

**Notice to Supply Information to the Commerce Commission
Section 53ZD of the Commerce Act 1986**

To: «MRMS» «NAME» «SURNAME»
«COMPANY_QQ»
«PO_BOX»
«CITY»

For the purpose of carrying out its functions and exercising its powers under Part 4 of the Commerce Act 1986 (the Act), the Commerce Commission (Commission) requires, under s 53ZD of the Act, that «COMPANY_QQ» («ZZ») provides the Commission with the information specified in this notice. Specifically, this information is required for the purpose of informing decisions on starting prices for default price-quality paths under Part 4 of the Act.

INTERPRETATION

1. In this notice, unless the context otherwise requires, words in bold type bear the following meanings:

Act means the Commerce Act 1986;

auditor means a person who-

- a. is qualified for appointment as auditor of a company under the Companies Act 1993; and
- b. has no relationship with, or interest in, «ZZ» that is likely to involve the person in a conflict of interest; and
- c. has not assisted with the preparation of the information required under this notice or provided advice or opinions (other than in relation to audit reports) on the methodologies or processes used in preparing that information;
- d. has the necessary expertise to properly provide an independent assurance report as required by this notice; and
- e. need not be the same person as the person who audits the financial accounts of «ZZ» for any other purpose;

Commission means the Commerce Commission;

engineer has the meaning set out in clause 1.1.4 of the **IM determination**;

IM determination means the Commerce Act (Electricity Distribution Services Input Methodologies) Determination 2010; and

independent assurance report means a report in respect of «ZZ» in the form specified at Schedule E of this notice, issued by a person or firm that is qualified to be an **auditor**.

2. This notice also refers to terms that are defined in the **IM determination**, many of which are defined in Part 2 of that determination, which relates to information disclosure. For the avoidance of doubt, it has been necessary for the Commission to adopt this approach given that no information disclosure determination has yet been made for electricity distribution services under Part 4 of the Act. In future, the Commission intends to use information disclosed under information disclosure regulation to inform decisions on starting prices under a default price-quality path.¹

REQUIREMENTS

Information requirements

2. «ZZ» must provide the **Commission** with the information required under:
 - a. Schedule A; and
 - b. if «ZZ» is a 'qualifying supplier', as that term is defined in clause 2.4.9(2) of the **IM determination**, Schedule B;

by completing the templates provided in those Schedules in the format required by this notice.

Expert opinions and supporting information.

3. «ZZ» must provide the **Commission** with the following expert opinions and supporting information:
 - a. if «ZZ» has elected to undertake the asset adjustment process referred to in clause 2.2.1 of **IM determination**, a written **engineer's** report complying with the requirements specified in Schedule C;
 - b. a directors' certificate in the form set out in Schedule D, to be completed and signed by a minimum of two directors of «ZZ»; and
 - c. an **independent assurance report** in the form set out in Schedule E, to be completed by an **auditor**.

Information format

The information required under Schedules A and B must be supplied in electronic form in the Microsoft Excel workbook provided by the Commission (the workbook contains templates of Schedules A and B). The workbook must be completed in accordance with the instructions contained in the workbook and, in particular, conform with the relevant definitions or clauses of the **IM determination** specified in the workbook instructions and templates. The workbook

¹ Refer to Commerce Commission, *Starting Price Adjustments for Default Price-Quality Paths Discussion Paper*, 5 August 2010, p 9, paragraph 2.20.

must be provided to the Commission in a form that is accessible (i.e. the workbook is 'unlocked' and data can be easily transferred by the Commission).

The information required under Schedules C, D and E must be supplied in electronic form (in PDF format).

Confidentiality

The **Commission** has allowed for the completion of both public and non-public versions of certain templates in Schedule A. Either version may contain disclosure requirements that parties consider require the disclosure of confidential information. The **Commission** discourages requests for non-disclosure of information, in whole or in part, on the basis that it is confidential. It is unlikely to agree to any requests that any information provided by «ZZ» in response to this notice remains confidential.

However, the **Commission** recognises there may be some aspects of «ZZ»'s disclosures that are confidential. If there is any such information, it should be clearly marked and provided as a separate copy of the disclosure. The responsibility for ensuring that confidential information is included in a separate, clearly marked, copy of the disclosure rests entirely with «ZZ».

«ZZ» can also request that the **Commission** makes orders under section 100 of the Act in respect of information that is confidential. Any request for a section 100 order must be made when the relevant information is supplied to the **Commission** and must identify the reasons why the relevant information is confidential. The **Commission** will provide further information on section 100 orders if requested by «ZZ», including the principles that are applied when considering requests for such orders. Any section 100 order will apply for a limited time only as specified in the order. Once an order expires, the **Commission** will follow its usual process in response to any request for information under the Official Information Act 1982.

Date of Response

«ZZ» must supply the specified information to the Commission by email to the following address: regulation.branch@comcom.govt.nz by no later than 5pm on 27 May 2011. The information must be provided under cover of a letter on «ZZ»'s company letterhead, signed by a person with the appropriate authority.

Dated at Wellington: 16 March 2011

Signed by:

Sue Begg
Commission Deputy Chair

SCHEDULE A: REQUIRED INFORMATION

EDB Name **Electricity Distribution Business**
 Disclosure Year Ended **31 March 2010**

SCHEDULE A: REQUIRED INFORMATION

row		(\$000)	Ref
6			
7	Line revenue through prices	-	from A1
8			
9	Other regulated income	-	from A1
10			
11	Pass-through costs	-	from A1
12			
13	Recoverable costs	-	from A1
14			
15	Operating expenditure	-	from A1
16			
17	Sum of opening RAB values—disclosure year 2010	-	from A3
18			
19	Sum of depreciation	-	from A3
20			
21	Sum of opening RAB values of assets with nil physical asset life at end of the disclosure year 2010	-	from A3
22			
23	Sum of opening RAB values of disposed assets for the disclosure year 2010	-	from A3
24			
25	Sum of opening RAB values of lost assets for the disclosure year 2010	-	from A3
26			
27	Sum of closing RAB values of commissioned assets for the disclosure year 2010	-	from A3
28			
29	Sum of closing RAB values of found assets for the disclosure year 2010	-	from A3
30			
31	Positive permanent differences	-	from A6
32			
33	Negative permanent differences	-	from A6
34			
35	Discretionary discounts and customer rebates	-	from A6
36			
37	Positive temporary differences	-	from A6
38			
39	Negative temporary differences	-	from A6
40			
41	Deferred tax balance relating to assets acquired in the disclosure year 2010	-	from A6
42			
43	Tax depreciation for disclosure year 2010	-	from A6
44			
45	Sum of regulatory tax asset values - first day of disclosure year 2010	-	from A6
46			
47	Weighted average remaining useful life of relevant assets (years)	-	from A6
48			

EDB Name
Disclosure Year Ended

Electricity Distribution Business
31 March 2010

SCHEDULE A1: REGULATORY INCOME AND EXPENSES

row		(\$000)	(\$000)	Ref
6	<u>Income</u>			
7	Line revenue through prices		–	1.1.4
8				
9	Other regulated income		–	5.3.2(7)
10				
11	<u>Costs and expenditure</u>			
12	Pass-through costs		–	3.1.2(1)
13				
14	Recoverable costs		–	3.1.3
15				
16	General management, administration and overheads			from A2
17	plus System management and operations			from A2
18	plus Routine and preventative maintenance			from A2
19	plus Refurbishment and renewal maintenance			from A2
20	plus Fault and emergency maintenance			from A2
21	plus Other			from A2
22	Operating expenditure		–	1.1.4
23				Page 2

SCHEDULE A2: ALLOCATION OF OPERATING COSTS 2010 (NON-PUBLIC)

row	Opex category	Cost allocator	Allocator metrics or proportion allocated		Value allocated			OVABAA allocation increase	Line items
			Electricity distribution services	Non-electricity distribution services	Arm's length deduction	Electricity distribution services	Non-electricity distribution services		
6	General management, administration and overheads								
7	Directly attributable operating costs								
8	Operating costs not directly attributable								
9	Insert category of operating costs	Allocator 1							
10	Insert category of operating costs	Allocator 2							
11	Insert category of operating costs	Allocator 3							
12	Total operating costs not directly attributable				-	-	-	-	
13	Total operating costs				to A1			-	
14	System management and operations								
15	Directly attributable operating costs								
16	Operating costs not directly attributable								
17	Insert category of operating costs	Allocator 1							
18	Insert category of operating costs	Allocator 2							
19	Insert category of operating costs	Allocator 3							
20	Total operating costs not directly attributable				-	-	-	-	
21	Total operating costs				to A1			-	
22	Routine and preventive maintenance								
23	Directly attributable operating costs								
24	Operating costs not directly attributable								
25	Insert category of operating costs	Allocator 1							
26	Insert category of operating costs	Allocator 2							
27	Insert category of operating costs	Allocator 3							
28	Total operating costs not directly attributable				-	-	-	-	
29	Total operating costs				to A1			-	
30	Refurbishment and renewal maintenance								
31	Directly attributable operating costs								
32	Operating costs not directly attributable								
33	Insert category of operating costs	Allocator 1							
34	Insert category of operating costs	Allocator 2							
35	Insert category of operating costs	Allocator 3							
36	Total operating costs not directly attributable				-	-	-	-	
37	Total operating costs				to A1			-	
38	Fault and emergency maintenance								
39	Directly attributable operating costs								
40	Operating costs not directly attributable								
41	Insert category of operating costs	Allocator 1							
42	Insert category of operating costs	Allocator 2							
43	Insert category of operating costs	Allocator 3							
44	Total operating costs not directly attributable				-	-	-	-	
45	Total operating costs				to A1			-	
46	Other								
47	Directly attributable operating costs								
48	Operating costs not directly attributable								
49	Insert category of operating costs	Allocator 1							
50	Insert category of operating costs	Allocator 2							
51	Insert category of operating costs	Allocator 3							
52	Total operating costs not directly attributable				-	-	-	-	
53	Total operating costs				to A1			-	

SCHEDULE A2: ALLOCATION OF OPERATING COSTS 2010 (PUBLIC)

ref	Opex category	Cost allocators	Allocator metrics or proportion allocated		Value allocated			OVABAA allocation increase	Line items
			Electricity distribution services	Non-electricity distribution services	Arm's length deduction	Electricity distribution services	Non-electricity distribution services		
65	General management, administration and overheads								
66	Directly attributable operating costs								
67	Operating costs not directly attributable								
68	Total operating costs not directly attributable								
69	<i>to A1</i>								
70	System management and operations								
71	Directly attributable operating costs								
72	Operating costs not directly attributable								
73	Total operating costs not directly attributable								
74	<i>to A1</i>								
75	Routine and preventive maintenance								
76	Directly attributable operating costs								
77	Operating costs not directly attributable								
78	Total operating costs not directly attributable								
79	<i>to A1</i>								
80	Refurbishment and renewal maintenance								
81	Directly attributable operating costs								
82	Operating costs not directly attributable								
83	Total operating costs not directly attributable								
84	<i>to A1</i>								
85	Fault and emergency maintenance								
86	Directly attributable operating costs								
87	Operating costs not directly attributable								
88	Total operating costs not directly attributable								
89	<i>to A1</i>								
90	Other								
91	Directly attributable operating costs								
92	Operating costs not directly attributable								
93	Total operating costs not directly attributable								
	<i>to A1</i>								

SCHEDULE A3: REGULATORY ASSET BASE VALUES 2010

row		Unallocated RAB *		RAB	Ref
		(\$000)	(\$000)	(\$000)	
6					
7	<u>Calculation of Initial RAB Values</u>				
8					
9	2009 disclosed assets - 'Total Regulatory Asset Base Value (Excluding FDC)' as of 31 March 2009			—	2009 disclosure reports
10					
11	2009 modified asset values (adjusted for results of asset adjustment process)			—	Note 1
12	Adjustment to reinstate 2009 modified asset values to unallocated amounts				2.2.3(3)
13	Unallocated 2009 modified asset values		—		
14					
15	<i>less (to the extent included in row 13)</i>				
16	Assets not used to supply electricity distribution services				1.1.4
17	Easement land				1.1.4
18	Non-qualifying intangible assets				2.2.2
19	Works under construction				2.2.2
20	Unallocated asset values excluded from unallocated 2009 modified asset values		—		1.1.4
21					
22	<i>plus</i> FDC allowance of 2.45% (system fixed assets only)		—		2.2.3(1)(b)
23					
24	Sum of opening RAB values—disclosure year 2010		—	—	from A5
25			to A5		
26	<u>RAB-related Information - Disclosure Year 2010</u>				
27					
28	Sum of depreciation			—	2.2.5(2)
29					
30	Sum of opening RAB values of assets with nil physical asset life at end of the disclosure year 2010			—	2.2.9(3)
31					
32	Sum of opening RAB values of disposed assets for the disclosure year 2010			—	1.1.4
33					
34	Sum of opening RAB values of lost assets for the disclosure year 2010			—	1.1.4
35					
36	Sum of closing RAB values of commissioned assets for the disclosure year 2010			—	from A5
37					
38	Sum of closing RAB values of found assets for the disclosure year 2010			—	from A5
39					

Note 1: '2009 modified asset values' are the values of **2009 disclosed assets** - 'Total Regulatory Asset Base Value (Excluding FDC)' contained in the **2009 disclosure reports** adjusted for the results of the **asset adjustment process**, being the asset register adjustments summarised in Schedule A4 with the resultant value adjustments then updated to 31 March 2009 by taking account of **unallocated depreciation** and revaluation in accordance with cl. 2.2.1(4) and (5) (and disposals if applicable) and excluding any finance during construction allowance of 2.45%.

* The 'unallocated RAB' is the total value of assets used wholly or partially to provide **electricity distribution services** as if no allowance were made for the allocation of costs to non- **electricity distribution services**.

SCHEDULE A4: ASSET ADJUSTMENT PROCESS

row		2004 *	2005	2006	2007	2008	2009	Ref
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
6	<u>Summary of Engineer's Valuation Adjustments (at time asset enters regulatory asset register)</u>							
7								
8	Asset adjustment process - adjustments							
9								
10	Include load control relays							2.2.1(2)(a)
11	Correct asset register errors for 2004 ODV assets							
12	Insert details of asset or similar asset type							
13	Insert details of asset or similar asset type							
14	Insert details of asset or similar asset type							
15		-						2.2.1(2)(b)
16	Correct asset register errors for 2005 – 2009 assets							
17	Insert details of asset or similar asset type							
18	Insert details of asset or similar asset type							
19	Insert details of asset or similar asset type							
20			-	-	-	-	-	2.2.1(2)(b)
21	Re-apply an existing multiplier to 2004 ODV assets							
22	Insert details of asset or similar asset type							
23	Insert details of asset or similar asset type							
24	Insert details of asset or similar asset type							
25		-						2.2.1(2)(c)
26	Re-apply a modified multiplier to 2004 ODV assets							
27	Insert details of asset or similar asset type							
28	Insert details of asset or similar asset type							
29	Insert details of asset or similar asset type							
30		-						2.2.1(2)(d)
31	Re-apply optimisation or EV tests to 2004 ODV assets							
32	Insert details of asset or similar asset type							
33	Insert details of asset or similar asset type							
34	Insert details of asset or similar asset type							
35		-						2.2.1(2)(e)
36								
37	Total value of adjustments by disclosure year	-	-	-	-	-	-	

* Includes assets which first entered the regulatory asset register in a disclosure year prior to 2004.

SCHEDULE A5: ALLOCATION OF UNALLOCATED RAB VALUES 2010 (NON-PUBLIC)

row	Allocation of Opening RAB Values									
	Asset categories	Asset allocator	Allocator metrics or proportion allocated		Value allocated *			OVABAA allocation increase	Line Items	
Electricity distribution services			Non-electricity distribution services	Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total			
6	Allocation of Opening RAB Values									
7										
8										
9										
10	Asset Category 1									
11	Regulated service asset value directly attributable									
12	Regulated service asset value not directly attributable									
13	Insert asset description	Allocator 1								
14	Insert asset description	Allocator 2								
15	Insert asset description	Allocator 3								
16	Total regulated service asset value not directly attributable		-	-	-	-	-	-	-	
17	Total regulated service asset value									
18	Asset Category 2									
19	Regulated service asset value directly attributable									
20	Regulated service asset value not directly attributable									
21	Insert asset description	Allocator 1								
22	Insert asset description	Allocator 2								
23	Insert asset description	Allocator 3								
24	Total regulated service asset value not directly attributable		-	-	-	-	-	-	-	
25	Total regulated service asset value									
26	Asset Category 3									
27	Regulated service asset value directly attributable									
28	Regulated service asset value not directly attributable									
29	Insert asset description	Allocator 1								
30	Insert asset description	Allocator 2								
31	Insert asset description	Allocator 3								
32	Total regulated service asset value not directly attributable		-	-	-	-	-	-	-	
33	Total regulated service asset value									
34										
35	Total regulated service asset value directly attributable				-	-	-	-	-	
36	Total regulated service asset value not directly attributable				-	-	-	-	-	
37	Total regulated service asset value									
38										to A3
39	Allocation of Closing RAB Values - Commissioned Assets and Found Assets									
40										
41										
42	Commissioned assets - asset categories	Asset allocator	Allocator metrics or proportion allocated		Value allocated *			OVABAA allocation increase	Line Items	
43	Regulated service asset value directly attributable									
44	Regulated service asset value not directly attributable									
45	Insert asset description	Allocator 1								
46	Insert asset description	Allocator 2								
47	Insert asset description	Allocator 3								
48	Total regulated service asset value not directly attributable				-	-	-	-	-	
49	Total regulated service asset value									
50										to A3
51										
52	Found assets - asset categories	Asset allocator	Allocator metrics or proportion allocated		Value allocated *			OVABAA allocation increase	Line Items	
53	Regulated service asset value directly attributable									
54	Regulated service asset value not directly attributable									
55	Insert asset description	Allocator 1								
56	Insert asset description	Allocator 2								
57	Insert asset description	Allocator 3								
58	Total regulated service asset value not directly attributable				-	-	-	-	-	
59	Total regulated service asset value									
60										to A3

SCHEDULE A5: ALLOCATION OF UNALLOCATED RAB VALUES 2010 (PUBLIC)

row
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Allocation of Opening RAB Values

Asset categories	Asset allocator	Allocator metrics or proportion allocated		Arm's length deduction	Value allocated			OVABAA allocation increase	Line Items
		Electricity distribution services	Non-electricity distribution services		Electricity distribution services	Non-electricity distribution services	Total		
Asset Category 1									
Regulated service asset value directly attributable							-		
Regulated service asset value not directly attributable							-		
Total regulated service asset value attributable							-		
Asset Category 1									
Regulated service asset value directly attributable							-		
Regulated service asset value not directly attributable							-		
Total regulated service asset value attributable							-		
Asset Category 1									
Regulated service asset value directly attributable							-		
Regulated service asset value not directly attributable							-		
Total regulated service asset value attributable							-		
Total regulated service asset value directly attributable							-		
Total regulated service asset value not directly attributable							-		
Total regulated service asset value							-		

to A3

from A5

Allocation of Closing RAB Values - Commissioned Assets and Found Assets

Asset categories	Asset allocator	Allocator metrics or proportion allocated		Arm's length deduction	Value allocated			OVABAA allocation increase	Line Items
		Electricity distribution services	Non-electricity distribution services		Electricity distribution services	Non-electricity distribution services	Total		
<u>Commissioned Assets</u>									
Regulated service asset value directly attributable							-		
Regulated service asset value not directly attributable							-		
Total regulated service asset value attributable							-		
<u>Found Assets</u>									
Regulated service asset value directly attributable							-		
Regulated service asset value not directly attributable							-		
Total regulated service asset value attributable							-		

to A3

SCHEDULE A6: REGULATORY TAX INFORMATION

row				
6	<u>Tax Permanent Differences</u>		(\$000)	<i>Ref</i>
7				
8	Income not included in regulatory profit / (loss) before tax but taxable		*	2.3.3(2)
9	Expenditure or loss in regulatory profit / (loss) before tax but not deductible		*	2.3.3(2)
10	Positive permanent differences			
11				
12	* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).			
13				
14				
15				
16				
17				
18	Income included in regulatory profit / (loss) before tax but not taxable		*	2.3.3(4)
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax		*	2.3.3(4)
20	Negative permanent differences			
21				
22	* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).			
23				
24				
25				
26				
27				
28	Discretionary discounts and customer rebates			2.3.3(6)
29				
30	<u>Tax Temporary Differences</u>		(\$000)	<i>Ref</i>
31				
32	Income not included in regulatory profit / (loss) before tax but taxable		*	2.3.8(4)
33	Expenditure or loss in regulatory profit / (loss) before tax but not deductible		*	2.3.8(4)
34	Positive temporary differences			
35				
36	* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).			
37				
38				
39				
40				
41				
42	Income included in regulatory profit / (loss) before tax but not taxable		*	2.3.8(5)
43	Expenditure or loss deductible but not in regulatory profit / (loss) before tax		*	2.3.8(5)
44	Negative temporary differences			
45				
46	* Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).			
47				
48				
49				
50				
51				
52	Deferred tax balance relating to assets acquired in the disclosure year 2010			2.3.7(3)
53				
54	Tax depreciation for disclosure year 2010			2.3.8(3)
55				
56	<u>Tax Asset Value Information</u>		(\$000)	
57				
58	Sum of regulatory tax asset values - first day of disclosure year 2010			2.3.9
59				
60	Weighted average remaining useful life of relevant assets (years)			<i>defined</i>
61				

SCHEDULE B: DEBT INFORMATION

EDB Name
Disclosure Year Ended

Electricity Distribution Business
31 March 2010

SCHEDULE B: REQUIRED INFORMATION

row

6 Term Credit Spread Differential Information (\$000 unless otherwise specified)

7 This schedule is only to be completed if at the date of the most recently published financial statements, the weighted average original tenor of the EDB's debt portfolio (both **qualifying debt** and non-qualifying debt) is greater than five years - refer cl. 2.4.9(2) of the EDB IMs.

8	Issuing party (or other identifying information)	Issue date	Pricing date	Original tenor (in years) *	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)
9							
10							
11							
12							
13							
14							
15							
16							

17 * Where **qualifying debt** is issued to a related party, the meaning of 'original tenor' of the qualifying debt has the meaning given in cl. 2.4.10(3) of the EDB IMs.

18

SCHEDULE C: INFORMATION REQUIREMENTS FOR ENGINEER'S REPORT

1. The report must be completed by an 'engineer' as defined in clause 1.1.4 of the *Commerce Act (Electricity Distribution Services Input Methodologies) Determination 2010* ('EDB IMs') in respect of the 'asset adjustment process' for setting the initial regulatory asset base for an EDB as set out in clause 2.2.1 of the EDB IMs.
2. The report must:
 - (a) be in writing and be accessible in electronic (PDF file-type) format;
 - (b) include a copy of the written instructions provided to the engineer by the EDB, including any subsequent variations or modifications;
 - (c) include a table summarising the various asset value adjustments and corresponding to Schedule A4 of the Information Disclosure Notice Templates;
 - (d) provide the minimum information for each category of asset adjustment outlined in Table 1 below, together with such additional information sufficient to allow a reader of the report:
 - (i) to understand the data, information, calculations and assumptions employed in respect of each category of asset adjustment;
 - (ii) to understand the extent to which professional judgement was exercised by the engineer and the effect of that judgement in deriving the resultant asset values; and
 - (iii) to verify the arithmetical accuracy of the asset adjustment calculations.
 - (e) include a signed statement by the engineer that:
 - (i) the ODV rules have been properly applied for assets which had not had an ODV valuation calculated originally as required by clause 2.2.1 of the EDB IMs;
 - (ii) where values under Generally Accepted Accounting Practice have been relied on, those values have been supplied or reviewed by an appropriately qualified party (e.g. accounting practitioner); and
 - (iii) the report meets the requirements of this Schedule C.

Table 1: Minimum Information Requirements for Adjustments to Assets

Category of adjustment	EDB IM cl. ref	Designated asset type	Minimum information requirements
Include load control relay	2.2.1(2)(a)	Included	<ul style="list-style-type: none"> ▪ Number and description of load control relays ▪ Relevant depreciated historic cost of each asset or where sufficient records do not exist to establish this cost, their depreciated carrying value in the general purpose financial statements of the EDB
Correct asset register errors	2.2.1(2)(b)	Included	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) ▪ Value of the asset (or sum value of each similar asset type) as of the day the asset enters the regulatory asset register, being the value that would have resulted from applying the Electricity Information Disclosure Requirements 2004 for assets commissioned prior to 1 April 2004 and from applying the Electricity Distribution (Information Disclosure) Requirements for assets commissioned from 1 April 2004 to 31 March 2009
		Excluded	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) ▪ Value of each asset (or asset type where assets are substantially similar) as of the day the asset entered the regulatory asset register
		Value modified	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) and type of error (incorrect asset category, incorrect estimation of quantity, age, category or location now known to be incorrect) ▪ Value of each asset (or asset type where assets are substantially similar) as of the day the asset entered the regulatory asset register ▪ Calculation of relevant adjustment to value in order to correct for the error ▪ Resultant 'modified value' for each asset (or sum value of each similar asset type) as of the day the asset entered the regulatory asset register

Category of adjustment	EDB IM cl. ref	Designated asset type	Minimum information requirements
Re-apply existing multiplier	2.2.1(2)(c)	Value modified	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) ▪ ODV valuation for each asset (or asset type where assets are substantially similar) and multiplier originally applied ▪ Description of the more accurate information relating to the application of a multiplier, including supporting facts, data, calculations and assumptions where relevant ▪ Calculation of relevant modification to ODV valuation in order to be consistent with the more accurate information ▪ Resultant 'modified value' at 2004 ODV value for each asset (or sum value of each similar asset type)
Re-apply a modified multiplier	2.2.1(2)(d)	Value modified	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) ▪ ODV valuation for each asset (or asset type where assets are substantially similar) and multiplier originally applied ▪ Specification of the alternative multiplier (rugged terrain, business district, rocky ground) and the reason for selecting the value of the multiplier within the range specified in clause 2.2.1(2)(d) of the EDB IMs ▪ Details of supporting facts, data, calculations and assumptions where relevant to support the reason ▪ Calculation of relevant modification to ODV valuation in order to be consistent with the modified multiplier ▪ Resultant 'modified value' at 2004 ODV value for each asset (or sum value of each similar asset type)

Category of adjustment	EDB IM cl. ref	Designated asset type	Minimum information requirements
Re-apply optimisation or economic value test	2.2.1(2)(e)	Included	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) ▪ Value of each asset in the 2004 ODV Valuation (or asset type where assets are substantially similar) ▪ Value of each asset (or asset type where assets are substantially similar) in the ODV Valuation had the assets not been- <ul style="list-style-type: none"> – optimised in accordance with paragraphs 2.18 – 2.47 and Appendix B of the ODV Handbook; or – subject to the economic value test in accordance with paragraphs 2.59 – 2.65 of the ODV Handbook ▪ Value of each asset (or asset type where assets are substantially similar) after reapplying the optimisation or economic value test in light of more up-to-date information that has subsequently become available ▪ Details of supporting facts, data, calculations and assumptions where relevant to support the reapplication of the optimisation or economic value test ▪ Resultant ‘included value’ at 2004 ODV value for each asset (or sum value of each similar asset type)
		Excluded	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) ▪ Value of each asset at 2004 ODV value (or asset type where assets are substantially similar)

Category of adjustment	EDB IM cl. ref	Designated asset type	Minimum information requirements
		Value modified	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar) ▪ Value of each asset in the 2004 ODV Valuation (or asset type where assets are substantially similar) ▪ Value of each asset (or asset type where assets are substantially similar) had the assets not been- <ul style="list-style-type: none"> – optimised in accordance with paragraphs 2.18 – 2.47 and Appendix B of the ODV Handbook; or – subject to the economic value test in accordance with paragraphs 2.59 – 2.65 of the ODV Handbook ▪ Value of each asset (or asset type where assets are substantially similar) after reapplying the optimisation or economic value test in light of more up-to-date information that has subsequently become available ▪ Details of supporting facts, data, calculations and assumptions where relevant to support the reapplication of the optimisation or economic value test ▪ Resultant ‘modified value’ at 2004 ODV value for each asset (or sum value of each similar asset type)

SCHEDULE D: FORM OF DIRECTORS' CERTIFICATE

We, *[insert full name of first director]* and *[insert full name of second director]*, being directors of «COMPANY_QQ» («ZZ») certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Schedule A **[and Schedule B]* complies with the Commission's requirements in respect of the request for information, which was issued by notice in writing to «ZZ» under section 53ZD of the Commerce Act 1986 on *[insert date]* **[except in the following respects: *[insert description of non-compliance]*]*

**[In respect of the arms' length deduction applied for the purpose of completing Schedules A2 / A5 *[delete as appropriate]*, we certify that, having made all reasonable enquiry, our belief is that it was appropriate to make those deductions].*

**[In respect of the optional variation to accounting-based allocation approach applied for the purpose of completing Schedules A2 / A5 *[delete as appropriate]*, we certify that, having made all reasonable enquiry, our belief is that:*

- (a) the following unregulated services would be unduly deterred had adjustments to allocations of regulated service asset values (in accordance with clause 2.1.5 of the input methodologies applying to EDBs) not been made: *[list relevant unregulated services]*; and*
- (b) the following unregulated services would be unduly deterred had adjustments to allocations of operating costs (in accordance with clause 2.1.5 of the input methodologies applying to EDBs) not been made: *[list relevant unregulated services]*.]*

[Signatures of directors]

[Date]

**Delete if inapplicable.*

SCHEDULE E: FORM OF INDEPENDENT ASSURANCE REPORT

To the Commissioners of the New Zealand Commerce Commission and the Directors of «COMPANY_QQ»:

We have been engaged to provide an independent assurance report on the:

- Schedule of Required Information (Schedules A to A6); and
- *[Schedule of Required Information (Schedule B)]

prepared by «COMPANY_QQ» («ZZ») in accordance with the Commerce Commission's requirements issued by notice in writing to «ZZ» under section 53ZD of the Commerce Act 1986 on 16 March 2011 (the Notice).

*Delete if inapplicable.

Directors' and Auditors' Responsibilities

«ZZ»'s directors are responsible for ensuring that the information provided is prepared in accordance with the Notice and for such internal controls as the directors determine are necessary to ensure the information provided is free from material misstatement.

We are qualified as an auditor as defined in the Notice. Our responsibility is to express an independent opinion on whether the information prepared by «ZZ» has been calculated in accordance with the Notice for the regulatory period ended 31 March 2010.

Use of this Independent Assurance Report

This independent assurance report has been prepared solely for the Directors of «COMPANY_QQ» and the Commissioners of the New Zealand Commerce Commission in accordance with the Notice. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of «COMPANY_QQ» and the Commissioners, or for any purpose other than that for which it was prepared.

Independence

We have no relationship with, or interests in «ZZ» other than [insert relationship and/or interests including a statement verifying that no conflict of interest exists].

Basis of Opinion

We conducted an assurance engagement in accordance with the Framework for Assurance Engagements, SAE 3100: Compliance Engagements and the International Standard on Assurance Engagements (New Zealand) 3000 (ISAE (NZ) 3000).

The professional standards require that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance about whether the information as provided is free from material misstatement.

Considering materiality requires that we understand the factors that might influence the decisions of the intended users of the information in Schedules A to A6 [and B] when determining the nature and extent of our evidence-gathering procedures.

Our assurance engagement involves performing procedures to obtain appropriate evidence in respect of the information in Schedules A to A6 [and B] and the overall compliance with the Notice. The procedures selected depend on judgement, including the assessment of the risks of material misstatement, whether due to fraud, error or other reasons. In evaluating those risks we consider the internal controls that are relevant to «ZZ»'s provision of the information in Schedules A to A6 [and B] in order to design assurance procedures that are appropriate in the circumstances. We do not express an opinion on the effectiveness of «ZZ»'s internal controls.

In relation to the Notice, our assurance procedures included examination, on a test basis, of evidence relevant to each item of information in Schedules A to A6 [and B]. Specifically, our assurance procedures included examining, on a test basis, evidence to support the information in Schedules A to A6 [and B], examination of internally and externally generated documents and records relevant to the information, interviewing selected personnel, and such other procedures as we considered necessary.

These procedures included:

- d. reviewing the methodologies used in preparing the information in Schedules A to A6 [and B] and confirming that they are in accordance with the methodologies set out in the Commerce Act (Electricity Distribution Services Input Methodologies) Determination 2010 (IM determination) and the requirements set out in the Notice, and providing assurance that the underlying assumptions used are reasonable;
- e. testing whether the calculations are mathematically correct;
- f. identifying key inputs to the information in Schedules A to A6 [and B] and reconciling or agreeing them to source documents and systems.

In performing the procedures noted above, we have placed reliance on «ZZ»'s underlying systems and business records from which inputs were sourced for the preparation of the information in Schedules A to A6 [and B].

Opinion

In our opinion:

- (1) the recorded evidence and explanations we have obtained are sufficient and appropriate to provide a basis for our independent opinion on «ZZ»'s compliance with the Notice;
- (2) where relevant, the information used in the preparation of the information in Schedules A to A6 [and B] has been properly extracted from «ZZ»'s accounting records, sourced from its financial systems; and

- (3) the information in Schedule A to A6 [and B] has been calculated by «ZZ» in all material respects, in accordance with the Notice.

***[Qualification on Opinion]**

*[Our opinion is qualified as follows:]

*[Insert the nature of and reason(s) for the qualification together with the estimated impact on the information provided in Schedules A to A6 [and B].]

Our assurance engagement was completed on [insert date] and our opinion is expressed as at that date.

[Signature of auditor]

[Name of firm]

[Address of firm]

[Date]

*Delete if inapplicable.