

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

To: Mr Donald Gray
General Manager
Commercial Operator Maui Pipeline
Maui Development Limited
PO Box 23039
WELLINGTON 6140

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 Maui Development Limited (Maui Development) 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, Maui Development 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 Maui Development 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 (Gas Transmission Services Input Methodologies) Determination 2010; and

independent assurance report means a report in respect of Maui Development 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 gas transmission 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. Maui Development must provide the **Commission** with the information required under:
 - a. Schedule A; and
 - b. if Maui Development 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. Maui Development must provide the **Commission** with the following expert opinions and supporting information:
 - a. if Maui Development 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 Maui Development; 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

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

the **IM determination** specified in the workbook instructions and templates. The workbook 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. The **Commission** is unlikely to agree to any requests that any information provided by Maui Development in response to this notice remains confidential.

However, the **Commission** recognises there may be some instances where Maui Development may wish to provide aspects of Maui Development's disclosures on a confidential basis. If there is any such information, Maui Development should provide the **Commission** with both confidential and public versions of its disclosure. The responsibility for ensuring that confidential information is not included in a public version of a disclosure rests entirely with Maui Development.

Maui Development 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 Maui Development, 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

Maui Development 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 30 September 2011. The information must be provided under cover of a letter on Maui Development's company letterhead, signed by a person with the appropriate authority.

Dated at Wellington: 6 July 2011

Signed by:

Sue Begg
Commission Deputy Chair

SCHEDULE A: REQUIRED INFORMATION

GTB Name
Year Ended

Maui Development Limited
30 December 2010

SCHEDULE A: REQUIRED INFORMATION

row		(\$000)	Ref
6			
7	Transmission 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 2011	—	from A3
18			
19	Sum of revaluations	—	from A3
20			
21	Sum of depreciation	—	from A3
22			
23	Sum of opening RAB values of disposed assets	—	from A3
24			
25	Sum of closing RAB values of commissioned assets	—	from A3
26			
27	Sum of closing RAB values of found assets	—	from A3
28			
29	Sum of opening RAB values of lost assets	—	from A3
30			
31	Positive permanent differences	—	from A6
32			
33	Negative permanent differences	—	from A6
34			
35	Opening tax losses for disclosure year 2011	—	from A6
36			
37	Positive temporary differences	—	from A6
38			
39	Negative temporary differences	—	from A6
40			
41	Tax depreciation	—	from A6
42			
43	Sum of regulatory tax asset values - first day of disclosure year 2011	—	from A6
44			

Note: Disclosure year followed by a specified calendar year for MDL means the preceding calendar year to that specified as defined in the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010.

GTB Name
Year Ended

Maui Development Limited
30 December 2010

SCHEDULE A1: REGULATORY INCOME AND EXPENSES

row		(\$000)	Ref
6	<u>Income</u>		
7	Transmission revenue through prices	—	1.1.4
8			
9	Other regulated income	—	5.3.2(8)
10			
11	<u>Costs and expenditure</u>		
12	Pass-through costs	—	3.1.2(1)
13			
14	Recoverable costs	—	3.1.3(1)
15			
16	Operating expenditure	—	from A2
17			
18	<u>Transmission Revenue</u>		
19			
20	Under- or over-recovery of revenues - year ended 2010		
21			
22	Prior years under- or over-recovery of revenues included in transmission revenues through prices - year ended 2010		
23			
24			
25	Under- or over-recovery of revenues - year ended 2009		
26			
27	<i>Note: Under- or over-recovery of revenues is determined in accordance with the Maui Pipeline Operating Code</i>		
28			
29	<u>Revenue Weights</u>	Year Ended	
30		2010	2011
31	Estimated proportion of revenue recovered via:	%	%
32			
33	Variable (throughput) unit charges (e.g. c/kwh)		
34	Capacity or demand charges (e.g. \$/kva/day or \$/MW)		
35	Fixed or other charges (e.g. \$/ICP, daily monthly or annual charges)		
36	(to add to 100%)	0.00%	0.00%
37			
38	<i>Note: The quantities relating to each pricing year should relate to the quantities from the pricing year two years earlier. This means that for 2010 the quantities should cover the year ended 2008. For 2011 the quantities should cover the year ended 2009.</i>		
39			

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

row	Opex category	Cost allocator	Allocator type	Allocation methodology type	Allocator metrics or proportion allocated		Value allocated				OVABAA allocation increase
					Gas transmission services	Non-gas transmission services	Arm's length deduction	Gas transmission services	Non-gas transmission services	Total	
6	Insert opex category 1										
7	Directly attributable operating costs										
8	Operating costs not directly attributable										
9	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA							-
10	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA							-
11	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA							-
12	Total operating costs not directly attributable						-	-	-		-
13	Total costs							-	-		-
14	Insert opex category 2										
15	Directly attributable operating costs										
16	Operating costs not directly attributable										
17	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA							-
18	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA							-
19	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA							-
20	Total operating costs not directly attributable						-	-	-		-
21	Total costs							-	-		-
22	Insert opex category 3										
23	Directly attributable operating costs										
24	Operating costs not directly attributable										
25	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA							-
26	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA							-
27	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA							-
28	Total operating costs not directly attributable						-	-	-		-
29	Total costs							-	-		-
30	Insert opex category 4										
31	Directly attributable operating costs										
32	Operating costs not directly attributable										
33	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA							-
34	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA							-
35	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA							-
36	Total operating costs not directly attributable						-	-	-		-
37	Total costs							-	-		-
38	Insert opex category 5										
39	Directly attributable operating costs										
40	Operating costs not directly attributable										
41	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA							-
42	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA							-
43	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA							-
44	Total operating costs not directly attributable						-	-	-		-
45	Total costs							-	-		-
46	Other										
47	Directly attributable operating costs										
48	Operating costs not directly attributable										
49	Insert category of operating costs	Allocator 1	Causal or proxy	e.g. ABAA							-
50	Insert category of operating costs	Allocator 2	Causal or proxy	e.g. ABAA							-
51	Insert category of operating costs	Allocator 3	Causal or proxy	e.g. ABAA							-
52	Total operating costs not directly attributable						-	-	-		-
53	Total costs							-	-		-

SCHEDULE A2: ALLOCATION OF OPERATING COSTS (PUBLIC)

ref	Opex category	Cost allocators	Percentage of value allocated to gas transmission services using proxy allocator type*	Percentage of value allocated to gas transmission services using ACAM*	Percentage of value allocated to gas transmission services using ABAA*	Percentage of value allocated to gas transmission services using OVABAA*	Value allocated			OVABAA allocation increase
							Arm's length deduction	Gas transmission services	Non-gas transmission services	
65										
66										
67										
68	Insert opex category 1									
69	Directly attributable operating costs									
70	Operating costs not directly attributable	Allocators								
71	Total costs									
72										
73	Insert opex category 2									
74	Directly attributable operating costs									
75	Operating costs not directly attributable	Allocators								
76	Total costs									
77										
78	Insert opex category 3									
79	Directly attributable operating costs									
80	Operating costs not directly attributable	Allocators								
81	Total costs									
82										
83	Insert opex category 4									
84	Directly attributable operating costs									
85	Operating costs not directly attributable	Allocators								
86	Total costs									
87										
88	Insert opex category 5									
89	Directly attributable operating costs									
90	Operating costs not directly attributable	Allocators								
91	Total costs									
92										
93	Other									
94	Directly attributable operating costs									
	Operating costs not directly attributable	Allocators								
	Total costs									

* Percentage of value allocated is the value allocated using the allocator or method identified presented as a percentage of the total value of operating costs allocated to gas transmission services

SCHEDULE A3: REGULATORY ASSET BASE VALUES 2010

row		Unallocated RAB *	RAB	Ref
		(\$000)	(\$000)	
6				
7	Calculation of Initial RAB Values			
8				
9	2009 disclosed assets as at 31 December 2008		—	2.2.2
10				
11	Asset adjustment process - adjustments			from A4
12				
13	less Change in value resulting from rolling forward the asset adjustment process - adjustments			2.2.1
14				
15	2008 modified asset values (adjusted for results of asset adjustment process)		—	Note 1
16	plus Adjustment to reinstate 2008 modified asset values to unallocated amounts			2.2.3(2)
17	Unallocated 2008 modified asset values - as at 31 December 2008		—	
18				
19	less (to the extent included in row 13)			
20	Assets not used to supply gas transmission services			1.1.4
21	Easement land			1.1.4
22	Non-qualifying intangible assets			2.2.2
23	Works under construction			2.2.2
24	Unallocated asset values excluded from unallocated 2008 modified asset values		—	
25				
26	Sum of unallocated initial RAB values		—	1.1.4
27				
28	RAB Roll Forward - year ended 2009			
29				
30	Sum of unallocated opening RAB values—disclosure year 2010		—	2.2.4(1)
31				
32	less Sum of unallocated depreciation other than for disposed assets or lost assets		—	2.2.5(1)
33	plus Sum of unallocated revaluations		—	2.2.9(1)
34	plus Sum of assets commissioned		—	2.2.11
35	less Sum of unallocated opening RAB value of disposed assets		—	1.1.4
36	plus Sum of found assets		—	2.2.12
37	less Sum of unallocated opening RAB value of lost assets		—	1.1.4
38				
39	Sum of unallocated closing RAB values—disclosure year 2010		—	
40				
41	Value allocated to non-gas transmission services			from A5
42				
43	Sum of closing RAB values—disclosure year 2010		—	from A5
44				
45	Calculation of Revaluation Rate and Revaluation of Assets - Year Ended 2009			
46				
47	CPI at CPI reference date—disclosure year 2009			2.2.9(4)
48	CPI at CPI reference date—disclosure year 2010			2.2.9(4)
49	Revaluation rate (%)	Not defined		2.2.9(4)
50	Sum of unallocated opening RAB values—disclosure year 2010		—	
51	less Sum of unallocated opening RAB values of fully depreciated assets, disposed assets and lost assets—disclosure year 2010		—	2.2.9(3)
52				
53	Sum of unallocated opening RAB values subject to revaluation—disclosure year 2010		—	2.2.9(1)
54	Sum of unallocated revaluations—disclosure year 2010		—	2.2.9(1)
55				
56	RAB-related Information - Year Ended 2010			
57				
58	Sum of unallocated opening RAB values/opening RAB values—disclosure year 2011		—	2.2.4
59				
60	Sum of unallocated revaluations/revaluations		—	
61				
62	Sum of unallocated depreciation/depreciation		—	2.2.5
63				
64	Sum of unallocated opening RAB values/opening RAB values of disposed assets		—	1.1.4
65				
66	Sum of unallocated closing RAB values/closing RAB values of commissioned assets		—	2.2.11
67				
68	Sum of unallocated closing RAB values/closing RAB values of found assets		—	2.2.12
69				
70	Sum of unallocated opening RAB values/opening RAB values of lost assets		—	1.1.4
71				
72	Adjustment resulting from cost allocation		—	
73				
74	Sum of unallocated closing RAB values/closing RAB values for the disclosure year 2011		—	2.2.4
75				
76	Sum of unallocated opening RAB values/opening RAB values of assets with nil physical asset life at end of the disclosure year 2011		—	2.2.9(3)(a)
77				
78				
79	Calculation of Revaluation Rate and Revaluation of Assets - Year Ended 2010			
80				
81	CPI at CPI reference date—disclosure year 2011			2.2.9(4)
82	Revaluation rate (%)	Not defined		2.2.9(4)
83	Sum of unallocated opening RAB values/opening RAB values—disclosure year 2011		—	
84	less Sum of unallocated opening RAB values/opening RAB values of fully depreciated assets, disposed assets and lost assets—disclosure year 2011		—	2.2.9(3)
85				
86	Sum of unallocated opening RAB values/opening RAB values subject to revaluation—disclosure year 2011		—	2.2.9(1)
87	Sum of unallocated revaluations/revaluations—disclosure year 2011		—	2.2.9(1)
88				
89	Note 1: '2008 modified asset values' are the 2009 disclosed assets adjusted for the results of the asset adjustment process, being the asset register adjustments summarised in Schedule A4 and updated to 31 December 2008 by taking account of depreciation and revaluation in accordance with cl. 2.2.1 of the GTB ILMs.			
90	Note 2: Disclosure year followed by a specified calendar year for MDL means the preceding calendar year to that specified as defined in the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010.			
91	* The 'unallocated RAB' is the total value of assets used wholly or partially to provide gas transmission services as if no allowance were made for the allocation of costs to non-gas transmission services.			
92				

SCHEDULE A4: ASSET ADJUSTMENT PROCESS

row		2003 *	2004	2005	2006	2007	Year Ended 2008	Ref
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
6	<u>Summary of Engineer's Valuation Adjustments (at time asset enters regulatory asset register)</u>							
7	Show only the <u>incremental</u> amount of the valuation adjustment							
8	Asset adjustment process - adjustments							<i>Ref</i>
9								
10	Include assets used to supply gas transmission services							2.2.1(2)(b)
11	Correct asset register errors							
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	Insert details of asset or similar asset type							
16	Insert details of asset or similar asset type							
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	Insert details of asset or similar asset type							
21	Insert details of asset or similar asset type							
22		-	-	-	-	-	-	2.2.1(2)(c)
23								
24	Total value of adjustments by year ended	-	-	-	-	-	-	
25	* Includes assets which first entered the regulatory asset register in a disclosure year prior to 2003.							
26								

SCHEDULE A5: ALLOCATION OF UNALLOCATED RAB VALUES YEARS ENDING 2009 AND 2010 (NON-PUBLIC)

row 6 Allocation of Unallocated Closing RAB Values Year Ended 2009

Asset categories	Asset allocator	Allocator type	Allocation methodology type	Allocator metrics or proportion allocated		Arm's length deduction	Value allocated			OVABAA allocation increase
				Gas transmission services	Non-gas transmission services		Gas transmission services	Non-gas transmission services	Total	
Asset Category 1										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable										
Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA							-
Total regulated service asset value not directly attributable				-	-	-	-	-	-	-
Total regulated service asset value										
Asset Category 2										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable										
Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA							-
Total regulated service asset value not directly attributable				-	-	-	-	-	-	-
Total regulated service asset value										
Asset Category 3										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable										
Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA							-
Total regulated service asset value not directly attributable				-	-	-	-	-	-	-
Total regulated service asset value										
Total regulated service asset value directly attributable										-
Total regulated service asset value not directly attributable										-
Total regulated service asset value										

to A3

row 39 Allocation of Unallocated Closing RAB Values Year Ended 2010 - Commissioned Assets and Found Assets

Commissioned assets - asset categories	Asset allocator	Allocator type	Allocation methodology type	Allocator metrics or proportion allocated		Arm's length deduction	Value allocated			OVABAA allocation increase
				Gas transmission services	Non-gas transmission services		Gas transmission services	Non-gas transmission services	Total	
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable										
Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA							-
Total regulated service asset value not directly attributable				-	-	-	-	-	-	-
Total regulated service asset value										

to A3

Found assets - asset categories	Asset allocator	Allocator type	Allocation methodology type	Allocator metrics or proportion allocated		Arm's length deduction	Value allocated			OVABAA allocation increase
				Gas transmission services	Non-gas transmission services		Gas transmission services	Non-gas transmission services	Total	
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable										
Insert asset description	Allocator 1	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 2	Causal or proxy	e.g. ABAA							-
Insert asset description	Allocator 3	Causal or proxy	e.g. ABAA							-
Total regulated service asset value not directly attributable				-	-	-	-	-	-	-
Total regulated service asset value										

to A3

SCHEDULE A5: ALLOCATION OF UNALLOCATED RAB VALUES YEARS ENDED 2010 AND 2011 (PUBLIC)

row 67 Allocation of Unallocated Closing RAB Values Year Ended 2009

Asset categories	Asset allocator	Percentage of value allocated to gas transmission services using proxy allocator type*	Percentage of value allocated to gas transmission services using ACAM*	Percentage of value allocated to gas transmission services using ABAA*	Percentage of value allocated to gas transmission services using OVABAA*	Value allocated				OVABAA allocation increase
						Arm's length deduction	Gas transmission services	Non-gas transmission services	Total	
Asset Category 1										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable	Allocators									-
Total regulated service asset value attributable								-		
Asset Category 1										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable	Allocators									-
Total regulated service asset value attributable								-		
Asset Category 1										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable	Allocators									-
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

row 88 Allocation of Unallocated Closing RAB Values Year Ended 2010 - Commissioned Assets and Found Assets

Asset categories	Asset allocator	Percentage of value allocated to gas transmission services using proxy allocator type*	Percentage of value allocated to gas transmission services using ACAM*	Percentage of value allocated to gas transmission services using ABAA*	Percentage of value allocated to gas transmission services using OVABAA*	Value allocated				OVABAA allocation increase
						Arm's length deduction	Gas transmission services	Non-gas transmission services	Total	
Commissioned Assets										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable	Allocators									-
Total regulated service asset value attributable								-		
Found Assets										
Regulated service asset value directly attributable										
Regulated service asset value not directly attributable	Allocators									-
Total regulated service asset value attributable								-		

to A3

* Percentage of value allocated is the value allocated using the allocator or method identified presented as a percentage of the total value of operating costs allocated to gas transmission services

GTB Name
Year Ended

Maui Development Limited
30 December 2010

SCHEDULE A6: REGULATORY TAX INFORMATION

row

Tax Permanent Differences - Year Ended 2010

(\$000) Ref

Income not included in regulatory profit / (loss) before tax but taxable		*	2.3.3(2)
Expenditure or loss in regulatory profit / (loss) before tax but not deductible		*	2.3.3(2)

Positive permanent differences -

** Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary).*

Income included in regulatory profit / (loss) before tax but not taxable		*	2.3.3(3)
Expenditure or loss deductible but not in regulatory profit / (loss) before tax		*	2.3.3(3)

Negative permanent differences -

** Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary). Amounts should exclude interest, tax losses and subvention payments (refer cl. 2.3.3(4) of the GTB IMs).*

Opening tax losses for disclosure year 2011 - 2.3.2(3)

Tax Temporary Differences - Year Ended 2010

(\$000) Ref

Income not included in regulatory profit / (loss) before tax but taxable		*	2.3.5(4)
Expenditure or loss in regulatory profit / (loss) before tax but not deductible		*	2.3.5(4)

Positive temporary differences -

** Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary). Amounts should exclude tax depreciation and regulatory depreciation (refer cl. 2.3.3(2) of the GTB IMs).*

Income included in regulatory profit / (loss) before tax but not taxable		*	2.3.5(5)
Expenditure or loss deductible but not in regulatory profit / (loss) before tax		*	2.3.5(5)

Negative temporary differences -

** Provide descriptions and values for each category of item (further explanation can be provided in a separate note if necessary). Amounts should exclude tax depreciation and regulatory depreciation (refer cl. 2.3.3(3) of the GTB IMs).*

Tax depreciation - 2.3.5(3)

Other Tax Asset Value Information

(\$000)

Sum of regulatory tax asset values - first day of disclosure year 2011 - 2.3.6

Note: Disclosure year followed by a specified calendar year for MDL means the preceding calendar year to that specified as defined in the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010.

GTB Name

Maui Development Limited

SCHEDULE A7: HISTORIC CAPITAL EXPENDITURE INFORMATION

row		Capital Expenditure (\$000)	Asset Additions (\$000)
5	<u>Historic Capital Expenditure Information</u>		
6			
7			
8			
9	Year ended		
10	2001		
11	2002		
12	2003		
13	2004		
14	2005		
15	2006		
16	2007		
17	2008		
18	2009		
19	2010		
20			
21	<i>Note: The capital expenditure and asset additions disclosures are to be consistent with disclosures made pursuant to the Gas (Information Disclosure) Regulations 1997.</i>		
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SCHEDULE B: DEBT INFORMATION

GTB Name
Year Ended

Maui Development Limited
30 December 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 GTB's debt portfolio (both **qualifying debt** and non-qualifying debt) is greater than five years - refer cl. 2.4.9(2) of the GTB IMs. The information should relate to the group level of the GTB.

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 GTB IMs.

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SCHEDULE C: INFORMATION REQUIREMENTS FOR ENGINEER'S REPORT

1. The report must be completed or reviewed by an 'engineer' as defined in clause 1.1.4 of the *Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010* ('GTB IMs') in respect of the 'asset adjustment process' for setting the initial regulatory asset base for an GTB as set out in clause 2.2.1 of the GTB 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 GTB, 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) where values are determined in accordance with
 - a. Generally Accepted Accounting Practice; or
 - b. the general purpose financial statements of Maui Development Limited, those values have been supplied or reviewed by an appropriately qualified party (e.g. accounting practitioner)
 - (ii) where values are determined in accordance with a valuation under the Gas (information Disclosure) Regulations 1997, the engineer has reviewed assumptions employed to determine the resultant value;
 - (iii) explains the tests performed by the engineer to determine the quantity, and physical asset life of assets identified as 'included' or 'value modified'; and
 - (iv) the report meets the requirements of this Schedule C.

Table 1: Minimum Information Requirements for Adjustments to Assets

Category of adjustment	GTB IM cl. ref	Designated asset type	Minimum information requirements
Include assets used to supply gas transmission services but not assets listed in 2.2.1(4)	2.2.1(2)(b)	Included	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar), including physical asset life and quantity ▪ Value of the asset (or sum value of each similar asset type) as of the last day of the disclosure year 2009, being the depreciated historic cost value that would have resulted from applying generally accepted accounting practice
Correct asset register errors	2.2.1(2)(c)	Included	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar), including physical asset life and quantity ▪ 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 Gas (information Disclosure) Regulations 1997
		Excluded	<ul style="list-style-type: none"> ▪ Description of each asset (or asset type where assets are substantially similar), including the quantity ▪ 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

SCHEDULE D: FORM OF DIRECTORS' CERTIFICATE

We, *[insert full name of first director]* and *[insert full name of second director]*, being directors of Maui Development Limited (Maui Development) 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 Maui Development 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 GTBs) 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 GTBs) 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 Maui Development Limited:

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 Maui Development Limited (Maui Development) in accordance with the Commerce Commission's requirements issued by notice in writing to Maui Development under section 53ZD of the Commerce Act 1986 on [insert date] 2011 (the Notice).

*Delete if inapplicable.

Directors' and Auditors' Responsibilities

Maui Development'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 Maui Development has been calculated in accordance with the Notice for the regulatory period ended 31 December 2010.

Use of this Independent Assurance Report

This independent assurance report has been prepared solely for the Directors of Maui Development Limited 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 Maui Development Limited and the Commissioners, or for any purpose other than that for which it was prepared.

Independence

We have no relationship with, or interests in Maui Development 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 Maui Development'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 Maui Development'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 (Gas Transmission 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 Maui Development'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 Maui Development'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 Maui Development's accounting records, sourced from its financial systems; and
- (3) the information in Schedule A to A6 [and B] has been calculated by Maui Development 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.