaluations (due to lower CPI change as against last year) of \$296k.

There was no reclassification of expenditure affecting Schedule 3 in 2018.

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 acquired an electrical contracting company during the course of the 2017/18 year called Emerge Electrical & Instrumentation Limited (EEL). Said company was merged into our existing electrical subsidiary Electro Services Limited (ESL).

It was felt at the time that the electrical contracting part of our Group needed more focus and attention in order to grow and make the business more successful, and the acquisition of EEL provided an additional impetus to do so. Accordingly, we embarked on a restructure, transferring all EDB related functions, processes, resources and staff from ESL to BEL, leaving ESL as a pure electrical & instrumentation business without any EDB dilution and no longer providing any related party transactions to BEL, effectively moving all EDB maintenance and capex activities to BEL as in-house operations.

Expenditure relating to the merger/acquisition of the above fall outside this remit as this is not EDB related. However, the restructure itself did generate some EDB related costs, such as 6 staff being made redundant (\pm \$200k) and associated HR/Legal consulting fees (\pm \$60k). Projected savings of \pm 550k resulted for the BEL Group.

See also Box 7 below.

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 2018 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 2018 consisted of entertainment of \$2k.

Excluded revenue in 2018 consisted of a capital gain of \$17k.

Income included in regulatory profit, but not taxable, includes the revaluation of the RAB (2018: \$316k).

Notional deductible interest (regulatory interest) was higher due to an increase in the cost of debt assumption (from 4.41% for 2017 to 4.80 for 2018).

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	27,341
Provision for Doubtful Debts - opening	(21,689)
Provision for Holiday Pay / Annual Leave - closing	288,317
Holiday Pay/Annual Leave - 63 days	(57,463)
Provision for Holiday Pay / Annual Leave (net) - opening	(155,159)
Provision for Gratuity (net) - closing	32,245
Provision for Gratuity (net) - opening	(23,467)
Accrued ACC - closing	37,440
Accrued ACC - opening	(17,084)
Provision for Audit Fees - closing	0
Provision for Audit Fees - opening	0
Other accruals - closing	0
Other accruals - opening	(12,000)
	98,481
Tax effect @28%	27,575

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

Refer to Box 3 above regarding the restructure of BEL and ESL where all EDB related process, resources, plant & equipment and employees were transferred during 2017/18 from ESL to BEL, effectively ending any and all related party network distribution maintenance and capex work done by ESL for BEL, barring very minor and very immaterial work.

This is evidenced in S5b where such work has dropped from last year's \$2,430,159 to \$7,859.

All network distribution maintenance and capex work are now done internally within BEL.

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 and capex activities are no longer outsourced to its electrical contracting subsidiary for 2017/18 – see Box 3 and Box 7 above.

Notwithstanding the above, 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

Refer to Box 3, Box 7 and Box 8 above.

As a result of the restructure, there are no longer any shared use of any assets, and hence the use of the avoided cost methodology is no longer necessary.

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: \$360k, includes all fault costs and standby allowance for contracting and network staff.

Vegetation management: \$211k, includes all tree cutting/trimming in relation to overhead lines.

Routine and corrective maintenance and inspection: \$376k, includes all line inspections, earth tests, substation checks and minor maintenance.

Asset replacement: \$31k, includes all minor attributable replacement costs not capitalised because the expenditure does not fall within BEL's revised capitalisation guidelines.

System operations and network support: \$113k, includes all system operations and network support from third parties.

Business support: \$1,764k, 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

BEL previously outsourced its maintenance and capex work to its contracting business (ESL) which is a separate legal entity and a related party. BEL bought its capex and maintenance work back “In-house”, this was not a seamless process and issues with planning as well as equipment failures and weather delays hindered work progress at the start of the year. By June the AMP work plan was effectively 6 weeks behind schedule. In addition, two cyclones hit Buller in February and delayed work further. As such, some capital project work was not able to be completed before the end of the financial year. BEL ended the year with \$406k of capital work in progress, this includes \$170k for the replacement of a failed power transformer at Ngakawau zone substation. The following forecasts for maintenance work previously had a 17.2% margin allowance for the BEL contracting business (ESL). As this work is now done in house there is no margin on the actual expenditure. For clarity, forecast values less the 17.2% margin are shown in brackets.

Expenditure Class	Forecast (\$000)	Actual (\$000)	Comment
Consumer Connections	100	51	Less than anticipated consumer connections occurred for the year. The downturn in the Buller economy with the closure of the Holcim cement manufacturing plant and the reduction of staffing levels and uncertainty around the Solid Energy's coal mining operations at Stockton are seen as major contributing factors.
System Growth	0	0	
Asset Replacement and renewal	679	738	This expenditure is over the forecast target mainly because of BEL's change to its capitalisation guidelines that now require crossarms and stays to be capitalised (\$50k). These were previously replaced as an opex item.
Asset relocations	0	8	The requirement to relocate a single low voltage pillar-box on Wakefield street had not been allowed for in the forecast.
Reliability, safety and environment	267	31	Planned work at the Mohikinui river crossings for the Karamea 33kV and Seddonville 11kV circuits was delayed from its February and March construction date due to fault repairs arising from cyclones Ghita and Fehi.. Delays with resource consent approval also delayed the replacement and installation of a pad-mount substation in Westport.
Non-Network Capex	0	0	

Capex Subtotal	1,046	828	21% variation
Service interruptions and emergencies	316 (270)	360	Standby costs are included in expenditure. More fault work occurred than was anticipated for the year. Major faults included the two cyclones that hit Buller in February (Ghita and Fehi) as well as another high wind storm in March. In addition, a land slip in the Karamea Bluff resulted in a 33kV double pole structure collapse.
Vegetation Management	249 (212)	211	Minor underspend for the year.
Routine and corrective maintenance and inspection	397 (339)	376	Extra maintenance expenditure for this category was mainly due for unplanned G&B work to replace and reconfigure jumpers on 14 ABS units in the Westport area due to a design error that caused a flashover when one of the switches was operated.
Asset Replacement and renewal	264 (225)	31	Workshop transformer refurbishment and replacement work fell behind schedule due to an oil filtering equipment failure. Also, a change in BEL's capitalisation guidelines means crossarm and stay replacements are now being capitalised (\$50k). Since the forecast was produced BEL has better aligned its maintenance activities to the ID expenditure categories and as such maintenance forecasts for this category going forward are in the \$60k to \$70k range.
Opex Subtotal	1,226 (1,046)	978	20 (6.5) % variation
Combined Capex and Opex less system and business support	2,270 (2,092)	1,806	20 (14) % variation
System operations and support	193	113	Direct Network operation costs were well below forecast, the result of incorrect forecast assumptions.
Business support	1,645	1,764	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 2017-18 forecast revenue was \$7,696k. The actual revenue was \$7,711k and while above forecast the difference is not material. The most significant difference between load group forecast and actual revenue was for LG3 (medium commercial) where the revenue was noticeably above forecast.

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 5.66 and 811.8 were over double the 1.80 and 290 values forecast in the AMP (1 April 2017) for the 2017-18 year. The higher than expected level of SAIFI and SAIDI can be attributable to the following circumstances:

- A Transpower outage caused a complete blackout on the BEL network on 8/11/2017. The outage duration was of 206 minutes duration and started at 2:35am. This outage was caused by conductor clashing on 220kV circuits due to extremely strong winds in the Island Saddle area. The Upper South Island including Nelson, Marlborough, and the West Coast were impacted. This was major event with an overall contribution to SAIFI = 1.0 and SAIDI = 206.5.
- Cyclone Fehi caused a significant number of outages on 1/2/2018 due to strong winds and storm surge flooding in Westport. This was a major storm event with SAIFI = 0.65 and SAIDI = 153.5.
- Cyclone Gita caused a significant number of outages on the 20/2/2018 & 21/2/2018 due to strong winds. This was a major storm event with SAIFI = 0.77 and SAIDI = 153.1.
- The combined impact of Cyclone's Fehi & Gita was SAIFI = 1.42 & SAIDI = 306.6.
- Excluding the 3 major events lists the BEL Network SAIFI = 3.24 and SAIDI = 298.7, and are close to the forecast values.

Planned outages accounted for SAIFI = 0.40 & and SAIDI = 107 and were slightly below the forecast values of SAIFI = 0.6 and SAIDI = 130.

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 (\$16.05m) and buildings (\$3.20m), however pole structures, pole mounted assets (e.g. transformers), and conductor spanning poles are not insured.

BEL also has insurance cover for business interruption (\$5.25m).

BEL does not have a self-insurance scheme, but does have motor fleet, contract works and all the standard liability/directors' insurances.

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

None

Company Name **Buller Electricity Limited**For Year Ended **31 March 2018****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-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28
	1.00	1.65	3.45	5.16	7.05	9.09	11.16	13.27	15.43	17.62

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-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28
	1.00	1.65	3.45	5.16	7.05	9.09	11.16	13.27	15.43	17.62

Company Name Buller Electricity Limited

For Year Ended 31 March 2018

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

Network Assets Weighted Averages

Through the process of reviewing the qualitative Total Life and Remaining Life disclosures included in schedule 4(vii), a notable change in the Distribution Switchgear figures brought to light the use of the "Opening Balance value" as the Weighting factor in the calculation. This defers the effect of expenditure appearing in the weighted Averages by one year. This is most clearly seen in the Distribution Switchgear figures where 2017 expenditure of almost 15% of the 2016 opening value didn't affect the weighted lives values until 2018. From 2018 the 'Closing Value' has been used as the weighting factor in the qualitative Total Life and Remaining Life disclosures.

We have reviewed the impact of this issue against the total IDD account disclosure, the impact is limited to the qualitative Total Life and Remaining Life disclosures included in schedule 4(vii) lines 110 and 111 of the IDD ONLY, not any other financial values in the schedules. The revised calculations do not have an impact on the carrying values of network assets, nor the regulatory profit & loss and regulatory taxation calculations throughout the rest of the 2018 Disclosure or previous ones.

Non-Network Assets Weighted Averages

These have changed materially from last year because of the restructure of BEL and ESL (refer above Boxes 7, 8 and 9) where EDB assets with an acquisition cost of approximately \$1.2m but a NBV of only \$584k were transferred from ESL to BEL, thereby causing the weighted averages to drop significantly from last year.



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 2018, 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
23 August 2018

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.



Francis Thomas Dooley



Graham Arthur Naylor

Date: 30 August 2018
