

Decision No. [XXX]

Draft Commerce Act (Gas Distribution Services Information Disclosure) Determination 2012

Draft Gas Distribution Services Information Disclosure Determination under Part 4 of the Commerce Act 1986.

The Commerce Commission:

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Summary of the determination: Pursuant to Part 4 of the Commerce Act 1986, the Commerce Commission has determined information disclosure requirements that apply to gas distribution businesses.

This determination is currently in draft form and is intended for technical consultation purposes only. Following submissions on this draft determination, a final determination will be made. This is expected to occur by the end of August 2012.

Date of Decision: [xx xxxxxx 2012]

COMMERCE ACT (GAS DISTRIBUTION SERVICES INFORMATION DISCLOSURE) DETERMINATION 2012

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Pursuant to Part 4 of the Commerce Act 1986, the Commerce Commission makes the following determination:

PART 1 GENERAL PROVISIONS

1.1 TITLE

- 1.1.1 This determination is the Commerce Act (Gas Distribution Services Information Disclosure) Determination 2012.

1.2 COMMENCEMENT DATE

- 1.2.1 This determination comes into force on [] 2012.

1.3 APPLICATION

- 1.3.1 This determination applies to gas distribution businesses as suppliers of regulated goods and services under Part 4 of the Act.

1.4 INTERPRETATION

- 1.4.1 In this determination, unless the context otherwise requires—

- (1) Terms in bold type in the main body of this determination (this includes the appendices) have the meaning given to those terms in this section 1.4; terms used in the Schedules are defined in Schedule 16;
- (2) Terms used in this determination that are defined in the **Act** but not in this determination, have the same meanings as in the **Act**;
- (3) Terms used in this determination that are defined in the **IM determination** but not in this determination have the same meanings as in the **IM determination**;
- (4) A word which denotes the singular also denotes the plural and vice versa;
- (5) An obligation to do something is deemed to include an obligation to cause that thing to be done;
- (6) Financial items must be measured and disclosed in accordance with **GAAP** unless otherwise required in this Determination;
- (7) Non-financial items must be measured and disclosed in accordance with standard industry practice unless otherwise required in this Determination.

1.4.2 If there is any inconsistency between the main body of this determination (including the Appendices) and any schedule to this determination, the main body of this determination prevails.

1.4.3 In this determination, the words or phrases in bold type bear the following meanings:

A

Act	means the Commerce Act 1986
Allocator	means the measure used to allocate operating costs or regulated service asset values that are not directly attributable as set out in clause 2.1.3 or clause 2.1.5 of the IM determination
AMP	means asset management plan
AMP planning period	has the meaning specified in clause 3.4 of Appendix A to this determination
AMP update	has the meaning specified in subclause of section 2.5 of this determination
Asset management plan	has the meaning specified in clause 1 of section 2.5 of this determination
Asset relocations	in relation to expenditure, means gross capital expenditure where the primary driver is the need to relocate assets due to third party requests, such as for the purpose of allowing road widening or similar needs. This expenditure category includes gross capital expenditure relating to the undergrounding of previously aboveground assets at the request of a third party
Asset replacement and renewal	means: <ul style="list-style-type: none"> (a) in relation to capital expenditure, gross capital expenditure (b) In relation to operational expenditure, operational expenditure where the primary driver is the need to maintain network asset integrity so as to maintain current security and/or quality of supply standards and includes expenditure as a

result of:

- the progressive physical deterioration of the condition of **network** assets or their immediate surrounds;
- the obsolescence of **network** assets;
- preventative replacement programmes, consistent with asset life-cycle management policies; or
- the need to ensure the ongoing physical security of the **network** assets.

Assets acquired from a related party

means:

- (c) in relation to the **unallocated RAB**, the sum of value of assets acquired from a **related party** as determined in accordance with clauses 2.2.11(1)(f) and (g) of the **IM determination**;
- (d) in relation to the **RAB**, means the sum of value of the assets (as determined in accordance with paragraph (a)) which is allocated to the **gas distribution services** in accordance with clause 2.1.1 of the **IM determination**

Atypical

means ‘one off’ or ‘exceptional’ costs incurred often as a result of events outside management control

Audited disclosure information

means information disclosed under any of 2.3.1 and 2.3.2 of section 2.3, clauses 2.4.19 and 2.4.20 of section 2.4, clause 2.5.1 of section 2.5, clause 2.7.1 of section 2.7 and clause 2.12.1 of section 2.12 of this determination

B

C

Capital contributions

has the meaning set out in the **IM determination**

Capital expenditure

means:

- (a) in relation to the **unallocated works under construction**, costs:
 - (i) incurred in the acquisition or

- development of an asset during the **disclosure year** that is, or is intended to be, **commissioned**; and
- (ii) that are included or are intended to be included in the value of **assets commissioned** relating to the **unallocated RAB**;
- (b) in relation to the report on **related party transactions**, costs:
 - (i) incurred in the acquisition or development of an asset during the **disclosure year** that is, or is intended to be, **commissioned**; and
 - (ii) that are included or are intended to be included in the value of **assets commissioned** relating to the **RAB**; and
 - (iii) that are as a result of **related party transactions**;
- (c) in all other instances, costs:
 - (i) incurred or forecast to be incurred in the acquisition or development of an asset during the **disclosure year** that is, or is intended to be, **commissioned**; and
 - (ii) that are included or are intended to be included in the value of **assets commissioned** relating to the **RAB**

Commission

means the Commerce Commission

Consumer

means a person that consumes or acquires **gas distribution services**

Consumer group

means the category of **consumer** used by the **GDB** for the purposes of setting **prices**

Contract

means a contract for the supply of goods or services (or both) whether or not the contract, or any part of the contract, is in writing and, for the avoidance of doubt, includes:

- (a) a contract under which goods or services, (or both) are being supplied, although some or all of the terms and conditions in relation to the supply of those goods or

	<p>services have not been settled; and</p> <p>(b) any operating agreement, side letter, or documentation that influences, adjusts or amends the terms and conditions of that contract</p>
Contracting services	<p>means the following services, when provided under a contract between the GDB and a related party:</p> <p>(a) construction and maintenance</p> <p>(b) network management</p> <p>(c) connection and disconnection services</p>
Customer connection	<p>In relation to expenditure, means gross capital expenditure where the primary driver is the establishment of a new customer connection point or alterations to an existing customer connection point. This expenditure category includes gross capital expenditure relating to:</p> <ul style="list-style-type: none"> • connection assets and/or parts of the network for which the expenditure is recoverable in total, or in part, by a contribution from the customer requesting the new or altered connection point; and • both gas injection and offtake points of connection
CY, CY-X or CY+X	<p>means</p> <p>(a) the disclosure year or</p> <p>(b) where a '-' precedes 'X', the Xth year preceding the disclosure year or</p> <p>(c) where a '+' precedes the 'X', the Xth year following the disclosure year</p>
	D
Direct billing	<p>in relation to expenditure, means operational expenditure associated with directly billing end consumers and recovering payments due. This includes billing services, credit and debtor management, associated customer call centres, and customer account management</p>
Directly attributable	<p>has the meaning set out in the IM determination</p>

Director	has the meaning set out in the IM determination
Disclosure year	means: <ul style="list-style-type: none"> (a) for Vector and for GasNet the 12 month period ending on 30 June of the year the disclosure relates or if the term disclosure year is preceded by a year, the 12 month period ended on 30 June of that year (b) for Powerco the 12 month period ending on 30 September of the year the disclosure relates or if the term disclosure year is preceded by a year, the 12 month period ended on 30 September of that year
Distribution system	
DPP regulatory period	
	E
	F
	G
GAAP	means generally accepted accounting practice in New Zealand
GDB	means gas distribution business as that term is defined in the IM determination
GPB	means gas pipeline businesses, and includes GDBs and GTBs
GTB	has the meaning set out in the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010
Gas distribution services	has the meaning set out in the IM determination
Gas pipeline services	has the meaning set out in s 55 of the Act
Gate station	
Gross capital expenditure	means capital expenditure plus capital contributions and net value of vested assets

H

I

IM determination

means the Commerce Act (Gas Distribution Services Input Methodologies) Determination 2010

Independent auditor

means a person who:

- (a) is qualified for appointment as auditor of a company under the Companies Act 1993 or, where the **GPB** is a public entity (as defined in s 4 of the Public Audit Act 2001), is the Auditor-General;
- (b) has no relationship with, or interest in, the **GPB** that is likely to involve a conflict of interest;
- (c) has not assisted with the compilation of the information or provided advice or opinions (other than in relation to audit reports) on the methodologies or processes used in compiling the information; and
- (d) is not associated with nor directed by any **person** who has provided any such assistance, advice, or opinion

Initial RAB

has the meaning set out in the **IM determination**

Interruption

means, in relation to the supply of gas to a connection point, the cessation of supply of gas to that connection point for a period of 1 minute or longer, including the short time taken to replace a defective regulator

L

Legislative and regulatory

in relation to expenditure, means **gross capital expenditure** where the **primary driver** is a new regulatory or legal requirement that results in the creation of, or modification to, **network assets**

Line charge revenue

means revenue from **prices**

M

Main pipe	means the pipes that transport gas from the bulk supply transmission system to each service pipe
Mark-up	means the margin charged on the directly attributed cost incurred by the related party in providing a good or service which is included in the price of the good or service.
Month	

N

Net value of vested assets	means the fair value of assets whose ownership is vested in a GDB (whether or not for some consideration) less any consideration paid for those assets
Network	has the meaning set out in the IM determination
Nominal New Zealand dollars	in relation to an expenditure or revenue forecast, means the New Zealand dollar prices expected to apply at the time of transaction
Non-network capex (or non-system fixed assets)	in relation to expenditure, means gross capital expenditure related to the provision of gas pipeline services but that is not directly related to any network asset, and includes expenditure on or in relation to: <ul style="list-style-type: none"> • information and technology systems; • asset management systems; • office buildings, depots and workshops; • office furniture and equipment; • motor vehicles; • tools, plant and machinery; and any other items treated as non-system fixed assets under Generally Accepted Accounting Practice (GAAP)
Non-standard contract	means a contract that is not a standard contract

Not directly attributable	<p>means:</p> <ul style="list-style-type: none"> (a) in relation to operating costs, operating costs that are not directly attributable; (b) in relation to regulated service asset valves, regulated service asset values that are not directly attributable
	O
Operating cost	has the meaning set out in the IM determination
Operational expenditure	means operating costs after applying clause 2.1.1 of the IM determination , except in relation to the report on related party transactions where it means operating costs from related party transactions as determined after applying clause 2.3.6 of the IM determination
Other assets	means assets used by the GDB to provide gas distribution services and which are not intermediate pressure main pipelines, medium pressure main pipelines, low pressure main pipelines, service pipelines, stations, line valves, special crossings, or other system fixed assets
Other regulated income	has the meaning set out in the IM determination ;
Other system fixed assets	means network assets used by the GDB to provide gas transmission services that are not intermediate pressure main pipelines, medium pressure main pipelines, low pressure main pipelines, service pipelines, stations, line valves, or special crossings
	P
Person	means a natural person, a corporation sole, a body corporate or an unincorporated body
Planned interruption	means any interruption in respect of which not less than 24 hours' notice was given, either to the public or to all gas consumers affected by the interruption

Prescribed contract

in relation to a **GDB**, means -

- (i) a contract under which the **GDB** supplies **gas pipeline services**:
- (ii) a contract for **related services**, if goods or services are to be supplied under the **contract** by—

- (i) the **GDB**; or
- (ii) a **person** that is a related party of the **GDB**; or
- (iii) a **person** that carries out gas pipeline services by means of a **system** that is owned by the **GDB**; or
- (iv) a **person** that is a related party of a **person** of the kind referred to in subparagraph (iii)

Prescribed terms and conditions

means, in relation to a **contract** for the supply of **gas pipeline services**, the terms and conditions of the contract that—

- (a) describe the goods or services to be supplied under the **contract**
- (b) describe the quantity or amount of those goods or services
- (c) specify, determine, or provide for the determination of the:
 - (i) **price** at which those goods or services are to be supplied
 - (ii) timing of payment for those goods or services
 - (iii) security for payment for those goods or services
 - (iv) **GDB's** obligations and responsibilities (if

any) to **consumers** in the event that the supply of **gas pipeline services** to **consumers** is interrupted.

Pressure regulating stations	means an installation that automatically regulates the pressure into a downstream piping system
Prices	has the meaning set out in the IM determination ;
Pricing principles	means, in relation to the supply of gas pipeline services , the principles as defined in clause 2.5.2 of the IM determination
Pricing strategy	means a decision made by the Board of Directors of the GDB on the approach to setting prices , and recorded in writing.
Primary driver	<p>means the primary reason for a decision to incur a cost in the year the cost was incurred or forecast to be incurred.</p> <p>For example, an asset may be relocated at the request of a third party and, at the same time, capacity on the asset increased to take account of expected future demand. If it is the third party request that required the asset to be relocated at that time, then the gross capital expenditure would be allocated to asset relocation. If the deadline for relocating the asset was not imminent, but the project had to be completed to allow for the increase in capacity, then the gross capital expenditure would be allocated to system growth.</p> <p>Where there is more than one driver for a cost, and the cost is a significant proportion of operational expenditure or gross capital expenditure, expenditure may be apportioned between expenditure categories according to the relative importance of each driver to the decision, or the project divided into cost categories</p>
Publicly disclose	<p>in relation to any information, means to:</p> <p>(a) disclose the information to the public on the Internet at the GDB's usual publicly accessible website;</p> <p>(b) make copies of the information available for inspection by any person during ordinary office hours, at the principal office of the GDB</p>

making the public disclosure and

- (c) within 10 working days of being requested to do so by any person, provide that person with a copy of the information, either by post or for collection (during ordinary office hours) from that principal office, whichever the person prefers; and
- (d) within 5 working days after the information is disclosed to the public, provide a copy of the information to the **Commission** in the form that it is disclosed to the public and in an electronic format that is compatible with Microsoft Excel or Microsoft Word (as the case may be),

and **public disclosure** and **publicly disclosing** have corresponding meanings

Q

Quality of supply

in relation to expenditure, means **gross capital expenditure** where the **primary driver** is the need to meet improved security and/or quality of supply standards. This may include expenditure to:

- reduce the overall outage/fault rate of the **network**;
- reduce the average time that customers are affected by planned and/or unplanned interruptions; or
- reduce the average number of customers affected by planned and/or unplanned interruptions

R

RAB

means regulatory asset base and for the components of the RAB roll-forward, the values after applying clause 2.1.1 of the **IM determination**

Real New Zealand dollars

means, in relation to the prospective disclosures made under clauses, 2.6.1, 2.6.3,

	and 2.6.5(1), New Zealand dollars denominated in real terms as at the mid-point of the disclosure year
Record	has the meaning set out in section 4 of the Public Records Act 2005
Regulated service asset value	has the meaning set out in the IM determination
Regulatory taxable income	has the meaning set out in the IM determination
Related party	has the meaning set out in the IM determination
Related party transaction	means a transaction with a related party
Related services	means any contract for the supply of goods or services (other than a contract for the supply or conveyance of gas or the supply of gas appliances) in any case where- (a) there is a linkage between: (i) that contract ; and (ii) a contract for the supply or conveyance of gas by reason that the consideration for the supply of those goods or services is linked to, or combined with, payment for the supply or conveyance of that gas; and (b) the monetary value of the goods or services supplied, or to be supplied, under the contract referred to in (a)(i) above, in respect of: (i) the period of 12 months immediately before the information relating to the contract for the supply or conveyance of gas that is publicly disclosed as required by clauses 2.4.9 or 2.4.10; or (ii) the period of 12 months immediately after that information is publicly disclosed - amounts to or will amount to more than 1% of the monetary value or projected monetary value of the contract for the supply or conveyance of gas
Revenue	means total regulatory income accrued in each

Routine and corrective maintenance and inspection	<p>of the months of the disclosure year in relation to expenditure, means operational expenditure where the primary driver is the activities specified in planned or programmed inspection, testing and maintenance work schedules and includes:</p> <ul style="list-style-type: none"> • fault rectification work that is undertaken at a time or date subsequent to any initial fault response and restoration activities • routine inspection • functional and intrusive testing of assets, plant and equipment including critical spares and equipment • helicopter, vehicle and foot patrols, including negotiation of landowner access • asset surveys • environmental response • painting of network assets • outdoor and indoor maintenance of stations, including weed and vegetation clearance, lawn mowing and fencing • maintenance of access tracks, including associated security structures and weed and vegetation clearance • customer-driven maintenance • notices issued
Service pipe	<p>S</p> <p>means the pipes used for the transport of gas from the main pipe to the customer isolation valve</p>
Shared asset	<p>means a network asset used by more than one consumer in order to receive gas pipeline services</p>
Sole use assets	<p>means assets connected to the network for use by only 1 connecting consumer in order to receive gas pipeline services</p>

Special crossings	means a section of main pipe or service pipe and associated assets (ie, support structures, vents, casings etc), where the associated assets are installed for the purpose of crossing a road, railway or river etc.
Standard contract	<p>means, any contract (being a contract for the carrying out of gas pipeline services) between a GDB, and any other person, where –</p> <p>(a) the price at which the gas pipeline services are to be carried out under the contract is determined solely by reference to a schedule of prescribed terms and conditions, being a schedule that is publicly disclosed; and</p> <p>(b) at least 4 other persons have such contracts with the GDB, and none of those other persons is a related party of the GDB, or is a related party of those other persons</p>
Station	means a facility at which gas pressure is regulated
Sub-network	<p>means, in relation to network assets of—</p> <p>(a) Vector, either the assets located in the Auckland geographic region or the assets located outside that region; and</p> <p>(b) Powerco, either the assets located in the Wellington and the Hutt Valley & Porirua geographic regions or the assets located outside those regions</p>
System	in relation to a pipeline owner, means a configuration of connected pipes and other fittings that are used or intended to be used for the conveyance or supply of gas
System growth	in relation to expenditure, means gross capital expenditure where the primary driver is a change in demand on a part of the network which results in a requirement for either additional capacity to meet this demand or

additional investment to maintain current security and/or quality of supply standards due to the increased demand. This expenditure category includes **gross capital expenditure** associated with SCADA and telecommunications assets

T

Target revenue

means the revenue that the **GDB** expects to obtain from **prices**

Total opening RAB values

means:

- (a) in relation to the **unallocated RAB**, the sum of unallocated opening **RAB** values as determined in accordance with the **IM determination**;
- (b) in relation to the **RAB**, the sum of opening **RAB** values as determined in accordance with the **IM determination**

Total regulatory income

means:

- (a) in relation to the Report on Regulatory Profit, sum of **line charge revenue** and **other regulated income**
- (b) in relation to the report on **related party**, the total **regulatory income from related party transactions** as determined after applying **clause 2.3.6 of this determination**

Transitional AMP

has the meaning specified in clause 2.12.6(2)

U

Unallocated RAB

means for the components of the **RAB** roll-forward, the values before the application of clause 2.1.1 of the **IM determination**

Unplanned interruption

means any interruption in respect of which less than 10 days notice, or no notice, was given, either to the retailer or to all gas consumers affected by the interruption

V

Valve

means a fitting installed in a pipeline designed to control the flow of gas

W

Y

PART 2 DISCLOSURE REQUIREMENTS

2.1 INFORMATION DISCLOSURE

2.1.1 Subject to sections 2.11 and 2.12, from the commencement date every **GDB** must comply with the information disclosure requirements set out in this determination and, in particular, must comply with:

- (1) The requirements to disclose financial and other information in section 2.3
- (2) The requirement to disclose pricing and related information in section 2.4
- (3) The requirement to disclose non-financial information relating to network assets in section 2.5
- (4) The requirement to disclose asset management plans and forecast information in section 2.6
- (5) The requirement to disclose explanatory notes in relation to disclosed information in section 2.7
- (6) The audit, certification and verification requirements in section 2.8 and 2.9
- (7) The retention and continuous disclosure requirements in section 2.10.
- (8) The transitional provisions in section 2.12

2.2 APPLICABLE INPUT METHODOLOGIES

2.2.1 Every **GDB** must apply the following input methodologies as applicable, when complying with this determination:

- (1) Subpart 1 of part 2, cost allocation
- (2) Subpart 2 of part 2, asset valuation
- (3) Subpart 3 of part 2, treatment of taxation
- (4) Subpart 4 of part 2, cost of capital
- (5) Subpart 4 of part 2, pricing methodologies

2.3 FINANCIAL INFORMATION FOR THE DISCLOSURE YEAR

Annual Disclosure Relating to Financial Information for the Disclosure Year

2.3.1 Subject to section 2.12, within 6 months after the end of each **disclosure year**, every **GDB** must disclose information relating to its financial position by:

- (1) Completing each of the following reports by inserting all information relating to the **gas pipeline services** supplied by the **GDB** for that **disclosure year**:
 - (a) the Comparison of Forecasts to Actual Expenditure set out in Schedule 2;
 - (b) the Report on Return on Investment set out in Schedule 3;
 - (c) the Report on Term Credit Spread Differential Allowance set out in Schedule 3a
 - (d) the Report on Regulatory Asset Base Roll Forward set out in Schedule 4
 - (e) the Report on Asset Allocations set out in Schedule 4a
 - (f) the Report on Regulatory Profit set out in Schedule 5;
 - (g) the Report on Regulatory Tax Allowance set out in Schedule 5a
 - (h) the Report on Related Party Transactions set out in Schedule 5b;
 - (i) the Report on Cost Allocations set out in Schedule 5c;
 - (j) the Report on Capital Expenditure for the Disclosure Year set out in Schedule 6;
 - (k) the Report on Operational Expenditure for the Disclosure Year set out in Schedule 7; and
- (2) **Publicly disclosing** each of those reports;

2.3.2 Subject to section 2.12, within 6 months after the end of each **disclosure year**, every **GDB** must disclose to the **Commission** information supporting the information disclosed in accordance with subclause 2.3.1 of this section above by:

- (1) Completing each of the following reports by inserting all information relating to the information supplied by the **GDB** in Schedules 4a and 5c for that **disclosure year**:

- (a) the Report Supporting Asset Allocation set out in Schedule 4b;
- (b) the Report Supporting Cost Allocation set out in Schedule 5d;

Alternative Method for Return on Investment Information

2.3.3 Subject to section 2.12, in completing the Report on Return on Investment in Schedule 3:

- (1) an **GDB** must disclose information in accordance with part 3(iii) of Schedule 3 if the calculation of ROI under part 3(iii), to the extent it relates to the specific timing and value of **assets commissioned** by the **GDB** during the **disclosure year**, would lead to a difference of 50 basis points or more compared to the ROI calculation set out in part 3(i) of Schedule 3;
- (2) Otherwise an **GDB** may elect to disclose information in accordance with part 3(iii) of Schedule 3;

Term Credit Spread Differential Allowance

2.3.4 Schedule 3a is only required to be completed by qualifying suppliers as qualifying suppliers is defined in the IM determination.

Allocation of Assets and Operating Costs

2.3.5 In completing the Report on Asset Allocations in Schedule 4a and the Report on Cost Allocations in Schedule 5c every **GDB** must **publicly disclose**, for each asset category in Schedule 4a and each **operational expenditure** category in Schedule 5c that has **not directly attributable** costs:

- (1) A description of the **not directly attributable** costs or assets;
- (2) The allocation methodology types used to allocate the **not directly attributable** costs or assets;
- (3) Where more than one allocation method is used, the percentage of **not directly attributable** costs or assets allocated using each method;
- (4) Where ABAA or OVABAA methodologies are used, whether the **allocators** are proxy asset allocators, proxy cost allocators or causal allocators, as ABAA, OVABAA, proxy assets allocator, proxy cost allocator and causal are defined in the **IM determination**; and
- (5) The **allocators** used and the rationale for using each **allocator**

Related Party Transactions

2.3.6 For the purpose of clause 2.3.1, the cost of any service, good, or asset from a **related party** must be:

- (1) for any **assets acquired from a related party**, as determined in accordance with clause 2.2.11(1)(g) of the **IM determination**; or
- (2) for any service, good, or for any assets other than **assets acquired from a related party**, one of the following:
 - (a) at the directly attributable cost incurred by the **related party** in accordance with the cost allocation process set out in clauses [clause references] of the **IM determination**, provided that the cost incurred by the **related party** in providing the service to the **GDB**—
 - (i) is fair and reasonable to the **GDB**, and
 - (ii) is substantially the same as the cost incurred by the **related party** in providing the same type of services to third parties;; or
 - (b) for **electrical contracting services** to maintain or develop the **network**, at the directly attributable cost incurred by the **related party**, determined in accordance with the cost allocation process and approaches of the **IM determination**, plus a **mark-up** which does not exceed 17.2%; or
 - (c) the price paid by the **GDB**, where—
 - (i) at least 50% of the **related party's** sales of services, goods, and assets are to third parties, and third parties may purchase the same or similar services, goods, and assets from the **related party** on substantially the same terms and conditions, including price; or
 - (ii) that price is substantially the same as the price paid for the same or substantially similar services (including any adjustments for inflation using CPI or an appropriate input price index) on substantially the same terms and conditions in the preceding 3 **disclosure years** from a party other than a **related party**; or
 - (d) at the price paid by the **GDB**, where –

- (i) the price paid for all services, goods, and assets acquired from that **related party** is less than 1% of the **GDB's** total revenue from the **regulated service** for that year, and
 - (ii) the total price paid for all **related party transactions** is less than 5% of the **GDB's** total revenue from the **regulated service**; or
- (e) at the price paid by the **GDB** to the **related party** following a competitive tender process, provided that—
 - (i) the price is no more than 5% higher than the price of the lowest conforming tender received;
 - (ii) all relevant information material to consideration of a proposal was provided to third parties, or made available upon request;
 - (iii) at least one other qualifying proposal was received;
 - (iv) the final agreement for the provision of the services, goods, or assets by the **related party** does not include any **special contract terms**;
 - (v) the **GDB** retains for a period of 7 years following the closing date of tender proposals a record of the tender and tender process, including request for information and/or proposal, the criteria used for the assessment of proposals, reasons for acceptance or rejection of proposals, and all proposals and requests for information on the tender for the purposes of making proposals; and
 - (vi) its **directly attributable** cost would be as incurred by the group to which the **GDB** and **related party** are a part, determined in accordance with GAAP, as if the consolidated group was the **GDB**;
- (f) the price paid by the **GDB**, provided—
 - (i) the price cannot otherwise be determined under subclauses (a) to (e), and
 - (ii) no fewer than 2 **directors** of the **GDB** provide a written certification that they are satisfied that the price or prices paid for all services, goods, or assets determined in accordance with this

paragraph reflect the price or prices that would be received in an arm's-length transaction; or

(g) nil.

2.3.7 For the purpose of clause 2.3.1 above, the price received for any sale or supply of services, goods, or assets to a **related party**, must be one of the following:

- (1) if the **related party** is another **GDB**, an **EDB**, or **GTB** required to publicly disclose the price paid or cost incurred in accordance with another **Commission** determination, then the price received must be that disclosed by the **related party**; or
- (2) if the price received cannot be determined under subclause (1), then:
 - (a) at the price received from the **related party**, where the **GDB** makes at least 50% of its revenue from the provision of similar services to unrelated parties, and the price charged by the **GDB** to the **related party** is substantially the same as the price charged to third parties for similar services, goods, or assets on substantially the same terms and conditions; or
 - (b) at the price received from the **related party**, provided that no fewer than 2 directors of the **GDB**'s provide a written certification that they are satisfied that the prices received for all services, goods, or assets provided to **related parties** reflect the price or prices that would be received in an arm's length transaction; or
 - (c) at the cost incurred by the **GDB** in providing the service, good, or asset.

Information on capital expenditure projects

2.3.8 Subject to section 2.12, in completing the Report on Capital Expenditure for the Disclosure Year in Schedule 6, **GDBs** must disclose the following information in relation to **material projects and programmes**:

- (1) Separately disclose **customer connection** expenditure for each customer type defined by the **GDB** in 6(iii) of Schedule 6;
- (2) For each material **asset relocation** project in Schedule 6:
 - (a) separately disclose a brief description of the project and its value in 6(v) of Schedule 6

- (b) provide any additional commentary, including the purpose of the project and a description of the assets relocated for each project in Schedule 14 (Mandatory Explanatory Notes)
- (3) For each material **quality of supply** project:
 - (a) separately disclose a brief description of the project and its value in 6(vi) in Schedule 6;
 - (b) provide any additional commentary, including the purpose of the project and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes)
- (4) For each material **legislative and regulatory** project:
 - (a) separately disclose a brief description of the **legislative and regulatory** requirement and the value of the project in 6 (vii) in Schedule 6;
 - (b) provide any additional commentary, including the purpose of the projects and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes);
- (5) For each material **other reliability, safety and environment** project in Schedule 6:
 - (a) separately disclose a brief description of the project and its value in 6(viii) of Schedule 6;
 - (b) provide any additional commentary, including the purpose of the project and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes);
- (6) For each material **non-network capex** project in Schedule 6:
 - (a) separately disclose a brief description of the project and its value in 6(ix) in Schedule 6
 - (b) provide any additional commentary, including the purpose of the project and a description of the assets affected for each project in Schedule 14 (Mandatory Explanatory Notes)

2.4 PRICING AND RELATED INFORMATION

Disclosure of pricing methodologies

- 2.4.1 Every **GDB** must **publicly disclose**, before the start of each **disclosure year**, a pricing methodology which:
- (1) Describes the methodology, in accordance with clause 2.4.3 of this section, used to calculate the **prices** payable or to be payable
 - (2) Describes any changes in **prices** and **target revenues**
 - (3) Explains, in accordance with clause 2.4.5 of this section, the approach taken with respect to pricing in **non-standard contracts**
 - (4) Explains whether, and if so how, the **GDB** has sought the views of **consumers**, their expectations in terms of **price** and quality, and reflected those views, in calculating the **prices** payable or to be payable. If the **GDB** has not sought the views of **consumers**, the reasons for not doing so must be disclosed.
- 2.4.2 Any change in the pricing methodology or adoption of a different pricing methodology, must be **publicly disclosed** at least 20 working days before the change or the adoption of a different methodology takes effect.
- 2.4.3 Every disclosure under clause 2.4.1 above must:
- (1) Include sufficient information and commentary to enable interested persons to understand how **prices** were set for each **consumer group**, including the assumptions and statistics used to determine **prices** for each **consumer group**
 - (2) Demonstrate the extent to which the pricing methodology is consistent with the **pricing principles** and explain the reasons for any inconsistency between the pricing methodology and the **pricing principles**
 - (3) State the **target revenue** to be collected for the current **disclosure year**
 - (4) Where applicable, identify the key components of **target revenue** required to cover the costs and return on investment associated with the **GDB's** provision of **gas pipeline services**. Disclosure must include the numerical value of each of the components
 - (5) State the **consumer groups** for whom **prices** have been set, and describe:
 - (a) the rationale for grouping **consumers** in this way
 - (b) the method and the criteria used by the **GDB** to allocate **consumers** to each of the **consumer groups**.

- (6) If **prices** have changed from **prices** disclosed for the immediately preceding **disclosure year**, explain the reasons for changes, and quantify the difference in respect of each of those reasons
- (7) Where applicable, describe the method used by the **GDB** to allocate the **target revenue** among **consumer groups**, including the numerical values of the **target revenue** allocated to each **consumer group** and the rationale for allocating it in this way

2.4.4 State the proportion of **target revenue** (if applicable) that is collected through each tariff type as publicly disclosed annually under clause 2.4.16. Every disclosure under clause 2.4.1 above must, if the **GDB** has a **pricing strategy**:

- (1) Explain the **pricing strategy** for the next 5 **disclosure years** (or as close to 5 years as the **pricing strategy** allows), including the current **disclosure year** for which **prices** are set
- (2) Explain how and why **prices** for each **consumer group** are expected to change as a result of the **pricing strategy**
- (3) If the **pricing strategy** has changed from the preceding **disclosure year**, identify the changes and explain the reasons for the changes.

2.4.5 Every disclosure under clause 2.4.1 above must:

- (1) Describe the approach to setting **prices** for **non-standard contracts**, including:
 - (a) the extent of **non-standard contract** use, including the number of ICPs represented by **non-standard contracts** and the value of **target revenue** anticipated from **non-standard contracts**
 - (b) how the **GDB** determines whether to use a **non-standard contract**, including any criteria used
 - (c) any specific criteria or methodology used for determining **prices** for **non-standard contracts**, and how that criteria or methodology is consistent with the **pricing principles**
- (2) Describe the **GDB's** obligations and responsibilities (if any) to customers on **non-standard contracts** in the event that the supply of **gas pipeline services** to the customer is interrupted. Disclosure must explain:

- (a) the extent of the differences in these terms between **standard contracts** and **non-standard contracts**
- (b) any implications of this approach for determining **prices** for **non-standard contracts**.

Disclosure of capital contributions

2.4.6 Every **GDB** must at all times **publicly disclose**:

- (1) A description of its current policy or methodology for determining **capital contributions**, including:
 - (a) the circumstances (or how to determine the circumstances) under which the **GDB** may require a **capital contribution** how the amount payable of any **capital contribution** is determined. Disclosure must include a description of how the costs of any **shared assets** (if applicable) and any **sole use assets** that are included in the amount of the **capital contribution**, are calculated
 - (b) the extent to which any policy or methodology applied is consistent with the relevant **pricing principles**
- (2) A statement of whether a **consumer** or any other **person** can use an independent contractor to undertake some or all of the work covered by the **capital contribution** sought by the **GDB**, as an alternative to paying the full amount of the **capital contribution** to the **GDB**
- (3) If the **GDB** has a standard schedule of **capital contributions** charges, the current version of that standard schedule.

2.4.7 When a **consumer** or other **person** from whom the **GDB** seeks a **capital contribution** is sought queries the **capital contribution** charge, (and when the charge is not covered in the schedule of standard **capital contribution** charges, or no such schedule exists) a **GDB** must, within 10 working days of receiving the request, provide reasonable explanation to any reasonable query from that **consumer** or other **person** of the components of that charge and how these were determined.

2.4.8 The requirements in clauses 2.4.6 and 2.4.7 apply if:

- (1) the **GDB** determines the amount of **capital contributions**
- (2) the **GDB** has or can obtain information about the policy or methodology used by another **person** to determine **capital contributions** where the **GDB** receives those **capital contributions**.

Disclosure of prescribed terms and conditions of contracts

- 2.4.9 Subject to clause 2.4.15, every **GDB** must, not later than 20 working days after entering into a **prescribed contract** that is a **standard contract**, **publicly disclose** the **prescribed terms and conditions** of the **prescribed contract**.
- 2.4.10 Subject to section 53C(4) of the **Act** every **GDB** must, in respect of all **prescribed contracts** that are **non-standard contracts** entered into during the disclosure year, within 5 months after the end of that **disclosure year**, either **publicly disclose**
- (1) **publicly disclose** a description of the goods or services to be supplied under the **prescribed contract** and the quantity or amount of those goods or services; and
 - (2) **publicly disclose** the **prescribed terms and conditions** of each **prescribed contract** with the exception of **prescribed terms and conditions** that specify, determine, or provide for the determination of the **price** at which goods or services are to be supplied.
- 2.4.11 For any contract for which information is publicly disclosed under clause 2.4.10, unless **prescribed terms and conditions** have been publicly disclosed under subclause 2.4.10(2)(b), every **GDB** must, within 20 working days of a request by any **person**, provide to that **person** and **publicly disclose** the **prescribed terms and conditions** of the **prescribed contract**, with the exception of **prescribed terms and conditions** that specify, determine, or provide for the determination of the **price** at which goods or services are to be supplied.
- 2.4.12 Subject to section 53C(4) of the **Act**, if any **prescribed terms and conditions** of a **prescribed contract** (where it is also a **standard contract**, including a **prescribed contract** that was entered into before the date on which this determination comes into force) are modified, the **GDB** must, not later than 20 working days after those modifications take effect, **publicly disclose**:
- (1) the **prescribed contract** concerned
 - (2) the modifications made to the **prescribed terms and conditions**.

2.4.13 Subject to section 53C(4) of the **Act** and within 5 months after the end of the **disclosure year**, if any **prescribed terms and conditions** of a **prescribed contract** that is a **non-standard contract** (including a **prescribed contract** that was entered into before the date on which this determination comes into force) are modified, the **GDB** must disclose to any **person**, within 20 working days of receiving a request from that **person**, the modifications made to the **prescribed terms and conditions**.

2.4.14 Every **GDB** must, when **publicly disclosing** or disclosing on request to any **person** (as the case may be) the **prescribed terms and conditions** of a **non-standard contract** under either of clauses 2.4.10 or 2.4.11 of this section, include the following information:

- (1) the maximum daily amount of gas (in gigajoules) to be conveyed to the **consumer** under the **contract**, or (if the amount is not quantified in the **contract**) a reasonable estimate of that amount based on the duration of the **contract**
- (2) the pressure or pressures at which the gas is to be supplied or conveyed under that **contract**, or (if the pressure is not specified in the **contract**) a reasonable estimate of that pressure

2.4.15 For the purposes of this section, **public disclosure** by a **GDB** of the **prescribed terms and conditions** of a **standard contract** is to be regarded as **public disclosure** by that **GDB** in relation to all of its **standard contracts** with the same **prescribed terms and conditions**.

Disclosure of prices

2.4.16 Every **GDB** must at all times **publicly disclose**:

- (1) Each current **price** expressed in a manner that enables individual **consumers** to determine:
 - (a) the **consumer group** or groups applicable to them
 - (b) the total **price** for **gas pipeline services** applicable to them
 - (c) of the total **price**, the **prices** represented by each charge type applicable to them
- (2) The number (or estimated number) of **consumers** by whom each **price** is payable
- (3) The date at which each **price** was or will be first introduced

- (4) The **price** that was payable immediately before each current **price** (if any) expressed in the manner referred to in subclause (1) above.

2.4.17 Every **GDB** must, at least 20 working days before changing a **price** or introducing a new **price** that is payable by 5 or more **consumers**,

- (1) **Publicly disclose:**

- (a) the information specified in clause 2.4.16 of this section in respect of that **price**
- (b) an explanation of the reasons for the new **price** or the changed **price**.

- (2) In addition, either-

- (a) give written notice to each **consumer** by whom that **price** is payable the information specified in clause 2.4.16 of this section in respect of that **price**
- (b) notify in the news section of either 2 separate editions of each newspaper or online news media that is widely read by **consumers** connected to that **GDB's network**, details of the changed **price**, including:
 - (i) the changed **price** alongside the immediately preceding **price** applicable
 - (ii) contact details where further details of the new or changed **price** can be found including the URL of the **GDB's** publicly accessible website.

2.4.18 Every **GDB** must, in respect of all new **prices** payable by 4 or fewer **consumers**,

- (1) At least 20 working days before introducing a new **price**, give written notice to each **consumer** by whom that **price** is payable, the information specified in clause 2.4.16 of this section in respect of that **price**

Annual disclosure of information on quantities and revenues billed

2.4.19 Within 6 months of the end of each **disclosure year**, every **GDB** must **publicly disclose** the information specified in Schedule 8a and 8b.

2.4.20 If prices differ between **sub-networks**, a separate Schedule 8a and 8b must be completed for each **sub-network**.

2.5 NON-FINANCIAL INFORMATION RELATED TO NETWORK ASSETS

2.5.1 Within 6 months after the end of each **disclosure year**, every **GDB** must—

- (1) Complete each of the following reports by inserting all information relating to the **gas distribution services** supplied by the **GDB** for the **disclosure year(s)** provided for in the reports:
 - (a) the Asset Register set out in Schedule 9a;
 - (b) the Asset Age Profile set out in Schedule 9b;
 - (c) the Report on Pipeline Data set out in Schedule 9c;
 - (d) the Report on Demand set out in Schedule 9d;
 - (e) the Report on Network Reliability and Interruptions in Schedule 10;
 - (f) the Report on Network Integrity and Customer Service in Schedule 10a; and
 - (g) **publicly** disclose these reports.
- (2) If a **GDB** has **sub-networks**, complete each of the following reports by inserting all information relating to the **gas distribution services** supplied by the **GDB** in relation to each **sub-network** for the **disclosure years** provided for in the reports—
 - (a) the Asset Register set out in Schedule 9a;
 - (b) the Asset Age Profile set out in Schedule 9b;
 - (c) the Report on Pipeline Data set out in Schedule 9c;
 - (d) the Report on Demand set out in Schedule 9d;
 - (e) the Report on Network Reliability and Interruptions in Schedule 10;
 - (f) the Report on Network Integrity and Customer Service in Schedule 10a; and
 - (g) **publicly disclose** these reports.

2.6 ASSET MANAGEMENT PLANS AND FORECAST INFORMATION

2.6.1 Subject to clause 2.6.3 of this section, before the start of each **disclosure year** commencing with the **disclosure year** 2014, every **GDB** must complete and **publicly disclose** an **AMP** that—

- (1) Relates to the **gas distribution services** supplied by the **GDB**
- (2) Meets the purposes of **AMP** disclosure set out in clause 2.6.2 below
- (3) Has been prepared in accordance with Appendix A
- (4) Contains the completed tables required in clause 2.6.5(2) below
- (5) Contains the Report on Asset Management Maturity set out in Schedule 13.

2.6.2 The purposes of **AMP** disclosure referred to in subclause 2.6.1(2) above are that the **AMP**—

- (1) Must provide sufficient information for interested persons to assess whether:
 - (a) assets are being managed for the long term
 - (b) the required level of performance is being delivered
 - (c) costs are efficient and performance efficiencies are being achieved
- (2) Must be capable of being fully understood by interested persons with a reasonable understanding of the management of infrastructure assets
- (3) Should provide a sound basis for the ongoing assessment of asset-related risks, particularly high impact asset-related risks.

2.6.3 If the disclosure year described in clause 2.6.1 above does not coincide with the first or fourth **disclosure year** of the **DPP regulatory period** and if the **GDB** has publicly disclosed an **AMP** under clause 2.6.1 above in respect of a prior **disclosure year**, then the **GDB** may—

- (1) Elect to not comply with clause 2.6.1 above in the current **disclosure year**; and
- (2) Complete and **publicly disclose**, before the start of the **disclosure year**, an **AMP update** under clause 2.6.4 below.

2.6.4 For the purpose of subclause 2.6.3(2) above, the **AMP update** must—

- (1) Relate to the **gas distribution services** supplied by the **GDB**;
- (2) Identify any material changes to the network development plans disclosed in the last **AMP** under clause 10 of Appendix A or in the last **AMP update** disclosed under this clause 2.6.4;
- (3) Identify any material changes to the lifecycle asset management maintenance and renewal) plans disclosed in the last **AMP** pursuant to clause 11 of Appendix A or in the last **AMP update** disclosed under this clause 2.6.4;
- (4) Contain the completed tables required in subclause 2.6.5(2) below
- (5) Provide the reasons for any material changes to the previous disclosures in the Report on Forecast Capital Expenditure set out in Schedule 11a and Report on Forecast Operational Expenditure set out in Schedule 11b
- (6) Identify any changes to the asset management practices of the **GDB** that would affect a schedule 13 Report on Asset Management Maturity disclosure.

2.6.5 Every **GDB** must—

- (1) Before the start of each **disclosure year**, complete each of the following reports by inserting all information relating to the **gas distribution services** supplied by the **GDB** for the **disclosure years** provided for in the following reports—
 - (a) the Report on Forecast Capital Expenditure in Schedule 11a
 - (b) the Report on Forecast Operational Expenditure in Schedule 11b
 - (c) the Report on Asset Condition in Schedule 12a
 - (d) the Report on Forecast Utilisation in Schedule 12b
 - (e) the Report on Forecast Demand in Schedule 12c
 - (f) the Report on Forecast Interruptions and Duration in Schedule 12d
- (2) Include, in the **AMP** or **AMP update** as applicable, the information contained in each of the tables described in subclause (1) above
- (3) Within 5 working days of publicly disclosing the **AMP** or **AMP update** as applicable, disclose these reports to the **Commission**

- (4) Within 6 months of the start of the **disclosure year**, **publicly disclose** these reports.

2.7 EXPLANATORY NOTES TO DISCLOSED INFORMATION

2.7.1 Within 6 months of the end of each **disclosure year**, every **GDB** must complete and **publicly disclose** the Schedule of Mandatory Explanatory Notes (Schedule 14) by inserting all information relating to information disclosed in accordance with clauses 2.3.1, 2.4.19, 2.4.20, and 2.5.1.

- (1) In relation to details of any insurance cover for the assets used to provide **gas pipeline services**, , the explanatory notes in Schedule 14 must include:
 - (a) The **GDB**'s approaches and practices in regard to the insurance of assets, including the level of insurance;
 - (b) In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.
- (2) Where an item disclosed in accordance with clause 2.3.1 or section 2.12 is classified differently from the previous year, the explanatory notes in Schedule 14 must include the:
 - (a) nature of the item reclassified;
 - (b) value of the item in the current **disclosure year** and in the previous **disclosure year**;
 - (c) classification of the item in the previous **disclosure year**;
 - (d) classification of the item in the current **disclosure year**; and
 - (e) reason why the item has been reclassified.

2.7.2 Within 6 months of the end of each **disclosure year**, every **GDB** must complete and **publicly disclose** the following information in the Mandatory Explanatory Notes on Forecast Information in Schedule 14a by inserting all relevant information relating to information disclosed in accordance with clause 2.6.5.

2.7.3 Within 6 months of the end of each **disclosure year**, every **GDB** may **publicly disclose** any further comments on the information disclosed in accordance with clauses 2.3.1, 2.4.19, 2.4.20, 2.5.1, and 2.6.5, in Schedule 15.

2.8 ASSURANCE REPORTS

2.8.1 Where a GDB is required to **publicly disclose** any **audited disclosure information**, the **GDB** must:

- (1) Procure an assurance report by an **independent auditor** in respect of that **audited disclosure information**, that is prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards, signed by the **independent auditor** (either in his or her own name or that of his or her firm), that:
 - (a) is addressed to the directors of the **GDB** and to the **Commission** as the intended users of the assurance report;
 - (b) states:
 - (i) that it has been prepared in accordance with Standard on Assurance Engagements 3100 – Compliance Engagements (SAE 3100) and International Standard on Assurance Engagements 3000 (ISAE (NZ) 3000) or their successor standards; and
 - (ii) the work done by the **independent auditor**; and
 - (iii) the scope and limitations of the audit; and
 - (iv) the existence of any relationship (other than that of auditor) which the **independent auditor** has with, or any interests which the **independent auditor** has in, the **GDB** or any of its subsidiaries or **related parties**; and
 - (v) whether the **independent auditor** has obtained sufficient recorded evidence and explanations that he or she required and, if not, the information and explanations not obtained; and
 - (vi) whether, in the **independent auditor**'s opinion, as far as appears from an examination, the information used in the preparation of Schedules 2, 3, 3a, 4, 4a, 4b, 4c, 5, 5a, 5b, 5c, 5d, 6, 7, 8a, 8b, 9a, 9b, 9c, 9d, 10, 10a, 14, 14a, and 14b has been properly extracted from the **GDB**'s accounting and other records, sourced from its financial and non-financial systems
 - (vii) whether, in the **independent auditor**'s opinion, as far as appears from an examination of them, proper **records** to

enable the complete and accurate compilation of information required by the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012 have been kept by the **GDB** and, if not, the **records** not so kept; and

- (c) States, whether (and, if not, the respects in which it has not), in the **independent auditor's** opinion, the **GDB** has complied, in all material respects, with the Commerce Act (Electricity Distribution Services Information Disclosure) Determination 2012; and
- (2) **Publicly disclose** the **independent auditor's** report prepared in accordance with subclause (1) above at the same time as the **GDB publicly discloses** the **audited disclosure information**.

2.9 CERTIFICATES

- 2.9.1 Where a **GDB** is required to **publicly disclose** any information under clause 2.4.1, clauses 2.6.1 and subclauses 2.6.3(2) and 2.6.5(2), and clause 2.12.6(1)(b) the **GDB** must at that time **publicly disclose** a certificate in the form set out in Schedule 17 in respect of that information, duly signed by 2 **directors** of the **GDB**.
- 2.9.2 Where a **GDB** is required to **publicly disclose** any information under any of clause 2.3.1 and 2.3.2, clauses 2.4.19 and 2.4.20, clause 2.5.1, and clauses 2.7.1 and 2.7.2, the **GDB** must at that time **publicly disclose** a certificate in the form set out in Schedule 18 in respect of that information, duly signed by 2 **directors** of the **GDB**.
- 2.9.3 Where a **GDB** is required to **publicly disclose** any information under clause 2.10.1, the **GDB** must at that time **publicly disclose** a certificate in the form set out in Schedule 19 in respect of that information, duly signed by 2 **directors** of the **GDB**.

2.10 RETENTION AND CONTINUING DISCLOSURES

- 2.10.1 A **GDB** that is required by this determination to **publicly disclose** any information must retain, and continuously **publicly disclose**, that information for at least 7 years from the date that information is first required to be **publicly disclosed**.

2.11 EXEMPTIONS

- 2.11.1 The **Commission** may at any time, by written notice to a **GDB**,-
 - (1) Exempt the **GDB** from any or all of the requirements of this determination, for a period and on such terms and conditions as the **Commission** specifies in the notice; and

- (2) Amend or revoke any such exemption

2.12 TRANSITIONAL PROVISIONS

2.12.1 Subject to clause 2.12.2, within 7 months after the end of the **disclosure year** 2012 in the case of Powerco, and 10 months after the end of the **disclosure year** 2012 in the case of Vector Limited and GasNet, each **GDB** must:

- (1) Complete the Report on Transitional Financial Information set out in Schedule 4c;
- (2) Complete the Report on Asset Allocations set out in Schedule 4a by inserting all information relating to the asset allocation for the **total opening RAB value** disclosed in Schedule 4;
- (3) Provide explanatory comment in Schedule 14b in relation to transitional financial information disclosed in Schedule 4c; and
- (4) **Publicly disclose** those reports.

2.12.2 Subject to clause 2.12.3, where a **GDB** has previously elected to undertake an adjustment in accordance with clause 2.2.1 of the **IM Determination**, within 7 months after the end of the **disclosure year** 2012 in the case of Powerco, and 10 months after the end of the **disclosure year** 2012 in the case of Vector Limited and GasNet, the **GDB** must **publicly disclose** the asset adjustment schedule and engineer's report that had previously been disclosed to the **Commission** under the relevant Notice to Supply Information to the **Commission** issued under section 53ZD of the Act.

2.12.3 Where a **GDB** has disclosed information to the **Commission** on the **initial RAB** and asset adjustment process as provided for under clauses 2.2.1 to 2.2.3 of the **IM Determination**, the information disclosed in accordance with clause 2.12.1 must be consistent with that previous disclosure to the **Commission**.

2.12.4 Notwithstanding any requirements set out in section 2.3, the following transitional provisions apply in respect of the **disclosure year** 2012:

- (1) Information in 3(i) of the Report on Return on Investment set out in Schedule 3 relating to **CY-2** and **CY-1** is not required to be disclosed
- (2) Information in 4(i) of the Report on Regulatory Asset Base Roll Forward set out in Schedule 4 relating to **CY-3** and **CY-4** is not required to be disclosed

- (3) Information in the Report on Capital Expenditure for the Disclosure Year set out in Schedule 6 and the Report on Operational Expenditure for the Disclosure Year set out in Schedule 7 is not required to be disclosed
- (4) Information in the Comparison of Forecasts to Actual Expenditure set out in Schedule 2 is not required to be disclosed
- (5) In completing the Report on Asset Allocation set out in Schedule 4a and the Report Supporting Asset Allocations set out in Schedule 4b, all allocations may be disclosed under **other assets**
- (6) In completing the Report on Cost Allocations set out in Schedule 5c and the Report Supporting Cost Allocations set out in Schedule 5d, all allocations may be disclosed under **direct billing**.

2.12.5 Notwithstanding any requirements set out in section 2.3, the following transitional provisions apply in respect of the **disclosure year 2013**:

- (1) Information in 3(i) of the Report on Return on Investment set out in Schedule 3 relating to **CY-2** is not required to be disclosed
- (2) Information in 4(i) of the Report on the Value of the Regulatory Asset Base (Rolled Forward) set out in Schedule 4 relating to **CY-4** is not required to be disclosed

2.12.6 Notwithstanding any requirements set out in clauses 2.6.1, 2.6.2, 2.6.3 and 2.6.4, the following transitional provision applies to GasNet Limited in respect of each disclosure year before and during the first **DPP regulatory period**:

- (1) If GasNet Limited has not publicly disclosed an AMP under clauses 2.6.1 and 2.6.2 then GasNet Limited may elect to
 - (a) not comply with clauses 2.6.1 and 2.6.2 in the current disclosure year and
 - (b) complete and publicly disclose before the start of the disclosure year a **transitional AMP** that meets the requirements of subclause 2.12.6(2) below
- (2) The transitional AMP must:
 - (a) Relate to the gas distribution services supplied by the **GDB**
 - (b) be identifiable as a **transitional AMP** prepared pursuant to clause 2.12.6(2) of this determination

- (c) include the minimum requirements set out in subclause 2.12.6(3)
 - (d) include the forecast information set out in clause 5 of schedule 2.6
 - (e) include the Report on Asset Management Maturity in Schedule 17
 - (f) identify where the **GDB** considers the **AMP** does not yet conform to the requirements in clause 2.6.1, and set out the actions the GDB is taking to ensure the **AMP** will conform before the end of the first **DPP regulatory period**
 - (g) identify any actions the **GDB** has completed in order to conform to the requirements in clause 2.6.1
- (3) The **transitional AMP** must include the following:
- (a) a summary that provides a brief overview of the contents and highlights information that the GDB considers significant
 - (b) details of the background and objectives of the GDB's asset management and planning processes
 - (c) details of the AMP planning period, which must cover at least a projected period of 10 years commencing with the disclosure year following the date on which the AMP is required to be disclosed
 - (d) the date that it was approved by the directors
 - (e) a description of stakeholder interests, as set out in subclause 3.6 of schedule A
 - (f) a description of the accountabilities and responsibilities for asset management, as set out in subclause 3.7 of schedule A
 - (g) an overview of asset management strategy and delivery
 - (h) an overview of systems and information management data
 - (i) an overview of asset management documentation, controls and review processes
 - (j) details of the assets covered
 - (k) a clear identification or definition of a set of asset management performance indicators

- (l) a description of network development plans and lifecycle management processes, covering material projects and programmes across the planning period
- (m) details of risk policies, assessment and mitigation.

2.12.7 The information required under clauses 2.4.6 is not required to be **publicly disclosed** for the first time until 5 months after this determination is determined.

2.12.8 The information required under clauses 2.4.9 is not required to be **publicly disclosed** for the first time until 2 months after this determination is determined.

Dr Mark Berry, *Chair*

Sue Begg, *Deputy Chair*

Pat Duignan

Stephen Gale

Dated at Wellington this day of 2012.

COMMERCE COMMISSION

APPENDIX A ASSET MANAGEMENT PLANS

*This Appendix sets out the mandatory disclosure requirements with respect to **AMPs**. The text in italics provides a commentary on those requirements. The purpose of the commentary is to provide guidance on the expected content of disclosed **AMPs**. The commentary has been prepared on the basis that **GDBs** will implement best practice asset management processes.*

AMP design

1. The core elements of asset management—
 - 1.1 A focus on measuring network performance, and managing the assets to achieve performance targets;
 - 1.2 Monitoring and continuously improving asset management practices;
 - 1.3 Close alignment with corporate vision and strategy;
 - 1.4 That asset management is driven by clearly defined strategies, business objectives and service level targets;
 - 1.5 That responsibilities and accountabilities for asset management are clearly assigned;
 - 1.6 An emphasis on knowledge of what assets are owned and why, the location of the assets and the condition of the assets;
 - 1.7 An emphasis on optimising asset utilisation and performance;
 - 1.8 That a total life cycle approach should be taken to asset management;
 - 1.9 That the use of ‘non-network’ solutions and demand management techniques as alternatives to asset acquisition is considered.
2. The disclosure requirements are designed to produce **AMPs** that:
 - 2.1 Are based on, but are not limited to, the core elements of asset management identified in clause 1 above;
 - 2.2 Are clearly documented and made available to all stakeholders;
 - 2.3 Contain sufficient information to allow interested persons to make an informed judgement about the extent to which the **GDB’s** asset management processes meet best practice criteria and outcomes are consistent with outcomes produced in competitive markets;
 - 2.4 Specifically support the achievement of disclosed service level targets;
 - 2.5 Emphasise knowledge of the performance and risks of assets and identify opportunities to improve performance and provide a sound basis for ongoing risk assessment;

- 2.6 Consider the mechanics of delivery including resourcing;
- 2.7 Consider the organisational structure and capability necessary to deliver the **AMP**;
- 2.8 Consider the organisational and contractor competencies and any training requirements;
- 2.9 Consider the systems, integration and information management necessary to deliver the plans;
- 2.10 Use unambiguous and consistent definitions of asset management processes and terminology consistent with the terms used in this appendix to enhance comparability of asset management practices over time and between **GDBs**;
- 2.11 Promote continual improvements to asset management practices.

*Disclosing an **AMP** does not constrain a **GDB** from managing its assets in a way that differs from the **AMP** if its circumstances change after preparing the plan or if the **GDB** adopts improved asset management practices.*

Contents of the AMP

- 3. The **AMP** must include the following:
 - 3.1 A summary that provides a brief overview of the contents and highlights information that the **GDB** considers significant
 - 3.2 Details of the background and objectives of the **GDB's** asset management and planning processes
 - 3.3 A purpose statement which:
 - 3.3.1 makes clear the purpose and status of the **AMP** in the **GDB's** asset management practices. The purpose statement must also include a statement of the objectives of the asset management and planning processes
 - 3.3.2 states the corporate mission or vision as it relates to asset management
 - 3.3.3 identifies the documented plans produced as outputs of the annual business planning process adopted by the **GDB**
 - 3.3.4 states how the different documented plans relate to one another, with particular reference to any plans specifically dealing with asset management
 - 3.3.5 includes a description of the interaction between the objectives of the **AMP** and other corporate goals, business planning processes and plans.

*The purpose statement should be consistent with the **GDB's** vision and mission statements, and show a clear recognition of stakeholder interest.*

- 3.4 Details of the **AMP planning period**, which must cover at least a projected period of 10 years commencing with the **disclosure year** following the date on which the **AMP** is disclosed

*Good asset management practice recognises the greater accuracy of short-to-medium term planning, and will allow for this in the **AMP**. The **AMPs** for the second 5 years of the **AMP planning period** need not be presented in the same detail as the first 5 years.*

- 3.5 The date that it was approved by the **directors**
- 3.6 A description of stakeholder interests (owners, **consumers**, etc) which identifies important stakeholders and indicates:
- 3.6.1 how the interests of stakeholders are identified
 - 3.6.2 what these interests are
 - 3.6.3 how these interests are accommodated in asset management practices
 - 3.6.4 how conflicting interests are managed
- 3.7 A description of the accountabilities and responsibilities for asset management on at least 3 levels, including:
- 3.7.1 governance—a description of the extent of **director** approval required for key asset management decisions and the extent to which asset management outcomes are regularly reported to **directors**
 - 3.7.2 executive—an indication of how the in-house asset management and planning organisation is structured
 - 3.7.3 field operations—an overview of how field operations are managed, including a description of the extent to which field work is undertaken in-house and the areas where outsourced contractors are used.
- 3.8 All significant assumptions
- 3.8.1 quantified where possible
 - 3.8.2 clearly identified in a manner that makes their significance understandable to interested persons, including
 - 3.8.3 A description of changes proposed where the information is not based on the **GDB's** existing business

- 3.8.4 the sources of uncertainty and the potential effect of the uncertainty on the prospective information
- 3.8.5 the price inflator assumptions used to prepare the financial information disclosed in **nominal New Zealand dollars** in the Report on Forecast Capital Expenditure set out in Schedule 11a and the Report on Forecast Operational Expenditure set out in Schedule 11b.
- 3.9 A description of the factors that may lead to a material difference between the prospective information disclosed and the corresponding actual information recorded in future disclosures
- 3.10 An overview of asset management strategy and delivery

*To support the AMMAT disclosure and assist interested persons to assess the maturity of asset management strategy and delivery, the **AMP** should identify:*

- *how the asset management strategy is consistent with the **GDB's** other strategy and policies;*
- *how the asset strategy takes into account the life cycle of the assets;*
- *the link between the asset management strategy and the **AMP**;*
- *processes that ensure costs, risks and system performance will be effectively controlled when the **AMP** is implemented.*

- 3.11 An overview of systems and information management data

*To support the AMMAT disclosure and assist interested persons to assess the maturity of systems and information management, the **AMP** should describe:*

- *the processes used to identify asset management data requirements that cover the whole of life cycle of the assets;*
- *the systems used to manage asset data and where the data is used, including an overview of the systems to record asset conditions and operation capacity and to monitor the performance of assets;*
- *the systems and controls to ensure the quality and accuracy of asset management information; and*
- *the extent to which the systems, processes and controls are integrated.*

- 3.12 A statement covering any limitations in the availability or completeness of asset management data and disclose any initiatives intended to improve the quality of this data

*Discussion of the limitations of asset management data is intended to enhance the transparency of the **AMP** and identify gaps in the asset management system.*

- 3.13 A description of the processes used within the **GDB** for:

3.13.1 managing routine asset inspections and **network** maintenance

3.13.2 planning and implementing **network** development projects

3.13.3 measuring **network** performance.

- 3.14 An overview of asset management documentation, controls and review processes

*To support the AMMAT disclosure and assist interested persons to assess the maturity of asset management documentation, controls and review processes, the **AMP** should:*

- *identify the documentation that describes the key components of the asset management system and the links between the key components;*
- *describe the processes developed around documentation, control and review of key components of the asset management system;*
- *where the **GDB** outsources components of the asset management system, the processes and controls that the **GDB** uses to ensure efficient and cost effective delivery of its asset management strategy;*
- *where the **GDB** outsources components of the asset management system, the systems it uses to retain core asset knowledge in-house; and*
- *audit or review procedures undertaken in respect of the asset management system.*

- 3.15 An overview of communication and participation processes

*To support the AMMAT disclosure and assist interested persons to assess the maturity of asset management documentation, controls and review processes, the **AMP** should:*

- *communicate asset management strategies, objectives, policies and plans to stakeholders involved in the delivery of the asset*

management requirements, including contractors and consultants;

- *demonstrate staff engagement in the efficient and cost effective delivery of the asset management requirements.*

- 3.16 The **AMP** must present all financial values in **real New Zealand dollars** except where specified otherwise;
- 3.17 The **AMP** must be structured and presented in a way that the **GDB** considers will support the purposes of **AMP** disclosure set out in clause 2.6.2 of the determination.

Assets covered

4. The **AMP** must provide details of the assets covered, including:
- 4.1 A high-level description of the service areas covered by the **GDB** and the degree to which these are interlinked, including:
- 4.1.1 the region(s) covered
- 4.1.2 identification of large **consumers** that have a significant impact on **network** operations or asset management priorities
- 4.1.3 description of the load characteristics for different parts of the **network**
- 4.1.4 peak demand and total energy delivered in the previous year, broken down by **sub-network**, if any.
- 4.2 a description of the **network** configuration, including:
- if sub-networks exist, the network configuration information should be disclosed for each sub-network.*
- 4.2.1 A map, with any cross-referenced information contained in an accompanying schedule, of each distribution system of the pipeline owner showing the following details:
- (a) the physical location of—
- (i) the whole distribution system (other than service pipelines)
- (ii) all offtake points with a throughput of gas of 20 000 gigajoules or more in the most recent **disclosure year**
- (iii) all intake points
- (iv) all pressure regulating stations

- (v) all mixing stations other than those at offtake points.
- (b) notations showing—
 - (i) a unique identifier for each offtake point with a throughput of gas in the most recent **disclosure year** of 20 000 gigajoules or more
 - (ii) internal, external, or nominal pipe diameters used (identifying whether internal, external, or nominal pipe diameters are used)
 - (iii) the maximum design working pressures (without changes to the system)
 - (iv) operating pressures.
- 4.2.2 if applicable, the locations where a significant change (other than a change to service pipelines) has occurred since the previous disclosure of the information referred to in subclauses 4.2.1(a) and 4.2.1(b) above, including—
 - (a) a clear description of every location on the pipeline system, other than any service pipeline, that is affected by the change
 - (b) a description of the nature of the change.
- 4.3 For the purposes of the requirement to **publicly disclose** the map referred to in subclause 4.2.1 of this Appendix, a **GDB** is deemed to comply with the requirement if the **GDB**, within 5 months after the end of each financial year, makes copies of the maps available for inspection, during ordinary office hours, at the principal offices of that **GDB**.

Network assets by category

- 4.4 The **AMP** must describe the **network** assets by providing the following information for each asset category:
 - 4.4.1 pressure
 - 4.4.2 description and quantity of assets
 - 4.4.3 age profiles
 - 4.4.4 a discussion of the results of formal risk assessments of the assets, further broken down by subcategory as appropriate. Systemic issues leading to the premature replacement of assets or parts of assets should be discussed.

- 4.5 The asset categories discussed in subclause 4.4 above should include at least the following:
- 4.5.1 main pipe
 - 4.5.2 service pipe
 - 4.5.3 district regulator and metering stations
 - 4.5.4 valve
 - 4.5.5 special crossings
 - 4.5.6 monitoring and control systems
 - 4.5.7 cathodic protection systems
 - 4.5.8 assets owned by the **GDB** but installed at **gate stations** owned by others.

Service Levels

5. The **AMP** must clearly identify or define a set of performance indicators for which annual performance targets have been defined. The annual performance targets must be consistent with business strategies and asset management objectives and be provided for each year of the **AMP planning period**. The targets should reflect what is practically achievable given the current **network** configuration, condition and planned expenditure levels. The targets should be disclosed for each year of the **AMP planning period**.
6. Performance indicators for which targets are defined in clause 5 above must include—
- 6.1 the DPP requirements required under the price quality path determination applying to the regulatory assessment period in which the next **disclosure year** falls.
 - 6.2 **consumer** oriented indicators that preferably differentiate between different **consumer groups**
 - 6.3 indicators of asset performance, asset efficiency and effectiveness, and service efficiency, such as technical and financial performance indicators related to the efficiency of asset utilisation and operation
 - 6.4 the performance indicators disclosed in Schedule 10a of the determination.
7. The **AMP** must describe the basis on which the target level for each performance indicator was determined. Justification for target levels of service includes **consumer** expectations or demands, legislative, regulatory, and other stakeholders' requirements or considerations. The **AMP** should

demonstrate how stakeholder needs were ascertained and translated into service level targets.

8. Targets should be compared to historic values where available to provide context and scale to the reader.
9. Where forecast expenditure is expected to materially affect performance against a target defined in clause 5 above, the target should be consistent with the expected change in the level of performance.

Performance against target must be monitored for disclosure in the Evaluation of Performance section of each subsequent AMP.

Network Development Planning

10. **AMPs** must provide a detailed description of **network** development plans, including—
 - 10.1 A description of the planning criteria and assumptions for **network** development;
 - 10.2 Planning criteria for **network** developments should be described logically and succinctly. Where probabilistic or scenario-based planning techniques are used, this should be indicated and the methodology briefly described;
 - 10.3 The use of standardised designs may lead to improved cost efficiencies. This section should discuss:
 - 10.3.1 the categories of assets and designs that are standardised;
 - 10.3.2 the approach used to identify standard designs.
 - 10.4 A description of the criteria used to determine the capacity of equipment for different types of assets or different parts of the **network**.

*The criteria described should relate to the **GDB's** philosophy in managing planning risks.*
 - 10.5 A description of the process and criteria used to prioritise **network** development projects and how these processes and criteria align with the overall corporate goals and vision
 - 10.6 Details of demand forecasts, the basis on which they are derived, and the specific **network** locations where constraints are expected due to forecast increases in demand:
 - 10.6.1 explain the load forecasting methodology and indicate all the factors used in preparing the load estimates;

10.6.2 provide separate forecasts to at least distribution system level covering at least a minimum five year forecast period. Discuss how uncertain but substantial individual projects/developments that affect load are taken into account in the forecasts, making clear the extent to which these uncertain increases in demand are reflected in the forecasts;

10.6.3 identify any **network** or equipment constraints that may arise due to the anticipated growth in demand during the **AMP planning period**.

The AMP should include a description of the methodology and assumptions used to produce the utilisation and capacity forecasts and a discussion of the limitations of the forecasts, methodology and assumptions. The AMP should also discuss any capacity limitations identified or resolved in years during which an AMP was not disclosed.

10.7 Analysis of the significant **network** level development options identified and details of the decisions made to satisfy and meet target levels of service, including:

10.7.1 the reasons for choosing a selected option for projects where decisions have been made;

10.7.2 alternative options considered for projects that are planned to start in the next five years;

10.7.3 consideration of planned innovations that improve efficiencies within the **network**, such as improved utilisation, extended asset lives, and deferred investment.

10.8 A description and identification of the **network** development programme and actions to be taken, including associated expenditure projections. The **network** development plan must include:

10.8.1 a detailed description of the material projects and a summary description of the non-material projects currently underway or planned to start within the next 12 months;

10.8.2 a summary description of the programmes and projects planned for the following four years (where known); and

10.8.3 an overview of the material projects being considered for the remainder of the **AMP planning period**.

*For projects included in the **AMP** where decisions have been made, the reasons for choosing the selected option should be stated which should include how target levels of service will be impacted. For other projects planned to start in the next five years, alternative options should be discussed.*

Lifecycle Asset Management Planning (Maintenance and Renewal)

11. The **AMP** must provide a detailed description of the lifecycle asset management processes, including—
 - 11.1 The key drivers for maintenance planning and assumptions;
 - 11.2 Identification of **routine and corrective maintenance and inspection** policies and programmes and actions to be taken for each asset category, including associated expenditure projections. This must include:
 - 11.2.1 the approach to inspecting and maintaining each category of assets, including a description of the types of inspections, tests and condition monitoring carried out and the intervals at which this is done;
 - 11.2.2 any systemic problems identified with any particular asset types and the proposed actions to address these problems; and
 - 11.2.3 budgets for maintenance activities broken down by asset category for the **AMP planning period**.
 - 11.3 Identification of **asset replacement and renewal** policies and programmes and actions to be taken for each asset category, including associated expenditure projections. This must include:
 - 11.3.1 the processes used to decide when and whether an asset is replaced or refurbished, including a description of the factors on which decisions are based, and consideration of future demands on the network and the optimum use of existing network assets;
 - 11.3.2 a description of innovations that have deferred asset replacements;
 - 11.3.3 a description of the projects currently underway or planned for the next 12 months
 - 11.3.4 a summary of the projects planned for the following four years (where known); and
 - 11.3.5 an overview of other work being considered for the remainder of the **AMP planning period**.
 - 11.4 The asset categories discussed in subclauses 11.2 and 11.3 above should include at least the categories in subclause 4.5 above.

Non-Network Development, Maintenance and Renewal

12. **AMPs** must provide a summary description of material non-network development, maintenance and renewal plans, including—
 - 1.1 A description of non-network assets;
 - 1.2 Development, maintenance and renewal policies that cover them;
 - 1.3 A description of material capital expenditure projects (where known) planned for the next five years;
 - 1.4 A description of material maintenance and renewal projects planned (where known) for the next five years.

Risk Management

13. **AMPs** must provide details of risk policies, assessment, and mitigation, including—
 - 13.1 Methods, details and conclusions of risk analysis;
 - 13.2 Strategies used to identify areas of the **network** that are vulnerable to high impact low probability events and a description of the resilience of the **network** and asset management systems to such events;
 - 13.3 A description of the policies to mitigate or manage the risks of events identified in subclause 13.2 above;
 - 13.4 Details of emergency response and contingency plans.

*Asset risk management forms a component of a **GDB's** overall risk management plan or policy, focusing on the risks to assets and maintaining service levels. **AMPs** should demonstrate how the **GDB** identifies and assesses asset related risks and describe the main risks within the network. The focus should be on credible low-probability, high-impact risks. Risk evaluation may highlight the need for specific development projects or maintenance programmes. Where this is the case, the resulting projects or actions should be discussed, linking back to the development plan or maintenance programme.*

Evaluation of performance

14. **AMPs** must provide details of performance measurement, evaluation, and improvement, including—
 - 14.1 A review of progress against plan, both physical and financial;
 - *referring to the most recent disclosures made under subclause 2.5.1(1) of the determination, discussing any significant differences and highlighting reasons for substantial variances*

- *commenting on the progress of development projects against that planned in the previous **AMP** and provide reasons for substantial variances along with any significant construction or other problems experienced*
 - *commenting on progress against maintenance initiatives and programmes and discuss the effectiveness of these programmes noted.*
- 14.2 An evaluation and comparison of actual service level performance against targeted performance
- *in particular, comparing the actual and target service level performance for all the targets discussed in the previous **AMP** under clause 5 above and explain any significant variances.*
- 14.3 An evaluation and comparison of the results of the asset management maturity assessment disclosed in the Report on Asset Management Maturity set out in Schedule 13 against relevant objectives of the **GDB's** asset management and planning processes.
- 14.4 An analysis of gaps identified in subclauses 14.2 and 14.3 above. Where significant gaps exist (not caused by one-off factors), the **AMP** must describe any planned initiatives to address the situation.

Capability to deliver

15. **AMPs** must describe the processes used by the **GDB** to ensure that:
- 15.1 The **AMP** is realistic and the objectives set out in the plan can be achieved
- 15.2 The organisation structure and the processes for authorisation and business capabilities will support the implementation of the **AMP** plans.

Schedule 1 Analytical Ratios

Company Name

Disclosure Year Ended

SCHEDULE 1: ANALYTICAL RATIOS

This schedule calculates expenditure, revenue and service ratios from the information disclosed. We have inserted these ratios in response to feedback from interested persons. These ratios must be interpreted with care, taking account of company-specific factors. In undertaking its summary and analysis the Commerce Commission will analyse all information disclosed in accordance with the ID determination, including the information in the other schedules, and other information disclosed under sections 2.4 and 2.6 of the ID determination.

ref Version 1.2 (Draft)

1(i) Expenditure metrics

	Total TJ delivered to ICPs (\$/TJ)	Average no. of ICPs in disclosure year (\$/ICP)	Maximum monthly amount of gas entering network (\$ per GJ/month)	Total pipeline length (for supply) (\$/km)
Operational expenditure (\$) per				
Network opex per				
Non-network opex per				
Capital expenditure (\$) per				
Network capex per				
Non-network capex per				

1(ii) Revenue metrics

	Total TJ delivered to ICPs (\$/TJ)	Average no. of ICPs in disclosure year (\$/ICP)
Total line charge revenue per		
Standard consumer line charge revenue per		
Non-standard consumer line charge revenue per		

1(iii) Service intensity measures

Demand density		Maximum monthly amount of gas entering network (GJ/month)/Total pipeline length
Volume density		Total TJ delivered to ICPs/Total pipeline length
Connection point density		Average number of ICPs in disclosure year/Total pipeline length
Energy density		Total TJ delivered to ICPs/Average number of ICPs in disclosure year

1(iv) Composition of revenue requirement

	(\$000)	% of revenue
Operational expenditure	—	
Pass-through and recoverable costs	—	
Total depreciation	—	
Total CPI revaluations	—	
Regulatory tax allowance	—	
Regulatory profit/loss	—	
Total regulatory income	—	

1(v) Reliability

Interruptions per 100 circuit km

Schedule 2 Comparison of Forecasts to Actual Expenditure

	Company Name		
	Disclosure Year Ended		

SCHEDULE 2: 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.

EDB: Version 1.2 (Draft)

		Current Disclosure Year		
		Forecast expenditure ²	Actual expenditure	% variance
7	Comparison of forecasts to actual expenditure ¹			
8				
9	Capital Expenditure			
10	Customer connection	—	—	—
11	System growth	—	—	—
12	Asset replacement and renewal	—	—	—
13	Asset relocations	—	—	—
14	<u>Reliability, safety and environment:</u>			
15	Quality of supply	—	—	—
16	Legislative and regulatory	—	—	—
17	Other reliability, safety and environment	—	—	—
18	Total reliability, safety and environment	—	—	—
19	Gross capital expenditure on distribution network	—	—	—
20	Operational Expenditure			
21	Service interruptions, incidents and emergencies	—	—	—
22	Routine and corrective maintenance and inspection	—	—	—
23	Asset replacement and renewal	—	—	—
24	System operations and network support	—	—	—
25	Operational expenditure on distribution network	—	—	—
26				
27	Non-system fixed assets	—	—	—
28	Business support	—	—	—
29	Total expenditure on distribution network business	—	—	—
30	Subcomponents of Capital Expenditure			
31	Research and development	—	—	—
32	Subcomponents of Operating Expenditure			
33	Research and development	—	—	—
34	Insurance	—	—	—
35	¹ All actuals and forecasts expressed in disclosure year dollars			
36	² From the nominal dollar expenditure forecast disclosed during the previous disclosure year			
37	³ From the real dollar expenditure forecast disclosed during the last disclosure year (ie, year 5) of the previous regulatory period, adjusted to current disclosure year dollars			
38	⁴ Actual Expenditure to Date + Updated Forecast for the remainder of the current regulatory period, adjusted to current disclosure year dollars			

Schedule 3

Report on Return on Investment

Company Name

Disclosure Year Ended

SCHEDULE 3: REPORT ON RETURN ON INVESTMENT

This schedule requires information on the Return on Investment (ROI) for the GDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. Subject to clause 2.3.3 of the ID determination, GDBs may elect to calculate their ROI based on monthly cash flows. If a GDB makes this election, information supporting this calculation must be provided in Section 3(iii).

ref	Version 1.2 (Draft)		CY-2	CY-1	Current Year CY
7		3(i): Return on Investment			
8					
9		Post tax WACC	%	%	%
10		ROI—comparable to a post tax WACC			—
11					
12		Mid-point estimate of post tax WACC			
13		25th percentile estimate			
14		75th percentile estimate			
15					
16					
17		Vanilla WACC			
18		ROI—comparable to a vanilla WACC			—
19					
20		Mid-point estimate of vanilla WACC			
21		25th percentile estimate			
22		75th percentile estimate			
23					
24					
25		3(ii): Information Supporting the ROI			
26					
27		Total opening RAB value	—		
28		plus Opening deferred tax	—		
29		Opening RIV		—	
30					
31		Operating surplus / (deficit)	—		
32		less Regulatory tax allowance			
33		less Assets commissioned	—		
34		plus Asset disposals	—		
35		Notional net cash flows		—	
36					
37		Total closing RAB value	—		
38		less Adjustment resulting from asset allocation	—		
39		less Lost and found assets adjustment	—		
40		plus Closing deferred tax	—		
41		Closing RIV		—	
42					
43		ROI—comparable to a vanilla WACC		—	
44					
45		Leverage (%)		44%	
46		Cost of debt assumption (%)			
47		Corporate tax rate (%)			
48					
49		ROI—comparable to a post tax WACC		—	
50					

Company Name
Disclosure Year Ended

SCHEDULE 3: REPORT ON RETURN ON INVESTMENT (cont)

ref Version 1.2 (Draft)

3(iii): Information Supporting the Alternative ROI - Elective Disclosure

Cash flows	Revenue	Expenses	Tax	Assets Commissioned	Asset disposals	Notional net cash flows
October						—
November						—
December						—
January						—
February						—
March						—
April						—
May						—
June						—
July						—
August						—
September						—

	RAB	Adjustment resulting from asset allocation	Lost and found assets	Deferred Tax	Revenue related working capital	Total
Alternative opening RIV	—			—	—	—
Alternative closing RIV	—	—	—	—	—	—

Alternative ROI—comparable to a vanilla WACC

—

Alternative ROI—comparable to a post-tax WACC

—

3(iv): Historical ROI rates for comparison purposes

Historical ROI—comparable to a vanilla WACC

Historical ROI—comparable to a post-tax WACC

* these historical 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.

Schedule 4 Report on Value of the Regulatory Asset Base (Rolled Forward)

Company Name
Disclosure Year Ended

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 3. GDBs 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.

ref Version 1.2 (Draft)

7	4(i): Regulatory Asset Base Value (Rolled Forward)	RAB CY-4 (\$000)	RAB CY-3 (\$000)	RAB CY-2 (\$000)	RAB CY-1 (\$000)	RAB CY (\$000)
8						
9						
10	Total opening RAB value	—	—	—	—	—
11						
12	<i>less</i> Total depreciation					—
13						
14	<i>plus</i> Total CPI revaluations					—
15						
16	<i>plus</i> Assets commissioned					—
17						
18	<i>less</i> Asset disposals					—
19						
20	<i>plus</i> Lost and found assets adjustment					—
21						
22	<i>plus</i> Adjustment resulting from asset allocation					—
23						
24	Total closing RAB value	—	—	—	—	—

25	4(ii): Unallocated Regulatory Asset Base	Unallocated RAB *	RAB
26		(\$000)	(\$000)
27		(\$000)	(\$000)
28	Total opening RAB value		
29	<i>less</i>		
30	Total depreciation	—	—
31	<i>plus</i>		
32	Total CPI revaluations	—	—
33	<i>plus</i>		
34	Assets commissioned (other than below)		
35	Assets acquired from a regulated supplier		
36	Assets acquired from a related party		
37	Assets commissioned	—	—
38	<i>less</i>		
39	Asset disposals (other than below)		
40	Asset disposals to a regulated supplier		
41	Asset disposals to a related party		
42	Asset disposals	—	—
43			
44	<i>plus</i> Lost and found assets adjustment		
45			
46	<i>plus</i> Adjustment resulting from asset allocation		—
47			
48	Total closing RAB value	—	—

* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide gas distribution services without any allowance being made for the allocation of costs to non-regulated services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.

SCHEDULE 4: REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD) (cont)											
Version 1.2 (Draft)											
4(vii): Disclosure by Asset Category											
Ref	Asset Category	Intermediate pressure main pipelines	Medium pressure main pipelines	Low pressure main pipelines	Service pipelines	Stations	Line valve	Special crossings	Other system fixed assets	Other assets	Total
105											
106	Total opening RAB value										
107	less Total depreciation										
108	plus Total CPI revaluations										
109	plus Assets commissioned										
110	less Asset disposals										
111	plus Lost and found assets adjustment										
112	plus Adjustment resulting from asset allocation										
113	plus Asset class transfers										
114	Total closing RAB value										
115											
116	Asset Life										
117	Weighted average remaining asset life										
118	Weighted average expected total asset life										
119											
120											

Schedule 4a**Report on Asset Allocations**

Company Name

Disclosure Year Ended

SCHEDULE 4a: 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. GDBs must provide further detail on their asset allocation methodology in Schedule 4b (Report supporting asset allocations). GDBs 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.

ref Version 1.2 (Draft)

7	4a(i):Regulated Service Asset Values	
8		Value allocated
9		Gas distribution
10		services
11	Main pipelines	
12	Directly attributable	
13	Not directly attributable	
14	Total attributable to regulated service	—
15	Service Pipelines	
16	Directly attributable	
17	Not directly attributable	
18	Total attributable to regulated service	—
19	Substations	
20	Directly attributable	
21	Not directly attributable	
22	Total attributable to regulated service	—
23	Valve	
24	Directly attributable	
25	Not directly attributable	
26	Total attributable to regulated service	—
27	Special crossings	
28	Directly attributable	
29	Not directly attributable	
30	Total attributable to regulated service	—
31	Other system fixed assets	
32	Directly attributable	
33	Not directly attributable	
34	Total attributable to regulated service	—
35	Other assets	
36	Directly attributable	
37	Not directly attributable	
38	Total attributable to regulated service	—
39	Regulated service asset value directly attributable	—
40	Regulated service asset value not directly attributable	—
41	Total closing RAB value	—
42		

Company Name <input style="width: 150px;" type="text"/> Disclosure Year Ended <input style="width: 150px;" type="text"/>			
SCHEDULE 4a: REPORT ON ASSET ALLOCATIONS (cont) <i>ref</i> Version 1.2 (Draft)			
50	4a(ii): Changes in Asset Allocation*		
51		CY-1	Current Year (CY)
52	<u>Change in asset value allocation 1</u>		
53	Asset category <input style="width: 150px;" type="text"/>	Original allocation	<input style="width: 80px;" type="text"/>
54	Original allocator or line items <input style="width: 150px;" type="text"/>	New allocation	<input style="width: 80px;" type="text"/>
55	New allocator or line items <input style="width: 150px;" type="text"/>	Difference	–
56			
57	Rationale for change <input style="width: 150px;" type="text"/>		
58			
59	<u>Change in asset value allocation 2</u>		
60	Asset category <input style="width: 150px;" type="text"/>	Original allocation	<input style="width: 80px;" type="text"/>
61	Original allocator or line items <input style="width: 150px;" type="text"/>	New allocation	<input style="width: 80px;" type="text"/>
62	New allocator or line items <input style="width: 150px;" type="text"/>	Difference	–
63			
64	Rationale for change <input style="width: 150px;" type="text"/>		
65			
66	<u>Change in asset value allocation 3</u>		
67	Asset category <input style="width: 150px;" type="text"/>	Original allocation	<input style="width: 80px;" type="text"/>
68	Original allocator or line items <input style="width: 150px;" type="text"/>	New allocation	<input style="width: 80px;" type="text"/>
69	New allocator or line items <input style="width: 150px;" type="text"/>	Difference	–
70			
71	Rationale for change <input style="width: 150px;" type="text"/>		
72			
73	* a change in asset allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.		
74			

Schedule 4b

Report Supporting Asset Allocations

Company Name Disclosure Year Ended										
SCHEDULE 4b: REPORT SUPPORTING ASSET ALLOCATIONS										
This schedule requires additional detail on the asset allocation methodology, to support the information provided in Schedule 4a (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 Determination), and so is subject to the assurance report required by section 2.8.										
7	Version 1.2 (Draft)									
8	Have assets been allocated in aggregate using ACAM in accordance with clause 2.1.1(3) of the IM Determination									
9	Yes / No									
10	Line Item	Allocation methodology type	Allocator	Allocator type	Allocator Metric			Value allocated		
11					Gas distribution services	Non-gas distribution services	Arm's length deduction	Gas distribution services	Non-gas distribution services	
12									OVABAA allocation increase	
13	Main pipelines									
14	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
15	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
16	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy						
17	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy						
18	Not directly attributable									
19	Service pipelines									
20	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
21	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
22	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy						
23	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy						
24	Not directly attributable									
25	Valve									
26	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
27	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
28	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy						
29	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy						
30	Not directly attributable									
31	Special crossings									
32	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
33	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
34	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy						
35	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy						
36	Not directly attributable									
37	Other system fixed assets									
38	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
39	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
40	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy						
41	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy						
42	Not directly attributable									
43	Other assets									
44	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
45	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy						
46	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy						
47	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy						
48	Not directly attributable									
49	Regulated service asset value not directly attributable									
50										

Schedule 4c

Report on Transitional Financial Information

Company Name

Disclosure Year Ended

SCHEDULE 4c: REPORT ON TRANSITIONAL FINANCIAL INFORMATION

This schedule requires information on:

- the calculation of the initial RAB value for the GDB, as of 30 June 2009;
- how the initial RAB value has been rolled forward to 30 June 2011;
- other transitional financial information including a summary of revaluations,
- the value of works under construction, and
- regulatory tax.

GDBs must complete this schedule in relation to the disclosure year ending 2012, and at that time must provide explanatory comment in Schedule 14b (Explanatory Notes on Transitional Financial Information) on the tax effect of temporary differences disclosed in part 4c of this schedule.

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.

ref Version 1.2 (Draft)

7 Regulatory Asset Base Value		Unallocated Initial RAB	
		(\$000)	(\$000)
8 4c(i): Establishment of Initial Regulatory Asset Base Value			
9			
10			
11	2009 disclosed assets - 'Total Regulatory Asset Base Value (Excluding FDC)' as of 31 March 2009		-
12			
13	2009 modified asset values (adjusted for results of asset adjustment process)		-
14	Adjustment to reinstate 2009 modified asset values to unallocated amounts		-
15	Unallocated 2009 modified asset values		-
16			
17	less (to the extent included in row 13)		
18	Assets not used to supply electricity distribution services		
19	Easement land		
20	Non-qualifying intangible assets		
21	Works under construction		
22	Unallocated asset values excluded from unallocated 2009 modified asset values		-
23			
24	plus FDC allowance of 2.45% (system fixed assets only)		-
25			
26	Unallocated initial RAB values		-
27			
28 4c(ii): Roll forward of Unallocated Regulatory Asset Base Value - 2010 and 2011			
29			
30		2010	2011
31		(\$000)	(\$000)
32	Total opening RAB value	-	-
33	less Total depreciation		
34	plus Total CPI revaluations		
35			
36	plus Assets commissioned (other than below)		
37	Assets acquired from a regulated supplier		
38	Assets acquired from a related party		
39	Assets commissioned	-	-
40			
41	less Asset disposals (other than below)		
42	Assets disposed of to a regulated supplier		
43	Assets disposed of to a related party		
44	Asset disposals	-	-
45			
46	plus Lost and found assets adjustment		
47			
48	Total closing RAB value	-	-
49			
50			
51			
52 4c(iii): Calculation of Revaluation Rate and Indexed Revaluation			
53			
54		2010	2011
55	CPI at CPI reference date—preceding disclosure year		
56	CPI at CPI reference date—current disclosure year		
57	Revaluation rate (%)	-	-
58			
59	Total opening RAB value	-	-
60	less Opening RAB value of fully depreciated, disposed and lost assets		
61			
62	Total opening RAB value subject to revaluation	-	-
63	Total CPI revaluations	-	-
64			

		Unallocated works under construction	Allocated works under construction
66	4d(iv): Works Under Construction		
67			
68	Works under construction—year ended 2009	—	—
69	plus Capital expenditure—year ended 2010		
70	less Assets commissioned—year ended 2010		
71	plus Adjustment resulting from asset allocation—year ended 2010		
72	Works under construction—year ended 2010	—	—
73	plus Capital expenditure—year ended 2011		
	less Assets commissioned—year ended 2011		
	plus Adjustment resulting from asset allocation—year ended 2011		
	Works under construction—year ended 2011	—	—
78			
79	4c(v): Initial Difference in Asset Values and Amortisation		
80			2010
81	Sum of initial RAB values		
82	Sum of regulatory tax asset values		
83	Sum of initial differences in asset values		—
84			
85			2010 2011
86	Opening unamortised initial differences in asset values		
87	Amortisation of initial difference in asset values		—
88	Adjustment for unamortised initial differences in assets acquired		—
89	Adjustment for unamortised initial differences in assets disposed		—
90	Closing unamortised initial difference in asset values		—
91			
92	Opening weighted average remaining asset life (years)		
93	4c(vi): Reconciliation of Tax Losses (EDB Business)		
94	Opening tax losses		2010 2011
95	plus Current period tax losses		
96	less Utilised tax losses		
97	Closing tax losses		—
98			
99	4c(vii): Calculation of Deferred Tax Balance		
100	Opening deferred tax		2010 2011
101			
102	Tax effect of adjusted depreciation		
103			
104	Tax effect of total tax depreciation		
105			
106	Tax effect of other temporary differences *		
107			
108	Tax effect of amortisation of initial differences in asset values		—
109			—
110	Deferred tax balance relating to assets acquired in the disclosure year		
111			
112	Deferred tax cost allocation adjustment		
113			
114	Closing deferred tax		—
115	4c(viii): Disclosure of Temporary Differences		
116	In Schedule 14, provide descriptions and workings of items recorded in the asterisked category in Schedule 4c(vi) (Tax effect of other temporary differences).		
117	4c(ix): Regulatory Tax Asset Base Roll-Forward		
118	Sum of unallocated initial RAB values		2010 2011
119	Sum of adjusted tax values		
120	Sum of tax asset values		—
121	Result of asset allocation ratio		
122	Opening Sum of regulatory tax asset values		
123	less Regulatory tax depreciation		
124	plus Regulatory tax asset value of assets commissioned		
125	less Regulatory tax asset value of asset disposals		
126	plus Lost and found assets adjustment		
127	plus Adjustment resulting from asset allocation		
128	Closing sum of regulatory tax asset values		—
129			

Schedule 5 Report on Regulatory Profit

Company Name
Disclosure Year Ended

SCHEDULE 5: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the GDB for the disclosure year. GDBs must complete all sections and must 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.

ref	Version 1.2 (Draft)		
7	5(i): Regulatory Profit		(\$000)
8	Income		
9	Line charge income		
10			
11	Gains / (losses) on asset sales		
12	Other regulated income (other than above)		
13	Other regulated income		–
14			
15	Total regulatory income		–
16	Expenses		
17	<i>less</i> Operational expenditure		
18			
19	<i>less</i> Pass through and recoverable costs		
20			
21	Operating surplus / (deficit)		–
22			
23	<i>less</i> Total depreciation		–
24			
25	<i>plus</i> Total CPI revaluations		–
26			
27	Regulatory profit / (loss) before tax & term credit spread differential allowance		
28			
29	<i>less</i> Term credit spread differential allowance		–
30			
31	Regulatory profit / (loss) before tax		
32			
33	<i>less</i> Regulatory tax allowance		–
34			
35	Regulatory profit / (loss)		–
36			

Company Name
 Disclosure Year Ended

SCHEDULE 5: REPORT ON REGULATORY PROFIT (cont)

ref Version 1.2 (Draft)

5(ii): Pass through and recoverable costs

(\$000)

Pass through costs

Rates

Commerce Act levies

GIC levies

Other specified pass-through costs

Recoverable costs

Net recoverable costs allowed under incremental rolling incentive scheme

Input Methodology claw-back

Recoverable customised price-quality path costs

Pass through and recoverable costs

—

5(iii): Incremental Rolling Incentive SchemeCY-1
[year]

CY

Allowed controllable opex

Actual controllable opex

Incremental change in yearPrevious years'
incremental
changePrevious years'
incremental
change adjusted
for inflation

CY-5 [year]

CY-4 [year]

CY-3 [year]

CY-2 [year]

CY-1 [year]

Net incremental rolling incentive scheme

—

Net recoverable costs allowed under incremental rolling incentive scheme**5(iv): Merger and acquisition expenditure**

Merger and acquisition expenses

Provide commentary on the benefits of merger and acquisition expenditure to the gas distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)

5(v): Other disclosures

Self-insurance allowance

Schedule 5a

Report on Regulatory Tax Allowance

Company Name

Disclosure Year Ended

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. GDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).

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

ref Version 1.2 (Draft)

5a(i): Regulatory Tax Allowance

(\$000)

Regulatory profit / (loss) before tax

plus Income not included in regulatory profit / (loss) before tax but taxable
Expenditure or loss in regulatory profit / (loss) before tax but not deductible
Amortisation of initial differences in asset values
Amortisation of revaluations

less Income included in regulatory profit / (loss) before tax but not taxable
Discretionary discounts and customer rebates
Expenditure or loss deductible but not in regulatory profit / (loss) before tax**
Notional deductible interest

Regulatory taxable income

less Utilised tax losses
Regulatory net taxable income

Corporate tax rate (%)
Regulatory tax allowance

* Workings to be provided in Schedule 14

** Excluding discretionary discounts and customer rebates

5a(ii): Disclosure of Permanent Differences

In Schedule 14, Box 7, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).

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

(\$000)

Opening unamortised initial differences in asset values
Amortisation of initial differences in asset values
Adjustment for unamortised initial differences in assets acquired
Adjustment for unamortised initial differences in assets disposed
Closing unamortised initial difference in asset values

Opening weighted average remaining asset life (years)

5a(iv): Amortisation of Revaluations

(\$000)

Opening Sum of RAB values without revaluations

Adjusted depreciation

Total depreciation

Amortisation of revaluations

1397674.5

Schedule 5b Report on Related Party Transactions

Company Name

Disclosure Year Ended

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3 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.

ref Version 1.2 (Draft)

5b(i) Summary—Related Party transactions

(\$000)

Total regulatory income

Operational expenditure

Capital expenditure

Market value of asset disposals

Other related party transactions

5b(ii) Entities involved in related party transactions

Name of Related Party

Related Party Relationship

5b(iii) Related Party Transactions

Name of Related Party

Related Party Transaction
TypeDescription of
Transaction

Value of Transaction

Basis for Determining Value

Schedule 5c

Report on Cost Allocations

Company Name

Disclosure Year Ended

SCHEDULE 5c: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. GDBs must provide further detail on the cost allocation methodology in Schedule 5d (Report supporting cost allocations). GDBs 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.

ref Version 1.2 (Draft)

5c(i): Operating Cost Allocations

Value allocated (\$000s)				OVABAA allocation increase (\$000s)
Arm's length deduction	Gas distribution services	Non-gas distribution services	Total	
			-	
	-			
			-	
	-			
			-	
	-			
			-	
	-			
-	-	-	-	-
	-			

5c(ii): Other Cost Allocations**Pass through and recoverable costs****Pass through costs**

Directly attributable				
Not directly attributable			–	
Total attributable to regulated service	–			

Recoverable costs

Directly attributable				
Not directly attributable			–	
Total attributable to regulated service	–			

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: left;"> SCHEDULE 5c: REPORT ON COST ALLOCATIONS (cont) <small>Version 1.2 (Draft)</small> </div> <div style="text-align: right;"> <div style="border: 1px solid black; width: 150px; height: 20px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 150px; height: 20px; margin-bottom: 2px;"></div> <div style="display: flex; justify-content: space-between;"> <div>Company Name</div> <div>Disclosure Year Ended</div> </div> </div> </div>	
5c(iii): Changes in Cost Allocations*	
<u>Change in cost allocation 1</u>	
Cost category	
Original allocator or line items	
New allocator or line items	
Rationale for change	
Original allocation	
New allocation	
Difference	-
<u>Change in cost allocation 2</u>	
Cost category	
Original allocator or line items	
New allocator or line items	
Rationale for change	
Original allocation	
New allocation	
Difference	-
<u>Change in cost allocation 3</u>	
Cost category	
Original allocator or line items	
New allocator or line items	
Rationale for change	
Original allocation	
New allocation	
Difference	-
<small>* a change in cost allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component</small>	

SCHEDULE 12: REPORT SUPPORTING COST ALLOCATIONS

ref Version 1.2 (Draft)

Company Name

Disclosure Year Ended

49											
50	Operating costs not directly attributable										-
51	Pass through and recoverable costs										-
52	Pass through costs										
53	Insert cost description	e.g. ABAA	Allocator 1	Causal or proxy						-	
54	Insert cost description	e.g. ABAA	Allocator 1	Causal or proxy						-	
55	Insert cost description	e.g. ABAA	Allocator 2	Causal or proxy						-	
56	Insert cost description	e.g. ABAA	Allocator 3	Causal or proxy						-	
57	Not directly attributable										-
58	Recoverable costs										
59	Insert cost description	e.g. ABAA	Allocator 1	Causal or proxy						-	
60	Insert cost description	e.g. ABAA	Allocator 1	Causal or proxy						-	
61	Insert cost description	e.g. ABAA	Allocator 2	Causal or proxy						-	
62	Insert cost description	e.g. ABAA	Allocator 3	Causal or proxy						-	
63	Not directly attributable										-
64											-

Schedule 6 Report on Capital Expenditure for the Disclosure Year

Company Name			
Disclosure Year Ended			
SCHEDULE 6: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR			
This schedule requires a break down of capital expenditure incurred in the disclosure year, including any capital contributions. With the exception of information on finance during construction, information on capital expenditure must be provided on a cash basis (accounting basis).			
GDBs must provide explanatory comment on their capital expenditure 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.			
ref	Version 1.2 (Draft)		
7	6(i): Capital Expenditure	(\$000)	(\$000)
8	Customer connection		—
9	System growth		—
10	Asset replacement and renewal		—
11	Asset relocations		—
12	<u>Reliability, safety and environment:</u>		
13	Quality of supply	—	
14	Legislative and regulatory	—	
15	Other reliability, safety and environment	—	
16	Total reliability, safety and environment		—
17			
18	Non-network capex		—
19	Gross capital expenditure		—
20			
21	Less Capital contributions		
22	Net value of vested assets		
23			
24	Capital expenditure		—
25	Finance during construction		
26	Value of Commissioned assets		
27	6(ii): Subcomponents of Gross Capital Expenditure (where known)		(\$000)
28	Research and development		
29	6(iii): Customer Connection		
30	<i>Customer types defined by GDB</i>	(\$000)	(\$000)
31	[GDB customer type]		
32	[GDB customer type]		
33	[GDB customer type]		
34	[GDB customer type]		
35	[GDB customer type]		
36	<i>*Include additional rows if needed</i>		
37	Customer connection total (gross)		—
38			
39	Less Capital contributions funding customer connection expenditure		
40	Customer connection less capital contributions		—
41	6(iv): System Growth and Asset Replacement and Renewal		
42		System Growth	Asset
43		(\$000)	Replacement and
44	Intermediate pressure		Renewal
45	Main pipe		
46	Service pipe		
47	Stations		
48	Line valve		
49	Special crossings		
50	Intermediate pressure -total	—	—
51	Medium pressure		
52	Main pipe		
53	Service pipe		
54	Stations		
55	Line valve		
56	Special crossings		
57	Medium pressure - total	—	—
58			

Company Name			
Disclosure Year Ended			
SCHEDULE 6: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR (cont)			
ref	Version 1.2 (Draft)		
65		System Growth	Asset
66		(\$000)	Replacement and
67	Low Pressure		Renewal
68	Main pipe		
69	Service pipe		
70	Line valve		
71	Special crossings		
72	Low pressure - total	–	–
73	Other assets		
74	Monitoring and control systems		
75	Cathodic protection systems		
76	Other assets - total	–	–
77			
78	Total	–	–
79	6(v): Asset Relocations		
80	<i>Project or programme</i>	(\$000)	(\$000)
81	[Description of material project or programme]		
82	[Description of material project or programme]		
83	[Description of material project or programme]		
84	[Description of material project or programme]		
85	[Description of material project or programme]		
86	<i>*include additional rows if needed</i>		
87	All other projects or programmes		
88	Asset relocations total (gross)		–
89	<i>Less</i> Capital contributions funding asset relocation expenditure		
90	Asset relocations less capital contributions		–
91	6(vi): Quality of Supply		
92	<i>Project or programme</i>	(\$000)	(\$000)
93	[Description of material project or programme]		
94	[Description of material project or programme]		
95	[Description of material project or programme]		
96	[Description of material project or programme]		
97	[Description of material project or programme]		
98	<i>*include additional rows if needed</i>		
99	All other projects or programmes		
100	Quality of supply total		–
101	6(vii): Legislative and Regulatory		
102	<i>Project or programme</i>	(\$000)	(\$000)
103	[Description of material project or programme]		
104	[Description of material project or programme]		
105	[Description of material project or programme]		
106	[Description of material project or programme]		
107	[Description of material project or programme]		
108	<i>*include additional rows if needed</i>		
109	All other projects or programmes		
110	Legislative and regulatory total		–
111			

Company Name			
Disclosure Year Ended			
SCHEDULE 6: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR (cont)			
ref	Version 1.2 (Draft)		
118	6(viii): Other Reliability, Safety and Environment		
119	<i>Project or programme</i>	(\$000)	(\$000)
120	[Description of material project or programme]		
121	[Description of material project or programme]		
122	[Description of material project or programme]		
123	[Description of material project or programme]		
124	[Description of material project or programme]		
125	<i>*include additional rows if needed</i>		
126	All other projects or programmes		
127	Other total		-
128	6(ix): Non-network Capex		
129	Routine expenditure		
130	<i>Project or programme</i>	(\$000)	(\$000)
131	[Description of material project or programme]		
132	[Description of material project or programme]		
133	[Description of material project or programme]		
134	[Description of material project or programme]		
135	[Description of material project or programme]		
136	<i>*include additional rows if needed</i>		
137	All other projects or programmes		
138	Routine expenditure total		-
139	Atypical expenditure		
140	<i>Project or programme</i>		
141	[Description of material project or programme]		
142	[Description of material project or programme]		
143	[Description of material project or programme]		
144	[Description of material project or programme]		
145	[Description of material project or programme]		
146	<i>*include additional rows if needed</i>		
147	All other projects or programmes		
148	Atypical expenditure total		-
149			
150	Non-system fixed assets total		-
151			

Schedule 7 Report on Operational Expenditure for the Disclosure Year

Company Name	
Disclosure Year Ended	

SCHEDULE 7: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR

This schedule requires a break down of operating expenditure incurred in the current disclosure year. GDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operating 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.

ref

Version 1.2 (Draft)

7

7(i): Operational Expenditure

Service interruptions, incidents and emergencies

Routine and corrective maintenance and inspection

Asset replacement and renewal*

System operations and network support

Business support

Operational expenditure

(\$000)

(\$000)

-

14

7(ii): Subcomponents of operational expenditure (where known)

Research and development

Insurance

1397674.5

Schedule 8a Report on Billed Quantities and Line Charge Revenues (by Type of Charge)

		Company Name For Year Ended		Network / Sub-network Name	
8	SCHEDULE 8a: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES (BY CHARGE TYPE)	This schedule requires the billed quantities and associated line charge revenues for each price category code used by the GDB in its pricing schedules. Information is also required on the number of ICs that are included in each price category code, and the energy delivered to these ICs. GDBs are required to provide this information in aggregate for non-standard consumers. 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.			
9	8a(i): Billed quantity by charge type				
10	Price category code/GMS size* used in pricing schedule	Avg. no. of ICs in disclosure year	Quantity of gas delivered to ICs (TJ per annum)	Average number of ICs billed	Quantity of gas billed (TJ per annum)
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24	Add extra rows for additional identifiers as necessary				
25	Standard consumer total				
26	Non-standard consumer total				
27	Total for all consumers				
29					
30	8a(ii): Line charge revenue (\$000) by charge type				
31					
32	Price category code/GMS size* used in pricing schedule	Total line charge revenue	Notional revenue foregone from posted discounts (if applicable)	Revenue from number of ICs billed	Revenue from GJ billed
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	Add extra rows for additional identifiers as necessary				
47	Standard consumer totals				
48	Non-standard consumer totals				
49	Total for all consumers				
50	* GasNet only, or as applicable				

32	All consumers									
33										
34			Billed quantities				Other billed quantities (GDB to specify charging basis)		Add extra columns for additional billed quantities as necessary	
35	End-consumer type (if known)	Avg. no. of ICs in disclosure year	Quantity of gas delivered to ICs (TJ per annum)	Average number of ICs billed	Quantity of gas billed for (TJ per annum)					
36										
37										
38										
39										
40										
41	Add extra rows for additional identifiers as necessary									
42	Total for all consumers									
43										
44	8b(ii): Line charge revenue (\$000): aggregation by end-consumer type									
45										
46										
47			Revenue from number of ICs billed		Revenue from GI billed		GMS charge revenue		Add extra columns for additional line charge revenue as necessary	
48	End-consumer type (if known)	Total line charge revenue								
49										
50										
51										
52										
53	Add extra rows for additional identifiers as necessary									
54	Standard consumer totals									
55										
56										
57										
58			Fixed charge revenue		Variable charge revenue		GMS charge revenue		Add extra columns for additional line charge revenue as necessary	
59	End-consumer type (if known)	Total line charge revenue								
60										
61										
62										
63										
64	Add extra rows for additional identifiers as necessary									
65	Non-standard consumer totals									
66										
67										
68										
69			Fixed charge revenue		Variable charge revenue		GMS charge revenue		Add extra columns for additional line charge revenue as necessary	
70	End-consumer type (if known)	Total line charge revenue								
71										
72										
73										
74										
75	Add extra rows for additional identifiers as necessary									
76	Total for all consumers									
77										
78										

Schedule 9a Asset Register

<div>Company Name</div> <div>AMP Planning Period</div>									
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. 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.									
ref	Version 1.2 (Draft)								
		Operating Pressure	Asset Category	Asset Class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
7		Intermediate Pressure	Main pipelines	IP PE main pipeline	km			-	
8		Intermediate Pressure	Main pipelines	IP steel main pipeline	km			-	
9		Intermediate Pressure	Main pipelines	IP other main pipeline	km			-	
10		Intermediate Pressure	Service pipelines	IP PE service pipeline	km			-	
11		Intermediate Pressure	Service pipelines	IP steel service pipeline	km			-	
12		Intermediate Pressure	Service pipelines	IP other service pipeline	km			-	
13		Intermediate Pressure	Stations	Intermediate pressure DRS	No.			-	
14		Intermediate Pressure	Valve	IP valves	No.			-	
15		Intermediate Pressure	Special crossings	IP crossings	No.			-	
16		Medium Pressure	Main pipelines	MP PE main pipeline	km			-	
17		Medium Pressure	Main pipelines	MP steel main pipeline	km			-	
18		Medium Pressure	Main pipelines	MP other main pipeline	km			-	
19		Medium Pressure	Service pipelines	MP PE service pipeline	km			-	
20		Medium Pressure	Service pipelines	MP steel service pipeline	km			-	
21		Medium Pressure	Service pipelines	MP other service pipeline	km			-	
22		Medium Pressure	Stations	Medium pressure DRS	No.			-	
23		Medium Pressure	Valve	MP valves	No.			-	
24		Medium Pressure	Special crossings	MP special crossings	No.			-	
25		Low Pressure	Main pipelines	LP PE main pipeline	km			-	
26		Low Pressure	Main pipelines	LP steel main pipeline	km			-	
27		Low Pressure	Main pipelines	LP other main pipeline	km			-	
28		Low Pressure	Service pipelines	LP PE service pipeline	km			-	
29		Low Pressure	Service pipelines	LP steel service pipeline	km			-	
30		Low Pressure	Service pipelines	LP other service pipeline	km			-	
31		Low Pressure	Valve	LP valves	No.			-	
32		Low Pressure	Special crossings	LP special crossings	No.			-	
33		Secondary Assets	Monitoring & control systems	Remote terminal units	No.			-	
34		Secondary Assets	Cathodic protection systems	Cathodic protection	No.			-	
35									
36									

Schedule 9b Asset Age Profile

Company Name

AMP Planning Period

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.

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.

ref	Version 1.2 (Draft)																											No. with age unknown	No. with default dates	Data accuracy (1–4)	
7	Operating Pressure	Asset Category	Asset Class	Units	pre-1970	1970–1974	1975–1979	1980–1984	1990–1994	1995–1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total		
8	Intermediate Pressure	Main pipelines	IP PE main pipeline	km																									–		
9	Intermediate Pressure	Main pipelines	IP steel main pipeline	km																									–		
10	Intermediate Pressure	Main pipelines	IP other main pipeline	km																									–		
11	Intermediate Pressure	Service pipelines	IP PE service pipeline	km																									–		
12	Intermediate Pressure	Service pipelines	IP steel service pipeline	km																									–		
13	Intermediate Pressure	Service pipelines	IP other service pipeline	km																									–		
14	Intermediate Pressure	Stations	Intermediate pressure DRS	No.																									–		
15	Intermediate Pressure	Valve	IP valves	No.																									–		
16	Intermediate Pressure	Special crossings	IP crossings	No.																									–		
17	Medium Pressure	Main pipelines	MP PE main pipeline	km																									–		
18	Medium Pressure	Main pipelines	MP steel main pipeline	km																									–		
19	Medium Pressure	Main pipelines	MP other main pipeline	km																									–		
20	Medium Pressure	Service pipelines	MP PE service pipeline	km																									–		
21	Medium Pressure	Service pipelines	MP steel service pipeline	km																									–		
22	Medium Pressure	Service pipelines	MP other service pipeline	km																									–		
23	Medium Pressure	Stations	Medium pressure DRS	No.																									–		
24	Medium Pressure	Valve	MP valves	No.																									–		
25	Medium Pressure	Special crossings	MP special crossings	No.																									–		
26	Low Pressure	Main pipelines	LP PE main pipeline	km																									–		
27	Low Pressure	Main pipelines	LP steel main pipeline	km																									–		
28	Low Pressure	Main pipelines	LP other main pipeline	km																									–		
29	Low Pressure	Service pipelines	LP PE service pipeline	km																									–		
30	Low Pressure	Service pipelines	LP steel service pipeline	km																									–		
31	Low Pressure	Service pipelines	LP other service pipeline	km																									–		
32	Low Pressure	Valve	LP valves	No.																									–		
33	Low Pressure	Special crossings	LP special crossings	No.																									–		
34	Secondary Assets	Monitoring & control systems	Remote terminal units	No.																									–		
35	Secondary Assets	Cathodic protection systems	Cathodic protection	No.																									–		
36																													–		

Schedule 9c Report on Pipeline Data

Company Name	
For Year Ended	
Network / Sub-network Name	

SCHEDULE 9c: REPORT ON PIPELINE DATA

This schedule requires a summary of the key characteristics of the pipeline network. 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.

Version 1.2 (Draft)

Network Information (end of year)

Length of pipeline by material (defined by GDB)

[Pipeline material 1]		%
[Pipeline material 2]		Not defined
[Pipeline material 3]		Not defined
Total length of pipeline	—	—

By operating pressure:

Intermediate pressure			
Medium pressure			
Low pressure			
Total	—	—	—

Schedule 9d**Report on Demand**

Company Name

For Year Ended

Network / Sub-network Name

SCHEDULE 9d: REPORT ON DEMAND

This schedule requires a summary of the key measures of network demand for the disclosure year (number of new connections including, maximum monthly loads and total gas conveyed)

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.

ref Version 1.2 (Draft)

8

9c(i): Connections**Number of ICPs connected in year by customer group****Current year***Customer types defined by GDB*

[GDB customer type]	
[GDB customer type]	
[GDB customer type]	
[GDB customer type]	
[GDB customer type]	

Total**9c(ii): Gas Delivered**

Number of ICPs at year end

Maximum daily load (GJ/day)

Maximum monthly load (GJ/month)

Number of directly billed ICPs (at year end)

Total gas conveyed (GJ/annum)

Average daily delivery (GJ/day)

Maximum monthly amount of gas entering network (GJ/month)

Load factor

Not defined

30

Schedule 10 Report on Network Reliability and Interruptions

<div>SCHEDULE 10: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS</div> <div>This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI) for the disclosure year GDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates).</div> <div>Version 1.2 (Draft)</div>		<div>Company Name</div> <div>For Year Ended</div> <div>Network / Sub-network Name</div>
8	10(i): Interruptions	
9	Interruptions by class	
10	Class A—planned interruptions by GTB	
11	Class B—planned interruptions on the network	
12	Class C—unplanned interruptions on the network	
13	Class D—unplanned interruptions by GTB	
14	Class I—unplanned interruptions caused by third party damage	
15	Total	
16	Number of unplanned outage events (interruptions that affect more than 5 customers)	
17	Region 01	
18	Region 02	
19	Region 03	
20	Region 04	
21	Region 05	
22	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 customers)	
23	Region 01	
24	Region 02	
25	Region 03	
26	Region 04	
27	Region 05	
28	10(ii): Reliability	
29	Overall reliability	
30	Based on the total number of interruptions	
31	Class I—unplanned interruptions caused by third party damage	
32	Class B—planned interruptions on the network	
33	Region 01	
34	Region 02	
35	Region 03	
36	Region 04	
37	Region 05	
38	Class C—unplanned interruptions on the network	
39	Region 01	
40	Region 02	
41	Region 03	
42	Region 04	
43	Region 05	
44		

Schedule 10a Report on Network Integrity and Customer Service

SCHEDULE 10a: REPORT ON NETWORK INTEGRITY AND CUSTOMER SERVICE This schedule requires a summary of the key measures of network integrity (gas escapes, RTEs etc) for the disclosure year		Company Name	
		For Year Ended	
		Network / Sub-network Name	
ref	Version 1.2 (Draft)		
8	10a(i): System Condition and Integrity		
9	Number of confirmed public reported gas escapes / total length of pipeline (escapes/1000 km)		
10	Region 01		Actual
11	Region 02		
12	Region 03		
13	Region 04		
14	Region 05		
15	Number of leaks detected by routine survey / total length of pipeline (leaks/1000 km)		
16	Region 01		Actual
17	Region 02		
18	Region 03		
19	Region 04		
20	Region 05		
21	Number of third party damage events / total length of pipeline (events/km)		
22	Region 01		Actual
23	Region 02		
24	Region 03		
25	Region 04		
26	Region 05		
27	Number of poor pressure events due to network causes		
28	Region 01		Actual
29	Region 02		
30	Region 03		
31	Region 04		
32	Region 05		
33			

SCHEDULE 10a: REPORT ON NETWORK INTEGRITY AND CUSTOMER SERVICE (continued)		Company Name For Year Ended		Network / Sub-network Name	
ref	Version 1.2 (Draft)				
41	Number of telephone calls to emergency numbers answered within 30 seconds / total number of calls	Actual			
42	Region_01				
43	Region_02				
44	Region_03				
45	Region_04				
46	Region_05				
47	Product control—safety of distribution gas				
48	Number of non-compliant odour tests	Actual			
49	10a(ii): Customer Service				
50	Response time to emergencies (RTE)				
51	Region_01	Proportion of emergencies responded to within 1 hour (%)	Proportion of emergencies responded to within 3 hours (%)	Average call response time (hours)	Number of emergencies
52	Region_02				
53	Region_03				
54	Region_04				
55	Region_05				
56	Number of complaints	Actual			
57	Number of complaints per average total customer numbers				
58					

Schedule 11a Report on Forecast Capital Expenditure

Company Name

AMP Planning Period

SCHEDULE 11a: REPORT ON FORECAST CAPITAL EXPENDITURE

This schedule requires a break down of forecast capital expenditure for the current disclosure year and a 10 year planning period. The forecasts should be consistent with the supporting information set out in the AMP. The forecast is required in both real (disclosure year) dollars and nominal dollars. Also required is a forecast of any finance during construction and the value of commissioned assets (ie, the value of RAB additions)
GDBs must provide explanatory comment on the difference between nominal and real capital expenditure forecasts in Schedule 14a (Mandatory Explanatory Notes).
This information is not part of audited disclosure information.

ref

Version 1.2 (Draft)

7												
8		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
9	11a(i): Capital Expenditure Forecast											
10	Expressed in nominal dollars											
11	Customer connection											
12	System growth											
13	Asset replacement and renewal											
14	Asset relocations											
15	Reliability, safety and environment											
16	Quality of supply											
17	Legislative and regulatory											
18	Other reliability, safety and environment											
19	Total reliability, safety and environment	-	-	-	-	-	-	-	-	-	-	-
20	Non-system fixed assets											
21	Gross capital expenditure	-	-	-	-	-	-	-	-	-	-	-
22												
23	Less Capital contributions											
24	Net value of vested assets											
25	Capital expenditure											
26												
27	Finance during construction											
28	Value of Commissioned assets											
29												
30	Expressed in real year 0 dollars											
31	Customer connection	-	-	-	-	-	-					
32	System growth	-	-	-	-	-	-					
33	Asset replacement and renewal	-	-	-	-	-	-					
34	Asset relocations	-	-	-	-	-	-					
35	Reliability, safety and environment											
36	Quality of supply	-	-	-	-	-	-					
37	Legislative and regulatory	-	-	-	-	-	-					
38	Other reliability, safety and environment	-	-	-	-	-	-					
39	Total reliability, safety and environment	-	-	-	-	-	-	-	-	-	-	-
40	Non-system fixed assets	-	-	-	-	-	-					
41	Gross capital expenditure	-	-	-	-	-	-	-	-	-	-	-
42	Subcomponents of gross capital expenditure (where known)											
43	Research and development											
44	Difference between nominal and real forecasts											
45	Customer connection	-	-	-	-	-	-	-	-	-	-	-
46	System growth	-	-	-	-	-	-	-	-	-	-	-
47	Asset replacement and renewal	-	-	-	-	-	-	-	-	-	-	-
48	Asset relocations	-	-	-	-	-	-	-	-	-	-	-
49	Reliability, safety and environment											
50	Quality of supply	-	-	-	-	-	-	-	-	-	-	-
51	Legislative and regulatory	-	-	-	-	-	-	-	-	-	-	-
52	Other reliability, safety and environment	-	-	-	-	-	-	-	-	-	-	-
53	Total reliability, safety and environment	-	-	-	-	-	-	-	-	-	-	-
54	Non-system fixed assets	-	-	-	-	-	-	-	-	-	-	-
55	Gross capital expenditure	-	-	-	-	-	-	-	-	-	-	-
56												

Company Name	
AMP Planning Period	

SCHEDULE 11A: REPORT ON FORECAST CAPITAL EXPENDITURE

ref

Version 1.2 (Draft)

<

Company Name

AMP Planning Period

SCHEDULE 11A: REPORT ON FORECAST CAPITAL EXPENDITURE

ref

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194

195

196

197

198

199

200

201

202

203

204

Year 0

Year 1

Year 2

Year 3

Year 4

Year 5

11a(vi): Quality of supply

Project or programme

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

*include additional rows if needed

All other projects or programmes

Quality of Supply total

-

-

-

-

-

-

11a(vii): Legislative and regulatory

Project or programme

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

*include additional rows if needed

All other projects or programmes

Legislative and Regulatory total

-

-

-

-

-

-

11a(viii): Other Reliability, safety and environment

Project or programme

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

*include additional rows if needed

All other projects or programmes

Other total

-

-

-

-

-

-

11a(ix): Non-System Fixed Assets

Routine expenditure

Project or programme

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

*include additional rows if needed

All other projects or programmes

Routine expenditure total

-

-

-

-

-

-

Atypical expenditure

Project or programme

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

[Description of material project or programme]

*include additional rows if needed

All other projects or programmes

Atypical expenditure total

-

-

-

-

-

-

Non-system Fixed Assets total

-

-

-

-

-

-

Schedule 11b

Report on Forecast Operational Expenditure

Company Name												
AMP Planning Period												
ref	Version 1.2 (Draft)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
(\$'000)												
7												
8												
9	Operational Expenditure											
10	Expressed in nominal terms											
11	Service interruptions, incidents and emergencies											
12	Routine and corrective maintenance and inspection											
13	As set replacement and renewal											
14	System operations and network support											
15	Business support											
16	Total operational expenditure	—	—	—	—	—	—	—	—	—	—	—
17	Expressed in real year 0 terms											
18	Service interruptions, incidents and emergencies											
19	Routine and corrective maintenance and inspection											
20	As set replacement and renewal											
21	System operations and network support											
22	Business support											
23	Total operational expenditure	—	—	—	—	—	—	—	—	—	—	—
24	Subcomponents of operational expenditure (where known)											
25	Research and development											
26												
27	Difference between nominal and real forecasts											
28	Service interruptions, incidents and emergencies	—	—	—	—	—	—	—	—	—	—	—
29	Routine and corrective maintenance and inspection	—	—	—	—	—	—	—	—	—	—	—
30	As set replacement and renewal	—	—	—	—	—	—	—	—	—	—	—
31	System operations and network support	—	—	—	—	—	—	—	—	—	—	—
32	Business support	—	—	—	—	—	—	—	—	—	—	—
33	Total operational expenditure	—	—	—	—	—	—	—	—	—	—	—
34												

Schedule 12a Report on Asset Condition at the End of the Disclosure Year

ref		Version 1.2 (Draft)		Company Name AMP Planning Period		Asset condition at end of year (percentage by grade)							Total	Data accuracy (1-4)
						Units	Grade 1	Grade 2	Grade 3	Grade 4	Grade unknown			
8	Operating Pressure	Asset category	Asset class											
9	Intermediate Pressure	Main pipelines	IP PE main pipeline											
10	Intermediate Pressure	Main pipelines	IP steel main pipeline											
11	Intermediate Pressure	Main pipelines	IP other main pipeline											
12	Intermediate Pressure	Service pipelines	IP PE service pipeline											
13	Intermediate Pressure	Service pipelines	IP steel service pipeline											
14	Intermediate Pressure	Service pipelines	IP other service pipeline											
15	Intermediate Pressure	Stations	Intermediate pressure DRS											
16	Intermediate Pressure	Valve	IP valves											
17	Intermediate Pressure	Special crossings	IP crossings											
18	Medium Pressure	Main pipelines	MP PE main pipeline											
19	Medium Pressure	Main pipelines	MP steel main pipeline											
20	Medium Pressure	Main pipelines	MP other main pipeline											
21	Medium Pressure	Service pipelines	MP PE service pipeline											
22	Medium Pressure	Service pipelines	MP steel service pipeline											
23	Medium Pressure	Service pipelines	MP other service pipeline											
24	Medium Pressure	Stations	Medium pressure DRS											
25	Medium Pressure	Valve	MP valves											
26	Medium Pressure	Special crossings	MP special crossings											
27	Low Pressure	Main pipelines	LP PE main pipeline											
28	Low Pressure	Main pipelines	LP steel main pipeline											
29	Low Pressure	Main pipelines	LP other main pipeline											
30	Low Pressure	Service pipelines	LP PE service pipeline											
31	Low Pressure	Service pipelines	LP steel service pipeline											
32	Low Pressure	Service pipelines	LP other service pipeline											
33	Low Pressure	Valve	LP valves											
34	Low Pressure	Special crossings	LP special crossings											
35	Secondary Assets	Monitoring & control systems	Remote terminal units											
36	Secondary Assets	Cathodic protection systems	Cathodic protection											
37														

Schedule 12b Report on Forecast Utilisation

Company Name

AMP Planning Period

SCHEDULE 12b: REPORT ON FORECAST UTILISATION

This Schedule requires a breakdown of current and forecast utilisation (for heavily utilised pipelines) consistent with the information provided in the AMP and the demand forecast in schedule S12c.

ref

Version 1.2 (Draft)

7

Forecast Utilisation of Heavily Utilised Pipelines

	Region	Network	Pressure system	Nominal operating pressure (NOP) kPa	Minimum operating pressure (MinOP) kPa	Total capacity at MinOP scmh	Remaining capacity at MinOP scmh	Unit	Current year utilisation	Year 1 utilisation	Year 2 utilisation	Year 3 utilisation	Year 4 utilisation	Year 5 utilisation	Comment
10								scmh							
11								kPa							
12								scmh							
13								kPa							
14								scmh							
15								kPa							
16								scmh							
17								kPa							
18								scmh							
19								kPa							
20								scmh							
21								kPa							
22								scmh							
23								kPa							
24								scmh							
25								kPa							
26								scmh							
27								kPa							
28								scmh							
29								kPa							

* Current year utilisation figures may be estimates. Year 1–5 figures show the utilisation forecast to occur given the expected system configuration for each year, including the effect of any new investment in the pressure system.

Disclaimer for supply enquiries

Notes and assumptions

Schedule 12c Report on Forecast Demand

Company Name

AMP Planning Period

SCHEDULE 12c: REPORT ON FORECAST DEMAND

This schedule requires a forecast of new connections (by customer type) peak demand and energy volumes for the disclosure year and a 5 year planning period. The forecasts should be consistent with the supporting information set out in the AMP as well as the assumptions used in developing the expenditure forecasts in Schedule 11a and Schedule 11b and the capacity and utilisation forecasts in Schedule 12b.

ref	Version 1.2 (Draft)						
7	12c(i): Forecast Connections						
8	Number of ICPs connected in year by customer group						
9		Current year	Year 1	Year 2	Year 3	Year 4	Year 5
10	<i>Customer types defined by GDB</i>						
11	[GDB customer type]						
12	[GDB customer type]						
13	[GDB customer type]						
14	[GDB customer type]						
15	[GDB customer type]						
16	Total	–	–	–	–	–	–
17	12c(ii): Gas Delivered [fit better in revenue]						
18		Current year	Year 1	Year 2	Year 3	Year 4	Year 5
19		2013	2014	2015	2016	2017	
20	Number of ICPs at year end						
21	Maximum daily load (GJ/day)						
22	Maximum monthly load (GJ/month)						
23	Number of directly billed ICPs (at year end)						
24	Total gas conveyed (GJ/annum)						
25	Average daily delivery (GJ/day)	–	–	–	–	–	–
26	Maximum monthly amount of gas entering network (GJ/month)						
27	Load factor	Not defined	Not defined	Not defined	Not defined	Not defined	Not defined
28							

Schedule 13 Report on Asset Management Maturity

1. Each **GDB** must complete the AMMAT Report set out in Schedule 17. The **GDB** must ensure that the person responsible for managing **network** assets (or a similar level individual) in the organisation takes responsibility for completing and maintaining the AMMAT, including:
 - 1.1 Organising people within the organisation to answer the questions
 - 1.2 Arranging for all information to be captured within the AMMAT
 - 1.3 Reporting to the organisation on the results of the assessment
 - 1.4 Planning the assessment process, including:
 - 1.4.1 determining the form the assessment process is to take. In this context, the principal formats are generally taken to be interviews, facilitated groups/panels or a combination of the two
 - 1.4.2 arranging for appropriate outsourced service providers and stakeholders to act as respondents during the assessment exercise
 - 1.4.3 providing appropriate pre-assessment communication (and training where appropriate) to ensure that, as a minimum, the proposed respondents are aware of the AMMAT process and the part within it that they are being asked to play
 - 1.4.4 identifying which questions are to be asked of which respondents.

*Part of the value of a formal asset management system is the definition and standardisation of terms. A common understanding of terms helps interested persons to understand the asset management concepts and processes that apply to the **GDB**. In particular, it helps the **GDB**'s employees and suppliers to understand and improve asset management concepts and processes.*

*The AMMAT will not provide an effective assessment of the maturity of the supplier's asset management capability and processes unless the preparation of the AMMAT is supported by senior management of the **GDB**.*

The level of effort required to complete the AMMAT should be consistent with a gap analysis exercise rather than the level typically involved with an audit for certification.

An audit involves a systematic, independent process for the collection and analysis of evidence to support a rating whereas the AMMAT is intended to be used by providing a reference to supporting evidence or an explanation of the self-assessment.

The level of documentation within an asset management system is expected to be consistent with factors such as the size of the company, complexity of processes and competence of personnel.

*The definitions provided in the AMMAT for each maturity rating should provide sufficient information for a **GDB** to objectively identify the level currently being achieved by the organisation.*

2. Each **GDB** must specify in the AMMAT Report the standard of asset management practice that the **GDB** has used as the reference standard. Cells in the following columns in the AMMAT Report set out below must be filled out:

- 2.1 'User guidance': guidance (if required) on completing each question of the AMMAT.

This column can be used by the person responsible for completing and maintaining the AMMAT to provide guidance to the persons coordinating responses to each question.

- 2.2 'Evidence—Summary': the information/evidence used to support the assessed rating.

The cells in this column should be completed by persons coordinating responses to each question.

- 2.3 'Score': the appropriate maturity rating (this must be a whole number between 0 and 4).

To meet AMMAT level 4 maturity, the **GDB's** processes must surpass the standards that must be complied with in an internationally accepted asset management specification. The AMMAT questionnaire has been prepared to conform to the PAS 55 specification. However, a similar specification, if available, may be used for the purpose of disclosure.

SCHEDULE 13: REPORT ON ASSET MANAGEMENT MATURITY

This schedule requires information on the EDB'S self-assessment of the maturity of its asset management practices.

Version 1.2 (Draft)

Company Name

AMP Planning Period

Asset Management Standard Applied

Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented information	User Guidance	Evidence—Summary	Score
3	Asset management policy	To what extent has an asset management policy been documented, authorised and communicated?	The organisation does not have a documented asset management policy.	The organisation has an asset management policy, but it has not been authorised by top management, or it is not influencing the management of the assets.	The organisation has an asset management policy, which has been authorised by top management, but it has had limited circulation. It may be in use to influence development of strategy and planning but its effect is limited.	The asset management policy is authorised by top management, is widely and effectively communicated to all relevant employees and stakeholders, and used to make these persons aware of their asset related obligations.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM practice standards require an organisation to document, authorise and communicate its asset management policy (eg, as required in PAS 55 para 4.2 i). A key pre-requisite of any robust policy is that the organisation's top management must be seen to endorse and fully support it. Also vital to the effective implementation of the policy, is to tell the appropriate people of its content and their obligations under it. Where an organisation outsources some of its asset-related activities, then these people and their organisations must equally be made aware of the policy's content. Also, there may be other stakeholders, such as regulatory authorities and shareholders who should be made aware of it.	Top management. The management team that has overall responsibility for asset management.	The organisation's asset management policy, its organisational strategic plan, documents indicating how the asset management policy was based upon the needs of the organisation and evidence of communication.			1
10	Asset management strategy	What has the organisation done to ensure that its asset management strategy is consistent with other appropriate organisational policies and strategies, and the needs of stakeholders?	The organisation has not considered the need to ensure that its asset management strategy is appropriately aligned with the organisation's other organisational policies and strategies or with stakeholder requirements. OR The organisation does not have an asset management strategy.	The need to align the asset management strategy with other organisational policies and strategies as well as stakeholder requirements is understood and work has started to identify the linkages or to incorporate them in the drafting of asset management strategy.	Some of the linkages between the long-term asset management strategy and other organisational policies, strategies and stakeholder requirements are defined but the work is fairly well advanced but still incomplete.	All linkages are in place and evidence is available to demonstrate that, where appropriate, the organisation's asset management strategy is consistent with its other organisational policies and strategies. The organisation has also identified and considered the requirements of relevant stakeholders.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	In setting an organisation's asset management strategy, it is important that it is consistent with any other policies and strategies that the organisation has and has taken into account the requirements of relevant stakeholders. This question examines to what extent the asset management strategy is consistent with other organisational policies and strategies (eg, as required by PAS 55 para 4.3.1 b) and has taken account of stakeholder requirements as required by PAS 55 para 4.3.1 c). Generally, this will take into account the same policies, strategies and stakeholder requirements as covered in drafting the asset management policy but at a greater level of detail.	Top management. The organisation's strategic planning team. The management team that has overall responsibility for asset management.	The organisation's asset management strategy document and other related organisational policies and strategies. Other than the organisation's strategic plan, these could include those relating to health and safety, environmental, etc. Results of stakeholder consultation.			1
11	Asset management strategy	In what way does the organisation's asset management strategy take account of the lifecycle of the assets, asset types and asset systems over which the organisation has stewardship?	The organisation has not considered the need to ensure that its asset management strategy is produced with due regard to the lifecycle of the assets, asset types or asset systems that it manages. OR The organisation does not have an asset management strategy.	The need is understood, and the organisation is drafting its asset management strategy to address the lifecycle of its assets, asset types and asset systems.	The long-term asset management strategy takes account of the lifecycle of some, but not all, of its assets, asset types and asset systems.	The asset management strategy takes account of the lifecycle of all of its assets, asset types and asset systems.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Good asset stewardship is the hallmark of an organisation compliant with widely used AM standards. A key component of this is the need to take account of the lifecycle of the assets, asset types and asset systems. (For example, this requirement is recognised in 4.3.1 d) of PAS 55). This question explores what an organisation has done to take lifecycle into account in its asset management strategy.	Top management. People in the organisation with expert knowledge of the assets, asset types, asset systems and their associated life-cycles. The management team that has overall responsibility for asset management. Those responsible for developing and adopting methods and processes used in asset management	The organisation's documented asset management strategy and supporting working documents.			2
26	Asset management plan(s)	How does the organisation establish and document its asset management plan(s) across the life cycle activities of its assets and asset systems?	The organisation does not have an identifiable asset management plan(s) covering asset systems and critical assets.	The organisation has asset management plan(s) but they are not aligned with the asset management strategy and objectives and do not take into consideration the full asset life cycle (including asset creation, acquisition, enhancement, utilisation, maintenance decommissioning and disposal).	The organisation is in the process of putting in place comprehensive, documented asset management plan(s) that cover all life cycle activities, clearly aligned to asset management objectives and the asset management strategy.	Asset management plan(s) are established, documented, implemented and maintained for asset systems and critical assets to achieve the asset management strategy and asset management objectives across all life cycle phases.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	The asset management strategy need to be translated into practical plan(s) so that all parties know how the objectives will be achieved. The development of plan(s) will need to identify the specific tasks and activities required to optimize costs, risks and performance of the assets and/or asset system(s), when they are to be carried out and the resources required.	The management team with overall responsibility for the asset management system. Operations, maintenance and engineering managers.	The organisation's asset management plan(s).			1

Company Name													
AMP Planning Period													
SCHEDULE 17: AMMAT REPORT (continued 1)													
Version 1 (Draft)													
Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented Information	User Guidance	Evidence—Summary	Score
27	Asset management plan(s)	How has the organisation communicated its plan(s) to all relevant parties to a level of detail appropriate to the receiver's role in their delivery?	The organisation does not have plan(s) or their distribution is limited to the authors.	The plan(s) are communicated to some of those responsible for delivery of the plan(s). OR Communicated to those responsible for delivery is either irregular or ad-hoc.	The plan(s) are communicated to most of those responsible for delivery but there are weaknesses in identifying relevant parties resulting in incomplete or inappropriate communication. The organisation recognises improvement is needed as is working towards resolution.	The plan(s) are communicated to all relevant employees, stakeholders and contracted service providers to a level of detail appropriate to their participation or business interests in the delivery of the plan(s) and there is confirmation that they are being used effectively.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Plans will be ineffective unless they are communicated to all those, including contracted suppliers and those who undertake enabling function(s). The plan(s) need to be communicated in a way that is relevant to those who need to use them.	The management team with overall responsibility for the asset management system. Delivery functions and suppliers.	Distribution lists for plan(s). Documents derived from plan(s) which detail the receivers role in plan delivery. Evidence of communication.			1
29	Asset management plan(s)	How are designated responsibilities for delivery of asset plan actions documented?	The organisation has not documented responsibilities for delivery of asset plan actions.	Asset management plan(s) inconsistently document responsibilities for delivery of plan actions and activities and/or responsibilities and authorities for implementation inadequate and/or delegation level inadequate to ensure effective delivery and/or contain misalignments with organisational accountability.	Asset management plan(s) consistently document responsibilities for the delivery of actions but responsibility/authority levels are inappropriate/ inadequate, and/or there are misalignments within the organisation.	Asset management plan(s) consistently document responsibilities for the delivery actions and there is adequate detail to enable delivery of actions. Designated responsibility and authority for achievement of asset plan actions is appropriate.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	The implementation of asset management plan(s) relies on (1) actions being clearly identified, (2) an owner allocated and (3) that owner having sufficient delegated responsibility and authority to carry out the work required. It also requires alignment of actions across the organisation. This question explores how well the plan(s) set out responsibility for delivery of asset plan actions.	The management team with overall responsibility for the asset management system. Operations, maintenance and engineering managers. If appropriate, the performance management team.	The organisation's asset management plan(s). Documentation defining roles and responsibilities of individuals and organisational departments.			2
31	Asset management plan(s)	What has the organisation done to ensure that appropriate arrangements are made available for the efficient and cost effective implementation of the plan(s)? (Note this is about resources and enabling support)	The organisation has not considered the arrangements needed for the effective implementation of plan(s).	The organisation recognises the need to ensure appropriate arrangements are in place for implementation of asset management plan(s) and is in the process of determining an appropriate approach for achieving this.	The organisation has arrangements in place for the implementation of asset management plan(s) but the arrangements are not yet adequately efficient and/or effective. The organisation is working to resolve existing weaknesses.	The organisation's arrangements fully cover all the requirements for the efficient and cost effective implementation of asset management plan(s) and realistically address the resources and timescales required, and any changes needed to functional policies, standards, processes and the asset management information system.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	It is essential that the plan(s) are realistic and can be implemented, which requires appropriate resources to be available and enabling mechanisms in place. This question explores how well this is achieved. The plan(s) not only need to consider the resources directly required and timescales, but also the enabling activities, including for example, training requirements, supply chain capability and procurement timescales.	The management team with overall responsibility for the asset management system. Operations, maintenance and engineering managers. If appropriate, the performance management team. If appropriate, the performance management team. Where appropriate the procurement team and service providers working on the organisation's asset-related activities.	The organisation's asset management plan(s). Documented processes and procedures for the delivery of the asset management plan.			1
33	Contingency planning	What plan(s) and procedure(s) does the organisation have for identifying and responding to incidents and emergency situations and ensuring continuity of critical asset management activities?	The organisation has not considered the need to establish plan(s) and procedure(s) to identify and respond to incidents and emergency situations.	The organisation has some ad-hoc arrangements to deal with incidents and emergency situations, but these have been developed on a reactive basis in response to specific events that have occurred in the past.	Most credible incidents and emergency situations are identified. Either appropriate plan(s) and procedure(s) are incomplete for critical activities or they are inadequate. Training/ external alignment may be incomplete.	Appropriate emergency plan(s) and procedure(s) are in place to respond to credible incidents and manage continuity of critical asset management activities consistent with policies and asset management objectives. Training and external agency alignment is in place.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM practice standards require that an organisation has plan(s) to identify and respond to emergency situations. Emergency plan(s) should outline the actions to be taken to respond to specified emergency situations and ensure continuity of critical asset management activities including the communication to, and involvement of, external agencies. This question assesses if, and how well, these plan(s) triggered, implemented and resolved in the event of an incident. The plan(s) should be appropriate to the level of risk as determined by the organisation's risk assessment methodology. It is also a requirement that relevant personnel are competent and trained.	The manager with responsibility for developing emergency plan(s). The organisation's risk assessment team. People with designated duties within the plan(s) and procedure(s) for dealing with incidents and emergency situations.	The organisation's plan(s) and procedure(s) for dealing with emergencies. The organisation's risk assessments and risk registers.			3

SCHEDULE 17: AMMAT REPORT (continued 2)											Company Name		
											AMP Planning Period		
Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented Information	User Guidance	Evidence—Summary	Score
37	Structure, authority and responsibilities	What has the organisation done to appoint member(s) of its management team to be responsible for ensuring that the organisation's assets deliver the requirements of the asset management strategy, objectives and plan(s)?	Top management has not considered the need to appoint a person or persons to ensure that the organisation's assets deliver the requirements of the asset management strategy, objectives and plan(s).	Top management understands the need to appoint a person or persons to ensure that the organisation's assets deliver the requirements of the asset management strategy, objectives and plan(s).	Top management has appointed an appropriate people to ensure the assets deliver the requirements of the asset management strategy, objectives and plan(s) but their areas of responsibility are not fully defined and/or they have insufficient delegated authority to fully execute their responsibilities.	The appointed person or persons have full responsibility for ensuring that the organisation's assets deliver the requirements of the asset management strategy, objectives and plan(s). They have been given the necessary authority to achieve this.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	In order to ensure that the organisation's assets and asset systems deliver the requirements of the asset management policy, strategy and objectives responsibilities need to be allocated to appropriate people who have the necessary authority to fulfil their responsibilities. (This question, relates to the organisation's assets eg, para b), s 4.4.1 of PAS 55, making it therefore distinct from the requirement contained in para a), s 4.4.1 of PAS 55).	Top management. People with management responsibility for the delivery of asset management policy, strategy, objectives and plan(s). People working on asset-related activities.	Evidence that managers with responsibility for the delivery of asset management policy, strategy, objectives and plan(s) have been appointed and have assumed their responsibilities. Evidence may include the organisation's documents relating to its asset management system, organisational charts, job descriptions of post-holders, annual targets/objectives and personal development plan(s) of post-holders as appropriate.			3
40	Structure, authority and responsibilities	What evidence can the organisation's top management provide to demonstrate that sufficient resources are available for asset management?	The organisation's top management has not considered the resources required to deliver asset management.	The organisations top management understands the need for sufficient resources but there are no effective mechanisms in place to ensure this is the case.	A process exists for determining what resources are required for its asset management activities and in most cases these are available but in some instances resources remain insufficient.	An effective process exists for determining the resources needed for asset management and sufficient resources are available. It can be demonstrated that resources are matched to asset management requirements.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Optimal asset management requires top management to ensure sufficient resources are available. In this context the term 'resources' includes manpower, materials, funding and service provider support.	Top management. The management team that has overall responsibility for asset management. Risk management team. The organisation's managers involved in day-to-day supervision of asset-related activities, such as frontline managers, engineers, foremen and chargehands as appropriate.	Evidence demonstrating that asset management plan(s) and/or the process(es) for asset management plan implementation consider the provision of adequate resources in both the short and long term. Resources include funding, materials, equipment, services provided by third parties and personnel (internal and service providers) with appropriate skills competencies and knowledge.			3
42	Structure, authority and responsibilities	To what degree does the organisation's top management communicate the importance of meeting its asset management requirements?	The organisation's top management has not considered the need to communicate the importance of meeting asset management requirements.	The organisations top management understands the need to communicate the importance of meeting its asset management requirements but does not do so.	Top management communicates the importance of meeting its asset management requirements but only to parts of the organisation.	Top management communicates the importance of meeting its asset management requirements to all relevant parts of the organisation.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM practice standards require an organisation to communicate the importance of meeting its asset management requirements such that personnel fully understand, take ownership of, and are fully engaged in the delivery of the asset management requirements (eg, PAS 55 s 4.4.1 g).	Top management. The management team that has overall responsibility for asset management. People involved in the delivery of the asset management requirements.	Evidence of such activities as road shows, written bulletins, workshops, team talks and management walkabouts would assist an organisation to demonstrate it is meeting this requirement of PAS 55.			1
45	Outsourcing of asset management activities	Where the organisation has outsourced some of its asset management activities, how has it ensured that appropriate controls are in place to ensure the compliant delivery of its organisational strategic plan, and its asset management policy and strategy?	The organisation has not considered the need to put controls in place.	The organisation controls its outsourced activities on an ad-hoc basis, with little regard for ensuring for the compliant delivery of the organisational strategic plan and/or its asset management policy and strategy.	Controls systematically considered but currently only provide for the compliant delivery of some, but not all, aspects of the organisational strategic plan and/or its asset management policy and strategy. Gaps exist.	Evidence exists to demonstrate that outsourced activities are appropriately controlled to provide for the compliant delivery of the organisational strategic plan, asset management policy and strategy, and that these controls are integrated into the asset management system	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Where an organisation chooses to outsource some of its asset management activities, the organisation must ensure that these outsourced proces(s) are under appropriate control to ensure that all the requirements of widely used AM standards (eg, PAS 55) are in place, and the asset management policy, strategy objectives and plan(s) are delivered. This includes ensuring capabilities and resources across a time span aligned to life cycle management. The organisation must put arrangements in place to control the outsourced activities, whether it be to external providers or to other in-house departments. This question explores what the organisation does in this regard.	Top management. The management team that has overall responsibility for asset management. The manager(s) responsible for the monitoring and management of the outsourced activities. People involved with the procurement of outsourced activities. The people within the organisations that are performing the outsourced activities. The people impacted by the outsourced activity.	The organisation's arrangements that detail the compliance required of the outsourced activities. For example, this this could form part of a contract or service level agreement between the organisation and the suppliers of its outsourced activities. Evidence that the organisation has demonstrated to itself that it has assurance of compliance of outsourced activities.			4

SCHEDULE 17: AMMAT REPORT (continued 3)											Company Name		
Version 1 (Draft)											AMP Planning Period		
Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented information	User Guidance	Evidence—Summary	Score
48	Training, awareness and competence	How does the organisation develop plan(s) for the human resources required to undertake asset management activities - including the development and delivery of asset management strategy, process(es), objectives and plan(s)?	The organisation has not recognised the need for assessing human resources requirements to develop and implement its asset management system.	The organisation has recognised the need to assess its human resources requirements and to develop a plan(s). There is limited recognition of the need to align these with the development and implementation of its asset management system.	The organisation has developed a strategic approach to aligning competencies and human resources to the asset management system including the asset management plan but the work is incomplete or has not been consistently implemented.	The organisation can demonstrate that plan(s) are in place and effective in matching competencies and capabilities to the asset management system including the plan for both internal and contracted activities. Plans are reviewed integral to asset management system process(es).	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	There is a need for an organisation to demonstrate that it has considered what resources are required to develop and implement its asset management system. There is also a need for the organisation to demonstrate that it has assessed what development plan(s) are required to provide its human resources with the skills and competencies to develop and implement its asset management systems. The timescales over which the plan(s) are relevant should be commensurate with the planning horizons within the asset management strategy considers e.g. if the asset management strategy considers 5, 10 and 15 year time scales then the human resources development plan(s) should align with these. Resources include both 'in house' and external resources who undertake asset management activities.	Senior management responsible for agreement of plan(s). Managers responsible for developing asset management strategy and plan(s). Managers with responsibility for development and recruitment of staff (including HR functions). Staff responsible for training. Procurement officers. Contracted service providers.	Evidence of analysis of future work load plan(s) in terms of human resources. Document(s) containing analysis of the organisation's own direct resources and contractors resource capability over suitable timescales. Evidence, such as minutes of meetings, that suitable management forums are monitoring human resource development plan(s). Training plan(s), personal development plan(s), contract and service level agreements.			3
49	Training, awareness and competence	How does the organisation identify competency requirements and then plan, provide and record the training necessary to achieve the competencies?	The organisation does not have any means in place to identify competency requirements.	The organisation has recognised the need to identify competency requirements and then plan, provide and record the training necessary to achieve the competencies.	The organisation is the process of identifying competency requirements aligned to the asset management plan(s) and then plan, provide and record appropriate training. It is incomplete or inconsistently applied.	Competency requirements are in place and aligned with asset management plan(s). Plans are in place and effective in providing the training necessary to achieve the competencies. A structured means of recording the competencies achieved is in place.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM standards require that organisations to undertake a systematic identification of the asset management awareness and competencies required at each level and function within the organisation. Once identified the training required to provide the necessary competencies should be planned for delivery in a timely and systematic way. Any training provided must be recorded and maintained in a suitable format. Where an organisation has contracted service providers in place then it should have a means to demonstrate that this requirement is being met for their employees. (eg, PAS 55 refers to frameworks suitable for identifying competency requirements).	Senior management responsible for agreement of plan(s). Managers responsible for developing asset management strategy and plan(s). Managers with responsibility for development and recruitment of staff (including HR functions). Staff responsible for training. Procurement officers. Contracted service providers.	Evidence of an established and applied competency requirements assessment process and plan(s) in place to deliver the required training. Evidence that the training programme is part of a wider, co-ordinated asset management activities training and competency programme. Evidence that training activities are recorded and that records are readily available (for both direct and contracted service provider staff) e.g. via organisation wide information system or local records database.			2
50	Training, awareness and competence	How does the organization ensure that persons under its direct control undertaking asset management related activities have an appropriate level of competence in terms of education, training or experience?	The organization has not recognised the need to assess the competence of person(s) undertaking asset management related activities.	Competency of staff undertaking asset management related activities is not managed or assessed in a structured way, other than formal requirements for legal compliance and safety management.	The organization is in the process of putting in place a means for assessing the competence of person(s) involved in asset management activities including contractors. There are gaps and inconsistencies.	Competency requirements are identified and assessed for all persons carrying out asset management related activities - internal and contracted. Requirements are reviewed and staff reassessed at appropriate intervals aligned to asset management requirements.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	A critical success factor for the effective development and implementation of an asset management system is the competence of persons undertaking these activities. Organisations should have effective means in place for ensuring the competence of employees to carry out their designated asset management function(s). Where an organisation has contracted service providers undertaking elements of its asset management system then the organisation shall assure itself that the outsourced service provider also has suitable arrangements in place to manage the competencies of its employees. The organisation should ensure that the individual and corporate competencies it requires are in place and actively monitor, develop and maintain an appropriate balance of these competencies.	Managers, supervisors, persons responsible for developing training programmes. Staff responsible for procurement and service agreements. HR staff and those responsible for recruitment.	Evidence of a competency assessment framework that aligns with established frameworks such as the asset management Competencies Requirements Framework (Version 2.0); National Occupational Standards for Management and Leadership; UK Standard for Professional Engineering Competence, Engineering Council, 2005.			
53	Communication, participation and consultation	How does the organisation ensure that pertinent asset management information is effectively communicated to and from employees and other stakeholders, including contracted service providers?	The organisation has not recognised the need to formally communicate any asset management information.	There is evidence that the pertinent asset management information to be shared along with those to share it with is being determined.	The organisation has determined pertinent information and relevant parties. Some effective two way communication is in place but as yet not all relevant parties are clear on their roles and responsibilities with respect to asset management information.	Two way communication is in place between all relevant parties, ensuring that information is effectively communicated to match the requirements of asset management strategy, plan(s) and process(es). Pertinent asset information requirements are regularly reviewed.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM practice standards require that pertinent asset management information is effectively communicated to and from employees and other stakeholders including contracted service providers. Pertinent information refers to information required in order to effectively and efficiently comply with and deliver asset management strategy, plan(s) and objectives. This will include for example the communication of the asset management policy, asset performance information, and planning information as appropriate to contractors.	Top management and senior management representative(s), employee's representative(s), employee's trade union representative(s); contracted service provider management and employee representative(s); representative(s) from the organisation's Health, Safety and Environmental team. Key stakeholder representative(s).	Asset management policy statement prominently displayed on notice boards, intranet and internet; use of organisation's website for displaying asset performance data; evidence of formal briefings to employees, stakeholders and contracted service providers; evidence of inclusion of asset management issues in team meetings and contracted service provider contract meetings; newsletters, etc.			

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Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented Information	User Guidance	Evidence—Summary	Score
59	Asset Management System documentation	What documentation has the organisation established to describe the main elements of its asset management system and interactions between them?	The organisation has not established documentation that describes the main elements of the asset management system.	The organisation is aware of the need to put documentation in place and is in the process of determining how to document the main elements of its asset management system.	The organisation in the process of documenting its asset management system and has documentation in place that describes some, but not all, of the main elements of its asset management system and their interaction.	The organisation has established documentation that comprehensively describes all the main elements of its asset management system and the interactions between them. The documentation is kept up to date.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM practice standards require an organisation maintain up to date documentation that ensures that its asset management systems (ie, the systems the organisation has in place to meet the standards) can be understood, communicated and operated. (eg, s 4.5 of PAS 55 requires the maintenance of up to date documentation of the asset management system requirements specified throughout s 4 of PAS 55).	The management team that has overall responsibility for asset management. Managers engaged in asset management activities.	The documented information describing the main elements of the asset management system (process(es)) and their interaction.			3
62	Information management	What has the organisation done to determine what its asset management information system(s) should contain in order to support its asset management system?	The organisation has not considered what asset management information is required.	The organisation is aware of the need to determine in a structured manner what its asset information system should contain in order to support its asset management system and is in the process of deciding how to do this.	The organisation has developed a structured process to determine what its asset information system should contain in order to support its asset management system and has commenced implementation of the process.	The organisation has determined what its asset information system should contain in order to support its asset management system. The requirements relate to the whole life cycle and cover information originating from both internal and external sources.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Effective asset management requires appropriate information to be available. Widely used AM standards therefore require the organisation to identify the asset management information it requires in order to support its asset management system. Some of the information required may be held by suppliers. The maintenance and development of asset management information systems is a poorly understood specialist activity that is akin to IT management but different from IT management. This group of questions provides some indications as to whether the capability is available and applied. Note: To be effective, an asset information management system requires the mobilisation of technology, people and process(es) that create, secure, make available and destroy the information required to support the asset management system.	The organisation's strategic planning team. The management team that has overall responsibility for asset management. Information management team. Operations, maintenance and engineering managers	Details of the process the organisation has employed to determine what its asset information system should contain in order to support its asset management system. Evidence that this has been effectively implemented.			2
63	Information management	How does the organisation maintain its asset management information system(s) and ensure that the data held within it (them) is of the requisite quality and accuracy and is consistent?	There are no formal controls in place or controls are extremely limited in scope and/or effectiveness.	The organisation is aware of the need for effective controls and is in the process of developing an appropriate control process(es).	The organisation has developed a controls that will ensure the data held is of the requisite quality and accuracy and is consistent and is in the process of implementing them.	The organisation has effective controls in place that ensure the data held is of the requisite quality and accuracy and is consistent. The controls are regularly reviewed and improved where necessary.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	The response to the questions is progressive. A higher scale cannot be awarded without achieving the requirements of the lower scale. This question explores how the organisation ensures that information management meets widely used AM practice requirements (eg, s 4.4.6 (a), (c) and (d) of PAS 55).	The management team that has overall responsibility for asset management. Users of the organisational information systems.	The asset management information system, together with the policies, procedure(s), improvement initiatives and audits regarding information controls.			2
64	Information management	How has the organisation's ensured its asset management information system is relevant to its needs?	The organisation has not considered the need to determine the relevance of its management information system. At present there are major gaps between what the information system provides and the organisations needs.	The organisation understands the need to ensure its asset management information system is relevant to its needs and is determining an appropriate means by which it will achieve this. At present there are significant gaps between what the information system provides and the organisations needs.	The organisation has developed and is implementing a process to ensure its asset management information system is relevant to its needs. Gaps between what the information system provides and the organisations needs have been identified and action is being taken to close them.	The organisation's asset management information system aligns with its asset management requirements. Users can confirm that it is relevant to their needs.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM standards need not be prescriptive about the form of the asset management information system, but simply require that the asset management information system is appropriate to the organisations needs, can be effectively used and can supply information which is consistent and of the requisite quality and accuracy.	The organisation's strategic planning team. The management team that has overall responsibility for asset management. Information management team. Users of the organisational information systems.	The documented process the organisation employs to ensure its asset management information system aligns with its asset management requirements. Minutes of information systems review meetings involving users.			2

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SCHEDULE 17: AMMAT REPORT (continued 5)													
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Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented Information	User Guidance	Evidence—Summary	Score
69	Risk management process(es)	How has the organisation documented process(es) and/or procedure(s) for the identification and assessment of asset and asset management related risks throughout the asset life cycle?	The organisation has not considered the need to document process(es) and/or procedure(s) for the identification and assessment of asset and asset management related risks throughout the asset life cycle.	The organisation is aware of the need to document the management of asset related risk across the asset lifecycle. The organisation has plan(s) to formally document all relevant process(es) and procedure(s) or has already commenced this activity.	The organisation is in the process of documenting the identification and assessment of asset related risk across the asset lifecycle but it is incomplete or there are inconsistencies between approaches and a lack of integration.	Identification and assessment of asset related risk across the asset lifecycle is fully documented. The organisation can demonstrate that appropriate documented mechanisms are integrated across life cycle phases and are being consistently applied.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Risk management is an important foundation for proactive asset management. Its overall purpose is to understand the cause, effect and likelihood of adverse events occurring, to optimally manage such risks to an acceptable level, and to provide an audit trail for the management of risks. Widely used standards require the organisation to have process(es) and/or procedure(s) in place that set out how the organisation identifies and assesses asset and asset management related risks. The risks have to be considered across the four phases of the asset lifecycle (eg, para 4.3.3 of PAS 55).	The top management team in conjunction with the organisation's senior risk management representatives. There may also be input from the organisation's Safety, Health and Environment team. Staff who carry out risk identification and assessment.	The organisation's risk management framework and/or evidence of specific process(es) and/ or procedure(s) that deal with risk control mechanisms. Evidence that the process(es) and/or procedure(s) are implemented across the business and maintained. Evidence of agendas and minutes from risk management meetings. Evidence of feedback in to process(es) and/or procedure(s) as a result of incident investigation(s). Risk registers and assessments.			3
79	Use and maintenance of asset risk information	How does the organisation ensure that the results of risk assessments provide input into the identification of adequate resources and training and competency needs?	The organisation has not considered the need to conduct risk assessments.	The organisation is aware of the need to consider the results of risk assessments and effects of risk control measures to provide input into reviews of resources, training and competency needs. Current input is typically ad-hoc and reactive.	The organisation is in the process ensuring that outputs of risk assessment are included in developing requirements for resources and training. The implementation is incomplete and there are gaps and inconsistencies.	Outputs from risk assessments are consistently and systematically used as inputs to develop resources, training and competency requirements. Examples and evidence is available.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM standards require that the output from risk assessments are considered and that adequate resource (including staff) and training is identified to match the requirements. It is a further requirement that the effects of the control measures are considered, as there may be implications in resources and training required to achieve other objectives.	Staff responsible for risk assessment and those responsible for developing and approving resource and training plan(s). There may also be input from the organisation's Safety, Health and Environment team.	The organisations risk management framework. The organisation's resourcing plan(s) and training and competency plan(s). The organisation should be able to demonstrate appropriate linkages between the content of resource plan(s) and training and competency plan(s) to the risk assessments and risk control measures that have been developed.			3
82	Legal and other requirements	What procedure does the organisation have to identify and provide access to its legal, regulatory, statutory and other asset management requirements, and how is requirements incorporated into the asset management system?	The organisation has not considered the need to identify its legal, regulatory, statutory and other asset management requirements.	The organisation identifies some its legal, regulatory, statutory and other asset management requirements, but this is done in an ad-hoc manner in the absence of a procedure.	The organisation has procedure(s) to identify its legal, regulatory, statutory and other asset management requirements, but the information is not kept up to date, inadequate or inconsistently managed.	Evidence exists to demonstrate that the organisation's legal, regulatory, statutory and other asset management requirements are identified and kept up to date. Systematic mechanisms for identifying relevant legal and statutory requirements.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	In order for an organisation to comply with its legal, regulatory, statutory and other asset management requirements, the organisation first needs to ensure that it knows what they are (eg, PAS 55 specifies this in s 4.4.8). It is necessary to have systematic and auditable mechanisms in place to identify new and changing requirements. Widely used AM standards also require that requirements are incorporated into the asset management system (e.g. procedure(s) and process(es))	Top management. The organisations regulatory team. The organisation's legal team or advisors. The management team with overall responsibility for the asset management system. The organisation's health and safety team or advisors. The organisation's policy making team.	The organisational processes and procedures for ensuring information of this type is identified, made accessible to those requiring the information and is incorporated into asset management strategy and objectives			3
88	Life Cycle Activities	How does the organisation establish implement and maintain process(es) for the implementation of its asset management plan(s) and control of activities across the creation, acquisition or enhancement of assets. This includes design, modification, procurement, construction and commissioning activities?	The organisation does not have process(es) in place to manage and control the implementation of asset management plan(s) during activities related to asset creation including design, modification, procurement, construction and commissioning.	The organisation is aware of the need to have process(es) and procedure(s) in place to manage and control the implementation of asset management plan(s) during activities related to asset creation including design, modification, procurement, construction and commissioning but currently do not have these in place (note: procedure(s) may exist but they are inconsistent/incomplete).	The organisation is in the process of putting in place process(es) and procedure(s) to manage and control the implementation of asset management plan(s) during activities related to asset creation including design, modification, procurement, construction and commissioning. Gaps and inconsistencies are being addressed.	Effective process(es) and procedure(s) are in place to manage and control the implementation of asset management plan(s) during activities related to asset creation including design, modification, procurement, construction and commissioning.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Life cycle activities are about the implementation of asset management plan(s) i.e. they are the "doing" phase. They need to be done effectively and well in order for asset management to have any practical meaning. As a consequence, widely used standards (eg, PAS 55 s 4.5.1) require organisations to have in place appropriate process(es) and procedure(s) for the implementation of asset management plan(s) and control of lifecycle activities. This question explores those aspects relevant to asset creation.	Asset managers, design staff, construction staff and project managers from other impacted areas of the business, e.g. Procurement	Documented process(es) and procedure(s) which are relevant to demonstrating the effective management and control of life cycle activities during asset creation, acquisition, enhancement including design, modification, procurement, construction and commissioning.			3

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Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented Information	User Guidance	Evidence—Summary	Score
91	Life Cycle Activities	How does the organisation ensure that process(es) and/or procedure(s) for the implementation of asset management plan(s) and control of activities during maintenance (and inspection) of assets are sufficient to ensure activities are carried out under specified conditions, are consistent with asset management strategy and control cost, risk and performance?	The organisation does not have process(es)/procedure(s) in place to control or manage the implementation of asset management plan(s) during this life cycle phase.	The organisation is aware of the need to have process(es) and procedure(s) in place to manage and control the implementation of asset management plan(s) during this life cycle phase but currently do not have these in place and/or there is no mechanism for confirming they are effective and where needed modifying them.	The organisation is in the process of putting in place process(es) and procedure(s) to manage and control the implementation of asset management plan(s) during this life cycle phase. They include a process for confirming the process(es)/procedure(s) are effective and if necessary carrying out modifications.	The organisation has in place process(es) and procedure(s) to manage and control the implementation of asset management plan(s) during this life cycle phase. They include a process, which is itself regularly reviewed to ensure it is effective, for confirming the process(es)/ procedure(s) are effective and if necessary carrying out modifications.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Having documented process(es) which ensure the asset management plan(s) are implemented in accordance with any specified conditions, in a manner consistent with the asset management policy, strategy and objectives and in such a way that cost, risk and asset system performance are appropriately controlled is critical. They are an essential part of turning intention into action (eg, as required by PAS 55 s 4.5.1).	Asset managers, operations managers, maintenance managers and project managers from other impacted areas of the business	Documented procedure for review. Documented procedure for audit of process delivery. Records of previous audits, improvement actions and documented confirmation that actions have been carried out.			2
95	Performance and condition monitoring	How does the organisation measure the performance and condition of its assets?	The organisation has not considered how to monitor the performance and condition of its assets.	The organisation recognises the need for monitoring asset performance but has not developed a coherent approach. Measures are incomplete, predominantly reactive and lagging. There is no linkage to asset management objectives.	The organisation is developing coherent asset performance monitoring linked to asset management objectives. Reactive and proactive measures are in place. Use is being made of leading indicators and analysis. Gaps and inconsistencies remain.	Consistent asset performance monitoring linked to asset management objectives is in place and universally used including reactive and proactive measures. Data quality management and review process are appropriate. Evidence of leading indicators and analysis.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM standards require that organisations establish implement and maintain procedure(s) to monitor and measure the performance and/or condition of assets and asset systems. They further set out requirements in some detail for reactive and proactive monitoring, and leading/lagging performance indicators together with the monitoring or results to provide input to corrective actions and continual improvement. There is an expectation that performance and condition monitoring will provide input to improving asset management strategy, objectives and plan(s).	A broad cross-section of the people involved in the organisation's asset-related activities from data input to decision-makers, i.e. an end-to end assessment. This should include contactors and other relevant third parties as appropriate.	Functional policy and/or strategy documents for performance or condition monitoring and measurement. The organisation's performance monitoring frameworks, balanced scorecards etc. Evidence of the reviews of any appropriate performance indicators and the action lists resulting from these reviews. Reports and trend analysis using performance and condition information. Evidence of the use of performance and condition information shaping improvements and supporting asset management strategy, objectives and plan(s).			2
99	Investigation of asset-related failures, incidents and nonconformities	How does the organisation ensure responsibility and the authority for the handling, investigation and mitigation of asset-related failures, incidents and emergency situations and non conformances is clear, unambiguous, understood and communicated?	The organisation has not considered the need to define the appropriate responsibilities and the authorities.	The organisation understands the requirements and is in the process of determining how to define them.	The organisation are in the process of defining the responsibilities and authorities with evidence. Alternatively there are some gaps or inconsistencies in the identified responsibilities/authorities.	The organisation have defined the appropriate responsibilities and authorities and evidence is available to show that these are applied across the business and kept up to date.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM standards require that the organisation establishes implements and maintains process(es) for the handling and investigation of failures incidents and non-conformities for assets and sets down a number of expectations. Specifically this question examines the requirement to define clearly responsibilities and authorities for these activities, and communicate these unambiguously to relevant people including external stakeholders if appropriate.	The organisation's safety and environment management team. The team with overall responsibility for the management of the assets. People who have appointed roles within the asset-related investigation procedure, from those who carry out the investigations to senior management who review the recommendations. Operational controllers responsible for managing the asset base under fault conditions and maintaining services to customers. Contractors and other third parties as appropriate.	Process(es) and procedure(s) for the handling, investigation and mitigation of asset-related failures, incidents and emergency situations and non conformances. Documentation of assigned responsibilities and authority to employees. Job Descriptions, Audit reports. Common communication systems i.e. all Job Descriptions on Internet etc.			3
105	Audit	What has the organisation done to establish procedure(s) for the audit of its asset management system (process(es))?	The organisation has not recognised the need to establish procedure(s) for the audit of its asset management system.	The organisation understands the need for audit procedure(s) and is determining the appropriate scope, frequency and methodology(s).	The organisation is establishing its audit procedure(s) but they do not yet cover all the appropriate asset-related activities.	The organisation can demonstrate that its audit procedure(s) cover all the appropriate asset-related activities and the associated reporting of audit results. Audits are to an appropriate level of detail and consistently managed.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	This question seeks to explore what the organisation has done to comply with the standard practice AM audit requirements (eg, the associated requirements of PAS 55 s 4.6.4 and its linkages to s 4.7).	The management team responsible for its asset management procedure(s). The team with overall responsibility for the management of the assets. Audit teams, together with key staff responsible for asset management. For example, Asset Management Director, Engineering Director. People with responsibility for carrying out risk assessments	The organisation's asset-related audit procedure(s). The organisation's methodology(s) by which it determined the scope and frequency of the audits and the criteria by which it identified the appropriate audit personnel. Audit schedules, reports etc. Evidence of the procedure(s) by which the audit results are presented, together with any subsequent communications. The risk assessment schedule or risk registers.			4

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SCHEDULE 17: AMMAT REPORT (continued 7)													
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Question No.	Function	Question	Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who	Record/documented Information	User Guidance	Evidence—Summary	Score
109	Corrective & Preventative action	How does the organisation instigate appropriate corrective and/or preventive actions to eliminate or prevent the causes of identified poor performance and non conformance?	The organisation does not recognise the need to have systematic approaches to instigating corrective or preventive actions.	The organisation recognises the need to have systematic approaches to instigating corrective or preventive actions. There is ad-hoc implementation for corrective actions to address failures of assets but not the asset management system.	The need is recognized for systematic instigation of preventive and corrective actions to address root causes of non compliance or incidents identified by investigations, compliance evaluation or audit. It is only partially or inconsistently in place.	Mechanisms are consistently in place and effective for the systematic instigation of preventive and corrective actions to address root causes of non compliance or incidents identified by investigations, compliance evaluation or audit.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Having investigated asset related failures, incidents and non-conformances, and taken action to mitigate their consequences, an organisation is required to implement preventative and corrective actions to address root causes. Incident and failure investigations are only useful if appropriate actions are taken as a result to assess changes to a businesses risk profile and ensure that appropriate arrangements are in place should a recurrence of the incident happen. Widely used AM standards also require that necessary changes arising from preventive or corrective action are made to the asset management system.	The management team responsible for its asset management procedure(s). The team with overall responsibility for the management of the assets. Audit and incident investigation teams. Staff responsible for planning and managing corrective and preventive actions.	Analysis records, meeting notes and minutes, modification records. Asset management plan(s), investigation reports, audit reports, improvement programmes and projects. Recorded changes to asset management procedure(s) and process(es). Condition and performance reviews. Maintenance reviews			4
113	Continual Improvement	How does the organisation achieve continual improvement in the optimal combination of costs, asset related risks and the performance and condition of assets and asset systems across the whole life cycle?	The organisation does not consider continual improvement of these factors to be a requirement, or has not considered the issue.	A Continual Improvement ethos is recognised as beneficial, however it has just been started, and or covers partially the asset drivers.	Continuous improvement process(es) are set out and include consideration of cost risk, performance and condition for assets managed across the whole life cycle but it is not yet being systematically applied.	There is evidence to show that continuous improvement process(es) which include consideration of cost risk, performance and condition for assets managed across the whole life cycle are being systematically applied.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	Widely used AM standards have requirements to establish, implement and maintain proces(s(es)/procedure(s) for identifying, assessing, prioritising and implementing actions to achieve continual improvement. Specifically there is a requirement to demonstrate continual improvement in optimisation of cost risk and performance/condition of assets across the life cycle. This question explores an organisation's capabilities in this area—looking for systematic improvement mechanisms rather than reviews and audit (which are separately examined).	The top management of the organisation. The manager/team responsible for managing the organisation's asset management system, including its continual improvement. Managers responsible for policy development and implementation.	Records showing systematic exploration of improvement. Evidence of new techniques being explored and implemented. Changes in procedure(s) and proces(s(es) reflecting improved use of optimisation tools/techniques and available information. Evidence of working parties and research.			4
115	Continual Improvement	How does the organisation seek and acquire knowledge about new asset management related technology and practices, and evaluate their potential benefit to the organisation?	The organisation makes no attempt to seek knowledge about new asset management related technology or practices.	The organisation is inward looking, however it recognises that asset management is not sector specific and other sectors have developed good practice and new ideas that could apply. Ad-hoc approach.	The organisation has initiated asset management communication within sector to share and, or identify 'new' to sector asset management practices and seeks to evaluate them.	The organisation actively engages internally and externally with other asset management practitioners, professional bodies and relevant conferences. Actively investigates and evaluates new practices and evolves its asset management activities using appropriate developments.	The organisation's process(es) surpass the standard required to comply with requirements set out in a recognised standard. <i>The assessor is advised to note in the Evidence section why this is the case and the evidence seen.</i>	One important aspect of continual improvement is where an organisation looks beyond its existing boundaries and knowledge base to look at what 'new things are on the market'. These new things can include equipment, process(es), tools, etc. An organisation which does this (eg, by the PAS 55 s 4.6 standards) will be able to demonstrate that it continually seeks to expand its knowledge of all things affecting its asset management approach and capabilities. The organisation will be able to demonstrate that it identifies any such opportunities to improve, evaluates them for suitability to its own organisation and implements them as appropriate. This question explores an organisation's approach to this activity.	The top management of the organisation. The manager/team responsible for managing the organisation's asset management system, including its continual improvement. People who monitor the various items that require monitoring for 'change'. People that implement changes to the organisation's policy, strategy, etc. People within an organisation with responsibility for investigating, evaluating, recommending and implementing new tools and techniques, etc.	Research and development projects and records, benchmarking and participation knowledge exchange professional forums. Evidence of correspondence relating to knowledge acquisition. Examples of change implementation and evaluation of new tools, and techniques linked to asset management strategy and objectives.			3

Schedule 14 Mandatory Explanatory Notes

1. This Schedule requires **GDBs** to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.19, 2.4.20, and 2.5.1.
2. This Schedule is mandatory—**GDBs** must provide the explanatory comment specified below, in accordance with clause 2.7.1. This information 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 **GDBs** to give additional explanation of disclosed information should they elect to do so.

Mandatory explanatory notes

Variance between forecast and actual expenditure (Schedule 2)

4. In the box below, comment on variance in actual to forecast expenditure for the disclosure year, as reported in Schedule 2. This comment must include information on reclassified items in accordance with clause 2.7.1(2).

Box 1: Explanatory comment on variance in actual to forecast expenditure

[Insert text here]

Return on Investment (Schedule 3)

5. In the box below, comment on return on investment as disclosed in Schedule 3. This comment must include information on reclassified items in accordance with clause 2.7.1(2).

Box 2: Explanatory comment on return on investment

[Insert text here]

Value of the Regulatory Asset Base (Schedule 4)

6. 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 clause 2.7.1(2).

Box 3: Explanatory comment on the value of the regulatory asset based (rolled forward)

[Insert text here]

Asset allocation (Schedule 4a)

7. In the box below, comment on asset allocation as disclosed in Schedule 4a. This comment must include information on reclassified items in accordance with clause 2.7.1(2).

Box 4: Commentary on asset allocation

[Insert text here]

Initial RAB adjustment (Schedule 4c)

- In the box below, comment on adjustments to the **initial RAB** as disclosed in Schedule 4c. This comment must include information on adjustments in accordance with clause 2.7.1(3).

Box 5: Commentary on adjustments to the initial RAB

[Insert text here]

Regulatory Profit (Schedule 5)

8. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 5. This comment must include:
- 1.1 a description of material items included in 'other regulatory line income' other than gains and losses on asset sales, as disclosed in 5(i) of Schedule 5
 - 1.2 information on reclassified items in accordance with clause 2.7.1(2).

Box 6: Explanatory comment on regulatory profit

[Insert text here]

Merger and acquisition expenses (5(vi) of Schedule 5(vi))

9. If the **GDB** incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below:
- 1.3 information on reclassified items in accordance with clause 2.7.1(2)
 - 1.4 any other commentary on the benefits of the merger and acquisition expenditure to the **GDB**.

Box 7: Explanatory comment on merger and acquisition expenditure

[Insert text here]

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

10. In the box below, provide descriptions and workings of the following items, as recorded in the asterisked categories in 5a(i) of Schedule 5a:
- 1.5 Income not included in regulatory profit / (loss) before tax but taxable
 - 1.6 Expenditure or loss in regulatory profit / (loss) before tax but not deductible
 - 1.7 Income included in regulatory profit / (loss) before tax but not taxable
 - 1.8 Expenditure or loss deductible but not in regulatory profit / (loss) before tax

Box 8: Regulatory tax allowance: permanent differences

[Insert text here]

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

11. In the box below, provide descriptions and workings of items recorded in the asterisked category 'Tax effect of other temporary differences' in 5a(iv) of Schedule 5a.

Box 9: Tax effect of other temporary differences (current disclosure year)

[Insert text here]

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

12. In the box below, provide descriptions of related party transactions beyond those disclosed on schedule 5 including identification and descriptions as to the nature of **directly attributable** costs disclosed under clause 2.3.6(2)(b).

Box 10: Related party transactions

[Insert text here]

Cost allocation (Schedule 5c)

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

Box 10: Cost allocation

[Insert text here]

Capital Expenditure for the Disclosure Year (Schedule 6)

14. In the box below, comment on gross capital expenditure for the disclosure year, as disclosed in Schedule 6. This comment must include:
- 14.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6;
 - 14.2 information on reclassified items in accordance with clause 2.7.1(2).

Box 11: Explanation of capital expenditure for the disclosure year

[Insert text here]

Operational Expenditure for the Disclosure Year (Schedule 7)

15. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 7. This comment must include:

1.9 Commentary on assets replaced or renewed with Asset replacement and renewal operating expenditure, as reported in 7(i) of Schedule 7

1.10 Information on reclassified items in accordance with clause 2.7.1(2)

1.11 Commentary on any material **atypical** expenditure included in operational expenditure disclosed in Schedule 7, including the value of the expenditure, the purpose of the expenditure, and the **operational expenditure** categories the expenditure relates to.

Box 12: Explanation of operational expenditure for the disclosure year

[Insert text here]

Information Relating to Revenue for the Disclosure Year

16. In the box below provide:

1.12 a comparison of the target revenue disclosed before the start of the **disclosure year**, in accordance with clauses 2.4.1(2) and 2.4.3(3) to total billed **line charge revenue** for the **disclosure year**, as disclosed in Schedules 8a and 8b; and

1.13 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

[Insert text here]

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

[Insert text here]

Insurance cover

18. In the box below provide details of any insurance cover for the assets, including:

1.14 The **GDB**'s approaches and practices in regard to the insurance of assets, including the level of insurance;

1.15 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

[Insert text here]

Schedule 14a Mandatory Explanatory Notes on Forecast Information

1. This Schedule requires **GDBs** to provide explanatory notes to reports prepared in accordance with clause 2.6.5.
2. This Schedule is mandatory—**GDBs** must provide the explanatory comment specified below, in accordance with clause 2.7.1. 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 real capital expenditure forecasts
(Schedule 11a)*

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

Box 5: Commentary on difference between nominal and real capital expenditure forecasts
[Insert text here]

*Commentary on difference between nominal and real operational expenditure forecasts
(Schedule 11b)*

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

Box 6: Commentary on difference between nominal and real capital expenditure forecasts
[Insert text here]

Schedule 14b Explanatory Notes on Transitional Financial Information

1. This Schedule requires **GDBs** to provide explanatory notes to the transitional financial disclosed in accordance with clause 2.12.1.
2. This Schedule is mandatory—**GDBs** must provide the explanatory comment specified below, in accordance with clause 2.7.1. This information is part of the **audited disclosure information**, and so is subject to the assurance requirements specified in section 2.8.
3. In the box below, provide explanatory comment on the **GDB's** initial RAB adjustments, as disclosed in Schedule 4c (Transitional financial information), summarising the adjustments made in accordance with clause 2.2.1 of the **IM determination**.

Box 7: Initial RAB adjustments

[Insert text here]

4. In the box below provide explanatory comment on the tax effect of other temporary differences for the years ending 31 March 2010 and 31 March 2011 (as reported in 4d(vi) of Schedule 4d).

Box 8: Temporary differences / Tax effect of other temporary differences (years ended 31 March 2010 and 31 March 2011)

[Insert text here]

Schedule 15 Voluntary Explanatory Notes

1. This Schedule enable GDBs to provide, should they wish to:
 - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.19, 2.4.20, 2.5.1, and 2.6.5.
 - 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 9: Voluntary explanatory comment on disclosed information

[Insert text below]

Schedule 16 Definitions of Terms used in Schedules 1 to 15

1. This Schedule provides definitions for terms used in Schedules 1 to 15 of this Determination.
2. Where terms used in the Schedules are defined in section 1.4 of this determination but are not defined below, they have the meanings set out in section 1.4 of this determination. Terms used in the Schedules that are defined in the IM determination have the meanings set out in the IM determination. Otherwise, unless defined below, terms used in the Schedules have meanings consistent with industry practice.

Term	Definition
% of asset forecast to be replaced in next 5 years	% of asset forecast to be replaced in next 5 years consistent with the capital expenditure forecast
% variance	<p>means:</p> $q = \frac{a - b}{b} \times 100$ <p>where:</p> <p>a = actual expenditure</p> <p>b = forecast expenditure</p>
2009 authorisation assets	has the meaning set out in the IM determination
2009 disclosed assets	has the meaning set out in the IM determination
2009 part year	means amounts determined in accordance with the IM determination for the period 1 July 2009 to 30 September 2009
25th percentile estimate	means the 25th percentile estimate for the range of the mid-point post tax WACC or mid-point vanilla WACC determined by the Commission in accordance with clause 2.4.7 of the IM determination

75th percentile estimate	means the 75th percentile estimate for the range of the mid-point post tax WACC or mid-point vanilla WACC determined by the Commission in accordance with clause 2.4.7 of the IM determination
Actual controllable opex	has the meaning set out in the IM determination
Actual expenditure	means, in relation to: (a) any disclosure year, expenditure for that disclosure year (b) the regulatory period, expenditure for the disclosure years from the start of the regulatory period to the current disclosure year
Adjusted depreciation	has the meaning set out in the IM determination
Adjustment for unamortised initial differences in assets acquired	means for assets acquired from another regulated supplier, the value of the unamortised initial differences in asset values for those assets acquired as unamortised initial differences in asset values is determined in accordance with the input methodologies that applies to the regulated goods or services supplied by that regulated supplier
Adjustment for unamortised initial differences in assets disposed	means the value of opening unamortised initial differences in asset values for assets that are disposed of during the year

Adjustment resulting from asset allocation	<p>means</p> <p>(a) in relation to the works under construction roll-forward, the change in works under construction resulting from a change in asset allocation assumptions for assets included in works under construction, where increases in the value of works under construction are positive and decreases are negative</p> <p>(b) in all other instances, the value of q calculated using the following formula:</p> $q = a - (b - c + d + e - f + g)$ <p>where:</p> <p>a = total closing RAB value</p> <p>b = total opening RAB value</p> <p>c = total depreciation</p> <p>d = total CPI revaluations</p> <p>e = assets commissioned</p> <p>f = asset disposals</p> <p>g = lost and found assets adjustment</p> <p>The formula must be calculated using component values that relate to the RAB. These inputs are the values that result from the application of clause 2.1.1 of the IM determination</p>
Adjustment to reinstate 2009 modified asset values to unallocated amounts	means the value of the adjustment required to the 2009 modified asset values so the resultant value represents the unallocated 2009 modified asset values
All other projects or programmes	means, within an expenditure category, the total of projects and programmes that are not material projects and programmes.
Allocated works under construction	means, for the components of the works under construction roll-forward, the works under construction values after the application of clause 2.1.1 of the IM determination

Allocation methodology type	has the meaning set out in the IM determination
Allocator metric	has the meaning set out in the IM determination
Allocator type	has the meaning set out in the IM determination
Allowed controllable opex	has the meaning set out in the IM determination
Alternative closing RIV	means total closing RAB value less adjustment resulting from cost allocation less lost and found assets adjustment plus closing deferred tax plus revenue related working capital
Alternative opening RIV	means the sum of total opening RAB value plus opening deferred tax plus revenue related working capital
Alternative ROI – comparable to a post-tax WACC	means the alternative ROI comparable to the vanilla WACC less the product of the cost of debt (%), the leverage and the corporate tax rate
Alternative ROI – comparable to a vanilla WACC	<p>means:</p> $q = (1 + \text{monthly IRR})^{12} - 1$ <p>where:</p> <p><i>monthly IRR</i> = IRR (13 monthly amounts)</p> <p>where the 13 monthly amounts are:</p> <ul style="list-style-type: none"> • the negative of alternative opening RIV • the 11 end-of-month notional net cash flows for October to August of the assessment period • notional net cash flows for September for the assessment period plus alternative closing RIV less term credit spread differential allowance.
Amortisation of initial differences in asset values	has the meaning set out in paragraph (a) of the defined term in the IM determination
Amortisation of revaluations	has the meaning set out in paragraph (a) of the defined term in the IM determination
Arm's-length deduction	has the meaning set out in the IM determination

Asset category transfers	means the value of an asset transferred between asset categories
Asset Condition at end of year (percentage by grade)	Proportion of each asset class assessed against the asset condition categories (grade 1 to 4), reflecting the likelihood of short, medium or longer term intervention. Suppliers are able to apply their own criteria for intervention when populating the table.
Asset disposals	means: (a) in relation to the unallocated RAB, the sum of unallocated opening RAB values less regulatory depreciation of disposed assets, as determined in accordance with the input methodologies identified as applicable to that asset in the IM determination; (b) in relation to the RAB, the value (as determined in accordance with paragraph (a)) which was allocated to gas distribution services in accordance with clause 2.1.1 of the IM determination
Asset disposals (other)	means asset disposals other than asset disposals to a regulated supplier and asset disposals to a related party
Asset disposals to a regulated supplier	means asset disposals disposed of to a regulated supplier
Asset disposals to a related party	means asset disposals disposed of to a related party
Asset or assets with non-standard depreciation	means a description of assets or groups of assets where depreciation is not included in Depreciation – standard

Assets acquired from a regulated supplier	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of value of assets acquired from another regulated supplier as determined in accordance with clause 2.2.11(1)(e) of the IM determination;</p> <p>(b) in relation to the RAB, the sum of value of the assets (as determined in accordance with paragraph (a)) which is allocated to the gas distribution services in accordance with clause 2.1.1 of the IM determination</p>
Assets commissioned	<p>means:</p> <p>(a) in relation to the unallocated RAB or works under construction, the sum of value of commissioned assets as determined in accordance with clause 2.2.11 of the IM determination;</p> <p>(b) in relation to the RAB, the value of the assets (as determined in accordance with paragraph (a)) which is allocated to the gas distribution services in accordance with clause 2.1.1 of the IM determination;</p> <p>(c) in relation to forecast information, a forecast of the value of the assets (as determined in accordance with paragraph (b)) for a future disclosure year</p>
Attribution rate	<p>means:</p> $q = \frac{a \times b}{c}$ <p>where:</p> <p>a = average opening and closing RAB values</p> <p>b = a leverage rate of 44%</p> <p>c = total book value of interest bearing debt</p>

Average opening and closing RAB values	<p>means;</p> $q = \frac{a+b}{2}$ <p>where: <i>a</i> = total opening RAB value <i>b</i> = total closing RAB value</p>
Average total number of distribution customers	means the average of customer numbers measured at the start of the disclosure year and at the end of the disclosure year
Basis for determining value	means the basis for determining the value of the related party transaction in accordance with clause 5 of section 2.3
Billed quantities	means the quantities associated with charge types upon which the consumer's bill for gas pipeline services is based, expressed in the units of measure used by the GDB for setting prices (for example volumes of gas delivered in GJ).
Book value	<p>means:</p> <p>(a) in relation to the issue date, the book value in New Zealand dollars of a qualifying debt or non-qualifying debt on the issue date</p> <p>(b) in relation to the date of financial statements, the book value in New Zealand dollars of a qualifying debt or non-qualifying debt as at the end of the period of the GDB's latest general purpose financial statements</p>

Business support	<p>in relation to expenditure, means operational expenditure associated with the following corporate activities:</p> <ul style="list-style-type: none"> • HR and training (other than operational training) • finance and regulation including compliance activities, valuations and auditing • CEO and director costs • legal services • consulting services (excluding engineering/technical consulting) • property management • corporate communications • corporate IT • industry liaison and participation • commercial activities including pricing, billing, revenue collection and marketing • liaison with GTBs, customers and gas retailers
Capital contributions	has the meaning set out in the IM determination.
Capital contributions funding customer connection expenditure	means capital contributions that are paid to the GDB in relation to customer connection expenditure.
Cathodic protection systems	means a system that inhibits the corrosion of a metallic gas pipe by means of an impressed current or sacrificial anodes.
Charge Type	A rate that is a component of a multi-part line charge – for example, a daily rate in c/day or a volume rate in c/kWh

Class A—planned interruptions by GTB	Means planned interruptions, caused by a GTB, when the GDB is able to give 10 business days' notice to either the customer or its retailer or arrange the interruption with the customer or its retailer; unless otherwise arranged with the customer or its retailer.
Class B—planned interruptions on the network	Means planned interruptions, excluding those caused by a GTB, when the GDB is able to give 10 business days' notice to either the customer or its retailer or arrange the interruption with the customer or its retailer; unless otherwise arranged with the customer or its retailer.
Class C (unplanned interruptions on the network)	Means an unplanned interruption originating within the works of the principal disclosing entity, where those works are used for carrying out line business activities.
Class C—unplanned interruptions on the network	means an unplanned interruption on the GDB's network, excluding interruptions cause by third party damage and excluding any occurrence of insufficient system capability to provide the required quantity of gas to a supply point due to a failure on the transmission network
Class D—unplanned interruptions by GTB	Means an occurrence of insufficient system capability to provide the required quantity of gas to a supply point due to a failure on the transmission network
Class I—unplanned interruptions caused by third party damage	an unplanned interruption on the GDB's network cause by third party damage
Closing deferred tax	has the meaning set out in clause 2.3.7(2) of the IM determination
Closing RAB (tax value)	means the sum of regulatory tax asset values for assets that have a value included in total closing RAB value

Closing RAB value under 'non-standard' depreciation	means the closing RAB value or sum of closing RAB values as determined in accordance with Part 2 subpart 2 of the IM determination for the relevant asset or assets with non-standard depreciation
Closing RAB value under 'standard' depreciation	means: (a) in relation to assets or groups of assets where depreciation is included in depreciation - no standard life asset, 'not applicable' (b) in relation to assets or groups of assets where depreciation is included in depreciation - modified life assets or depreciation - alternative depreciation determined in accordance with CPP, the sum of closing RAB values as determined in accordance with the IM determination as if the closing RAB value and all proceeding closing RAB values had been calculated in accordance with clause 2.1.1 of the IM determination applying a physical asset life determined in accordance with either clause 2.2.8(e)(iii) or (f) of the IM determination for the relevant asset or assets with non-standard depreciation
Closing RIV	means total closing RAB values less adjustment resulting from cost allocation less lost and found assets adjustment plus closing deferred tax
Closing tax losses	has the meaning given to that term in clause 2.3.2(4) of the IM determination
Closing unamortised initial differences in asset values	means closing unamortised initial differences in asset values determined in accordance with clause 2.3.5(5) of the IM determination
Commissioned	has the meaning set out in the IM determination
Complaint	means any separate complaint received from either a retailer or a customer

Confirmed public reported escapes of gas (PRE)	means any escape of gas confirmed by the GDB excluding third party damage events, routine survey find and no traces events
Control rights	has the meaning set out in the Electricity Industry Act 2010
Corporate tax rate	has the meaning set out in the IM determination
Cost of debt assumption	means the sum of the risk free rate and debt premium estimates as determined by the Commission in accordance with clauses 2.4.3 and 2.4.4 of the IM determination and published under clause 2.4.8 of the IM determination for each disclosure year
Cost of executing an interest rate swap	has the meaning set out in the IM determination
Coupon rate	means: (a) where the information is available publicly, the nominal coupon rate of interest of a qualifying debt on the issue date; (b) where the nominal coupon rate of interest of a qualifying debt on the issue date is not available publicly, either the nominal coupon rate of interest or the basis for determining the nominal coupon rate of interest of a qualifying debt on the issue date
CPI ₄	has the meaning set out in clause 2.2.9(4) of the IM determination
CPI ₄ ⁻⁴	has the meaning set out in clause 2.2.9(4) of the IM determination
CPP	means customised price-quality path
Current period tax losses	has the meaning given to that term in clause 2.3.2(5) of the IM determination
Customer (Connection Point) Average Interruption Duration Index (CAIDI)	means the sum of the duration of each interruption during the disclosure year, divided by the total number of interruptions (Note: this definition means that CAIDI = SAIDI / SAIFI).

Customer types defined by GDB	means categories of customers that are defined by the GDB based on particular customer attributes.
Data Accuracy 1–4	<p>means the GDB's assessment of the accuracy of the data provided, using one of the following options:</p> <p>1 – means that good quality data is not available for any of the assets in the category and estimates are likely to contain significant error</p> <p>2 – means that good quality data is available for some assets but not for others and the data provided includes estimates of uncounted assets within the category</p> <p>3 – means that data is available for all assets but includes a level of estimation where there is understood to be some poor quality data for some of the assets within the category</p> <p>4 – means that good quality data is available for all of the assets in the category</p>
Debt issue cost readjustment	has the meaning set out in clause 2.4.11(4) of the IM determination
Deferred tax balance relating to assets acquired in the disclosure year	has the meaning set out in clause 2.3.7(3) of the IM determination
Deferred tax balance relating to assets disposed in the disclosure year	means the amount of deferred tax associated with the assets disposed of by the GDB
Deferred tax cost allocation adjustment	means cost allocation adjustments as defined in clause 2.3.7(5) of the IM determination

Depreciation - alternative depreciation in accordance with CPP	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.6 of the IM determination;</p> <p>(b) in relation to the RAB, depreciation calculated in accordance with clause 2.2.6 or 2.2.8(4) of the IM determination</p>
Depreciation - modified life assets	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.5(1) of the IM determination;</p> <p>(b) in relation to the RAB, depreciation calculated in accordance with clause 2.2.5(2) of the IM determination;</p> <p>of assets with a physical asset life determined in accordance with clauses 2.2.8(1)(b) or 2.2.8(2) of the IM determination or where clauses 2.2.8(1)(d) and 2.2.8(1)(e)(iv) of the IM determination apply with reference to assets with a physical asset life determined in accordance with clauses 2.2.8(1)(b) or 2.2.8(2) of the IM determination</p>

Depreciation - no standard life assets	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.5(1) of the IM determination;</p> <p>(b) in relation to the RAB, depreciation calculated in accordance with clause 2.2.5(2) of the IM determination;</p> <p>of assets with a physical asset life determined in accordance with clauses 2.2.8(1)(a) or 2.2.8(1)(d) or 2.2.8(1)(e)(iv)-(v) or 2.2.8(1)(g) of the IM determination or where clauses 2.2.8(1)(d) and 2.2.8(1)(e)(iv) of the IM determination apply with reference to assets with a physical asset life determined in accordance with clauses 2.2.8(1)(a) or 2.2.8(1)(d) or 2.2.8(1)(e)(iv)-(v) or 2.2.8(1)(g) of the IM determination</p>
Depreciation - standard	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated depreciation calculated in accordance with clause 2.2.5(1) of the IM determination;</p> <p>(b) in relation to the RAB, depreciation calculated in accordance with clause 2.2.5(2) of the IM determination;</p> <p>excluding depreciation - alternative depreciation in accordance with CPP, depreciation - modified life assets, and depreciation - no standard life assets</p>
Depreciation charge for the period (RAB)	means the depreciation or sum of depreciation as determined in accordance with the IM determination for the relevant asset or assets with non-standard depreciation
Description of transaction	means a brief description of the transaction with a related party, including the goods or services provided to or by the GDB as part of that transaction
Disposed asset	has the meaning set out in paragraph (a) of the defined term in the IM determination

Easement land	has the meaning set out in the IM determination
Emergency	[TBC] (a definition has been proposed in the Draft Initial Default Price-Quality Paths for Gas Pipelines Businesses Draft Reasons Paper and Draft Determinations, which will also be adopted here) ¹
End-consumer type	The type of consumer who consumes gas for their own use
Equity return rights	has the meaning set out in the Electricity Industry Act 2010
Expenditure or loss deductible but not in regulatory profit / (loss) before tax	means expenditure or loss deductible but not in regulatory profit / (loss) before tax as determined in accordance with clause 2.3.3(4)(b) of the IM determination
Expenditure or loss in regulatory profit / (loss) before tax but not deductible	means expenditure or loss in regulatory profit / (loss) before tax but not deductible as determined in accordance with clause 2.3.3(2)(b) of the IM determination
Expenses	means operational expenditure and pass-through and recoverable costs accrued in each of the months of the disclosure year. Where costs are notional they should be recognised evenly over the months of the disclosure year
Fault	means TBC [technical consultation]
Finance during construction	means the interest expenditure incurred by a GDB and accumulated during the construction phase of a project that creates a new, or modifies an existing, network asset.

¹ A copy of the Commission's Draft Initial Default Price-Quality Paths for Gas Pipelines Businesses Draft Reasons Paper and Draft Determinations can be found at: <http://www.comcom.govt.nz/2012-default-price-quality-path/>.

Forecast expenditure	<p>means, in relation to:</p> <p>(a) current disclosure year, the forecast expenditure for the current disclosure year disclosed pursuant to section 2.5 of this determination immediately prior to the start of the current disclosure year</p> <p>(b) regulatory period, the forecast expenditure for the disclosure years from the start of the regulatory period to the current disclosure year disclosed pursuant to Part 5 of the IM determination where a CPP is in place for the current disclosure year or disclosed pursuant to section 2.5 of this determination prior to the start of the disclosure year preceding the regulatory period where a CPP is not in place for the current disclosure year</p>
Gains / (losses) on asset sales	<p>means, in relation to:</p> <p>(a) assets disposals to a related party, nil;</p> <p>(b) assets disposals to a regulated supplier, nil;</p> <p>(c) asset disposals (other), the values determined in accordance with:</p> <p>sale price of an asset - assets disposals (other)</p> <p>where each component has the value allocated to gas distribution services in accordance with clause 2.1.1 of the IM determination</p>
Gas conveyed for Persons not involved in the GDB (TJ)	The total amount of gas conveyed through the system for persons not in prescribed business relationship
GFB customer type	means a category based on the type of customer, as defined by the GDB
Grade 1	End of serviceable life, immediate intervention required

Grade 2	Material deterioration but asset condition still within serviceable life parameters. Intervention likely to be required within 12 months.
Grade 3	Deterioration requires assessment and ongoing monitoring
Grade 4	Good or as new condition
Grade unknown	Condition unknown or not yet assessed
Gross capital expenditure on distribution network	means the sum of: customer connection plus system growth plus quality of supply plus asset replacement and renewal plus asset relocations plus legislative and regulatory
Gross term credit spread differential	means the sum of term credit spread difference, cost of executing an interest rate swap and debt issue cost readjustment for qualifying debt
Highest rate of capitalised finance applied	means the highest rate of finance used as the cost of financing capitalised in works under construction
Income included in regulatory profit / (loss) before tax but not taxable	means income included in regulatory profit / (loss) before tax but not taxable as determined in accordance with clause 2.3.3(4)(a) of the IM determination
Income not included in regulatory profit / (loss) before tax but taxable	means income not included in regulatory profit / (loss) before tax that is taxable as determined in accordance with clause 2.3.3(2)(a) of the IM determination
Increase in value resulting from revaluations in accordance with 2.2.1(3)(b)	means the value of revaluations as determined in accordance with clause 2.2.1(3)(b) of the IM determination
Increase/(decrease) in value resulting from rolling forward the asset adjustment process adjustments	means the adjustment to the value of included or value modified assets resulting from applying clause 2.2.1(6)(c) of the IM determination. Included and value modified have the meanings as set out in clause 2.2.1 of the IM determination

Incremental gain/(loss) in year	means the incremental change or incremental adjustment term for the disclosure year determined in accordance with clause 3.3.1 of the IM determination
Initial disclosure year	means the disclosure year 2012
Input methodology claw-back	means a cost specified in clause 3.1.3(1)(b) of the IM determination
Intermediate pressure (IP)	means an operating pressure greater than 700 kPa but not exceeding 2,000 kPa.
Interruption	A loss of gas supply upstream at the Customer Isolation Value (CIV) to a customer.
IRR	means internal rate of return
Issue date	means the day on which a qualifying debt or non-qualifying debt is issued
Items at end of year (quantity)	means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year, expressed in the prescribed unit
Items at start of year (quantity)	means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year, expressed in the prescribed unit
Leverage	has the meaning set out in the IM determination
Levies	means a cost specified in clause 3.1.2(2)(b) of the IM determination
Line charge revenue	Means revenue from prices
Line item	has the meaning set out in the IM determination
Line valve	means a valve for stopping the flow of gas within a main pipe.

Load factor	<p>means</p> $\frac{a}{12 \times b} \times$ <p>where</p> <p><i>a</i> = the amount of gas (in gigajoules) entering the system or systems</p> <p><i>b</i> = the maximum monthly amount of gas (in gigajoules) entering the system or systems</p>
Lost and found assets adjustment	<p>means:</p> <p>(a) in relation to the unallocated RAB, the value of found assets as determined in accordance with clause 2.2.12 of the IM determination, less the value of lost assets. The value of a lost asset is the unallocated opening RAB value of the asset less regulatory depreciation as determined in accordance with the IM determination;</p> <p>(b) in relation to the RAB, the value of the asset (as determined in accordance with paragraph (a)) which is allocated to gas distribution services in accordance with clause 2.1.1 of the IM determination</p>
Low Pressure (LP)	means an operating pressure at, or below, 7 kPa.
Market value of asset disposals	means the market value of disposed assets sold or transferred to a related party
Material projects and programmes	Projects or programmes with actual or forecast total expenditure greater than the materiality threshold that is developed and applied by the GDB
Maximum daily load (GJ/day)	Means the maximum amount of gas entering a network, or sub-network in a day during the disclosure year, measured in GJ

Maximum monthly load (GJ/month)	Means the maximum amount of gas entering a network, or sub-network, in a month during the disclosure year, measured in GJ
Medium pressure (MP)	means an operating pressure above 7 kPa but not exceeding 700 kPa.
Merger and acquisition expenses	means expenditure related to merger and acquisition activities irrespective of the outcome of the merger or acquisition, but proportionate to the extent the benefits of the merger or acquisition would relate to gas distribution services where the expected benefits to gas distribution services from the merger or acquisition have been disclosed
Mid-point estimate of post tax WACC	means the mid-point estimate of vanilla WACC for the 5 year period commencing on the first day of the disclosure year determined by the Commission in accordance with subpart 4 of part 2 of the IM determination
Mid-point estimate of post tax WACC	means the mid-point estimate of post tax WACC for the 5 year period commencing on the first day of the disclosure year determined by the Commission in accordance with subpart 4 of part 2 of the IM determination
Monitoring system	means a system, including relocatable devices, that monitors the operating state of a network.
Name of related party	means either the legal name of the related party that has entered into a transaction with the GDB or 'inter-company' where the transaction is between the regulated and unregulated parts of the GDB
Net incremental rolling incentive scheme	means the sum of previous years incremental gain/loss from the 5 disclosure years preceding the current disclosure year

Net recoverable costs allowed under incremental rolling incentive scheme	<p>means, where:</p> <p>(a) net incremental rolling incentive scheme is positive, net incremental rolling incentive scheme;</p> <p>(b) net incremental rolling incentive scheme is nil or negative, nil</p>
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<p>Network support</p>	<p>means operational expenditure where the primary driver is the management of the network including:</p> <ul style="list-style-type: none"> • asset management planning including preparation of the AMP, load forecasting, network modelling • network and engineering design (excluding design costs capitalised for capital projects) • network policy development (including the development of environmental, technical and engineering policies) • standards and manuals for network management • network record keeping and asset management databases including GIS • outage recording • connection and customer records/customer management databases • customer queries and call centres (not associated with direct billing) • operational training for network management and field staff • operational vehicles and transport • IT & telecoms for network management (including IT support for asset management systems) • day to day customer management including responding to queries on new connections, disconnections and reconnections • engineering and technical consulting • network planning and system studies • logistics (procurement) and stores • network asset site expenses and leases • Route/easement management (including locating pipelines for third parties, mark cuts, stand-overs, obstructions, plans and permits) • surveying of new sites to identify work requirements
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New allocation	means the operating costs or regulated service asset value allocated to gas distribution services in accordance with the new allocator and line items for each of the relevant disclosure years
New allocator or line item	means the allocator or line items that are used subsequent to the change in allocator or line items
No. with default dates	means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year where the original installation year is unknown and that have accordingly been allocated to a default installation year, expressed in the prescribed unit
Non-gas distribution services	means services of the GDB that are not gas distribution services
Non-qualifying debt	means interest bearing debt that is not a qualifying debt
Non-qualifying intangible assets	means the value of assets identified in clause 2.2.2(d) of the IM determination
Non-standard consumer	means any consumer that is not a standard consumer
Notional deductible interest	has the meaning set out in clause 2.3.4(2) of the IM determination
Notional interest tax shield	means the product of notional deductible interest and the corporate tax rate applicable to the current disclosure year
Notional net cash flows	means, in relation to the: (a) ROI, operating surplus / (deficit) less regulatory tax allowance less assets commissioned plus asset disposals (b) alternative ROI, revenue less expenses less tax less assets commissioned plus asset disposals
Notional revenue foregone	means, for the purposes of Schedule 8a, the revenue anticipated from posted discounts had they not been applied

Number of assets at end of disclosure year by installation date	means the total quantity of assets in the prescribed asset category and asset class installed in the network at the start of the disclosure year that were first installed in the prescribed year, expressed in the prescribed unit
Number of complaints	The number of expressions of dissatisfaction made to The GDB, related to the GDBs controlled gas business, gas services offered, or the complaint-handling process itself, where a response or resolution is explicitly or implicitly expected.
Number of confirmed public reported gas escapes / total length of pipeline (escapes/1000 km)	Any confirmed escape of gas reported to The GDB; excluding third party damage events, leaks detected by routine survey and no traces events Calculated as $[\text{Number of confirmed public reported escapes of gas}] / [\text{total length of pipeline kms}] \times 1000$. Measurement of PRE will be limited against assets for which the GDB is responsible, i.e. assets upstream of, and including, the customer isolation valve (CIV)
Number of connections (Number of ICPs connected in year by customer group)	Means the number of new live/active connection points assigned a unique national metering identification number or agreed point of supply, in the disclosure year
Number of directly billed ICPs (at year end)	Means the number of customer connections the GDB bills directly, as at the end of the disclosure year
Number of emergencies	The sum of the number of following events: An unplanned escape and/or ignition of gas that requires the active involvement of any emergencies service (i.e., fire service, ambulance); or an unplanned disruption in the supply of gas that affects more than five customers; or the need to evacuate premises as the result of escape or ignition of gas.

Number of ICPs (at year end)	The number of live/active connection points assigned a unique national metering identification number or agreed point of supply, as at the end of the current disclosure year.
Number of leaks detected by routine survey / total length of pipeline (leaks/1000 km)	Number of leaks detected on system by routine network survey Calculated as [Number of leaks detected on the network by routine network survey] / [total length pipeline in kms] x 1000.
Number of non-compliant odour tests	The number of tests where gas does not comply with the New Zealand Standard on Gas detection and odourisation
Number of poor pressure events due to network causes	Number of confirmed unplanned incidents where delivery pressure drops below target levels within a pressure system. Incidents caused by low gate station pressure and third party damage events to the network should be excluded.
Number of telephone calls to emergency numbers answered within 30 seconds / total number of calls	Number of calls to the emergency number answered within 30 seconds / total number of calls to the emergency number
Number of third party damage events / total length of pipeline (events/km)	An event where a third party has caused damage requiring repair to the GDBs network or associated equipment. Third party damage excludes damage caused by related parties or contractors in the service of the GDB.
Number of unplanned outage events	Means the number of unplanned interruptions that affect more than 5 customers
Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 customers)	Means the number of unplanned interruptions that affect more than 5 customers caused by a third party and excludes interruptions caused by related parties or contractors in the service of the GDB

Opening deferred tax	has the meaning set out in the IM determination
Opening RAB (tax value)	means the sum of regulatory tax asset value for assets included in total opening RAB values
Opening RIV	means the sum of total opening RAB values plus opening deferred tax
Opening tax losses	has the meaning given to that term in clause 2.3.2(3) of the IM determination
Opening unamortised initial differences in asset values	means closing unamortised initial differences in asset values for the preceding disclosure year
Opening value of fully depreciated, disposed and lost assets	<p>means</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated RAB values of assets included in the total opening RAB values that are fully depreciated during the disclosure year, asset disposals and lost assets included in lost and found assets adjustment;</p> <p>(b) in relation to the RAB, the sum of RAB opening RAB values of assets that are fully depreciated during the disclosure year, asset disposals and lost assets included in the lost and found assets adjustment</p>
Operating surplus / (deficit)	means total regulatory income less operational expenditure less pass through and recoverable costs
Operational expenditure on distribution network	means the sum of service interruptions, incidents and emergencies, routine and corrective maintenance and inspection, system operations and network support
Original allocation	means the operating costs or regulated service asset values allocated to gas distribution services in accordance with the original allocator and line items for each of the relevant disclosure years
Original allocator or line items	means the allocator or line items that were used prior to the change in allocator or line items

Original requirements	means the Gas (Information Disclosure) Regulations 1997
Original tenor	<p>means:</p> <p>(a) where the qualifying debt or non-qualifying debt is not issued to a related party, the term of a qualifying debt or non-qualifying debt at the issue date;</p> <p>(b) where the qualifying debt or non-qualifying debt is issued to a related party, the shorter of the-</p> <p>(ii) the tenor of the qualifying debt; or</p> <p>(iii) the period from the qualifying debt's issue date to the earliest date on which its repayment is or may be required</p>
Other adjustments to the RAB tax value	<p>means</p> $q = a - (b + c - d - e)$ <p>where:</p> <p>a = closing RAB (tax value)</p> <p>b = opening RAB (tax value)</p> <p>c = regulatory tax asset value of assets commissioned</p> <p>d = regulatory tax asset value of asset disposals</p> <p>e = tax depreciation</p>
Other related party transactions	means the value of related party transactions that are not disclosed as total regulatory income, operational expenditure, capital expenditure or market value of asset disposals
Other reliability, safety and environment	in relation to expenditure, means gross capital expenditure where the primary driver is to improve network reliability or safety or to mitigate the environmental impacts of the network, but is not included in either of the quality of supply or legislative and regulatory categories. For example, this category may include gross capital expenditure where the primary driver is to ensure staff safety or meet the GDB's environmental policies.

Other specified pass-through costs	means costs identified in clause 3.1.2(1)(b) of the IM determination
Outage event	means any unplanned interruption that affects more than 5 customers
Outage in SAIDI assessed value	is given the value 'Yes' if the GDB is subject to price-quality regulation and the fault described gave cause to an interruption that contributed to the GDB's SAIDI assessed value for the assessment period in which the fault occurred, otherwise 'No'
OVABAA allocation increase	has the meaning set out in the IM determination
Pass-through and recoverable costs	means a cost specified in clause 3.1.2 or 3.1.3 of the IM determination
Poor pressure event	means a confirmed unplanned incident where delivery pressure drops below target levels within a pressure system. Third party damage events to the network should be included, but incidents cause by low gate pressure should be excluded.
Posted Discounts	means a discount to charges payable for the supply of gas pipeline services i) that is offered by the GDB in a published tariff schedule; and ii) the take-up of which is determined by consumers
Pressure systems	means a configuration of connected pipes and fittings, at the same nominal operating pressure, used for the conveyance of gas
Previous years' incremental gain/(loss)	means the incremental change or incremental adjustment term for the disclosure year in question determined in accordance with clause 3.3.1 of the IM determination
Previous years' incremental gain/(loss) adjusted for inflation	means the previous years' incremental gain/(loss) carried forward by applying the inflation rate in accordance with clause 3.3.2(1) of the IM determination
Price category code	Means the relevant code in the schedule published by the GDB that is used to unambiguously define the line charges for an ICP

Pricing date	means the day on which a qualifying debt is priced
Pricing schedule	Means the list of prices by price category code for the provision of gas pipeline services that is publicly disclosed
Proportion of emergencies responded to within 1 hour (%)	Number of emergencies responded to within 60 minutes / total number of emergencies.
Proportion of emergencies responded to within 3 hours (%)	Number of emergencies responded to within 180 minutes / total number of emergencies.
Qualifying debt	has the meaning set out in paragraph (a) of the defined term in clause 1.1.4(2) of the IM determination
Rates	means a cost specified in clause 3.1.2(2)(a) of the IM determination
Rationale for change	means the rationale for changing the allocator or line items, including whether the change occurred because of change in circumstance or another reason
Reason for non-standard depreciation	means: <ul style="list-style-type: none"> (b) in relation to assets or groups of assets where depreciation is included in depreciation - no standard life asset, 'no standard life'; (c) in relation to assets or groups of assets where depreciation is included in depreciation - modified life assets, 'modified life'; (d) in relation to assets or groups of assets where depreciation is included in depreciation - alternative depreciation determined in accordance with CPP, 'CPP amendment'
Recoverable costs	has the meaning set out in the IM determination
Recoverable customised price-quality path costs	means a cost specified in clause 3.1.3(c),(d),(e),(f) or (g) of the IM determination
Regions	means the portions of the network to which each posted standard price schedule applies

Regulated services	has the meaning set out in the IM determination
Regulated supplier	has the meaning set out in the IM determination
Regulatory net taxable income	has the meaning specified in clause 2.3.1(2) of the IM determination
Regulatory period	has the meaning set out in the IM determination
Regulatory profit / (loss)	means the regulatory profit / (loss) before tax less the regulatory tax allowance
Regulatory profit / (loss) before tax	<p>means the value of q calculated using the following formula:</p> $q = a - b + c$ <p>where:</p> <p>a = operating surplus / (deficit)</p> <p>b = total depreciation</p> <p>c = total CPI revaluations</p>
Regulatory tax allowance	has the meaning set out in clause 2.3.1 of the IM determination
Regulatory tax asset value	has the meaning set out in the IM determination
Regulatory tax asset value of asset disposals	means the sum of regulatory tax asset values for assets that have a value in asset disposals
Regulatory tax asset value of assets commissioned	means the sum of regulatory tax asset values for assets that have a value in assets commissioned
Regulatory taxable income	has the meaning set out in the IM determination

Research and development	<p>in relation to expenditure, means gross capital expenditure or operational expenditure where the primary driver for the expenditure relates to increasing the efficient provision of gas pipeline services through:</p> <ul style="list-style-type: none"> • implementing an original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge or understanding; or • applying research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.
Response time to emergencies (RTE)	means the time elapsed from when an emergency is reported to a GDB representative until the GDB's personnel arrives at the location of the emergency.
Revaluation rate	has the meaning set out in the IM determination
Revenue related working capital	means for the opening RIV and closing RIV, the revenue for the last month of the disclosure year
ROI	means return on investment
ROI comparable to a post-tax WACC	means the ROI comparable to the vanilla WACC less the product of the cost of debt (%), the leverage and the corporate tax rate
ROI comparable to a vanilla WACC	<p>means:</p> $q = (1 + \text{half-yearly IRR})^2 - 1$ <p>where:</p> <p>half-yearly IRR = IRR (3 half-yearly amounts)</p> <p>where the 3 half-yearly amounts are:</p> <ul style="list-style-type: none"> • the negative of opening RIV (year-start) • notional net cash flows (mid-year) • the closing RIV less term credit spread differential allowance (year-end).

SAIDI (System Average Interruption Duration Index)	means [(Sum of (unplanned interruption durations) - Sum of (unplanned interruption durations caused by transmission faults))/ average total customer numbers] x1000
SAIFI (System Average Interruption Frequency Index)	means [Sum of (no of customers affected by each unplanned interruption not caused by transmission faults)/ average total customer numbers] x 1000
Secondary assets	means system fixed assets that support the conveyance of gas. Secondary assets include monitoring & control systems and cathodic protection systems
Self-insurance allowance	means any self-insurance allowance allowed by the Commission through a CPP

Service interruptions, incidents and emergencies	<p>In relation to expenditure, means operational expenditure where the primary driver is an unplanned instantaneous event or incident that impairs the normal operation of network assets. This relates to reactive work (either temporary or permanent) undertaken in the immediate or short term in response to an unplanned event. This category also includes the direct cost of providing a service to respond to reported gas escapes, loss of supply and low pressure reports to make safe, including a repair allowance, the cost of rechecks, restoring supply, provision for 24/7 response and any waiting/non-productive time for response teams. Includes back-up assistance required to restore supply, repair leaks or make safe. It also includes operational support used during the outage or emergency response. It also includes any necessary response to events arising upstream. It does not include expenditure on activities performed proactively to mitigate the impact such an event would have should it occur.</p> <p>Planned follow-up activities resulting from an event which were unable to be permanently repaired in the short term are to be included under routine and corrective maintenance and inspection</p>
Standard consumer	means a consumer of the GDB that has a standard contract with that GDB for the provision of gas pipeline services
System length (km) (at year end)	The total length of pipeline (in kilometres) that form the network as at the end of the current disclosure year

System operations and network support	<p>In relation to expenditure, means operational expenditure where the primary driver is the management of the network and includes expenditure relating to control centre and office-based system operations, including:</p> <ul style="list-style-type: none"> • asset management planning including preparation of the AMP, load forecasting, network modelling • network and engineering design (excluding design costs capitalised for capital projects) • network policy development (including the development of environmental, technical and engineering policies) • standards and manuals for network management • network record keeping and asset management databases including GIS • outage recording • connection and customer records/customer management databases (including embedded generators) • customer queries and call centres (not associated with direct billing) • operational training for network management and field staff • operational vehicles and transport • IT & telecoms for network management (including IT support for asset management systems) • day to day customer management including responding to queries on new connections, disconnections and reconnections, embedded generators • engineering and technical consulting • network planning and system studies • logistics (procurement) and stores • network asset site expenses and leases
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Tax depreciation	has the meaning set out in clause 2.3.8(3) of the IM determination
Tax effect	has the meaning set out in the IM determination
Tax effect of adjusted depreciation	means the tax effect of adjusted depreciation
Tax effect of amortisation of initial differences in asset values	means the tax effect of amortisation of initial differences in asset values
Tax effect of other temporary differences	means the tax effect of positive temporary differences less negative temporary differences. Positive temporary differences and negative temporary differences have the meanings set out in clause 2.3.8 of the IM determination
Tax effect of total tax depreciation	means the tax effect of tax depreciation
Tax payments	means regulatory tax allowance recognised proportionally to how the GDB has paid (or would have paid tax) over the tax year preceding the end of the disclosure year
Term credit spread difference	has the meaning set out in the IM determination
Term credit spread differential allowance	has the same meaning as the 'term credit spread differential' as set out in clause 2.4.11(3) of the IM determination
Third party damage event	means an event whereby damage to the GDB's network (both mains and services) by a third party has resulted in an interruption <i>(Note: third party damage excludes damage caused by related parties or by contractors in the service of the GDB)</i>
Total attributable to regulated service	means the sum of directly attributable and not directly attributable that is attributable to gas pipeline services
Total book value of interest bearing debt	means the sum of book value of qualifying debt and non-qualifying debt at the date of the latest general purpose financial statements

Total closing RAB values	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated closing RAB values as determined in accordance with the IM determination;</p> <p>(b) in relation to the RAB, the sum of closing RAB values as determined in accordance with the IM determination</p>
Total CPI revaluations	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated revaluation as determined in accordance with the IM determination;</p> <p>(b) in relation to the RAB or regulatory profit, the sum of revaluations as determined in accordance with the IM determination</p>
Total depreciation	<p>means:</p> <p>(a) in relation to the unallocated RAB, the sum of unallocated depreciation as determined in accordance with the IM determination;</p> <p>(b) in relation to the RAB or regulatory profit, the sum of depreciation as determined in accordance with the IM determination</p>
Total expenditure on distribution network	means the sum of gross capital expenditure on distribution network and operational expenditure on distribution network
Total expenditure on distribution network business	means the sum of non-system fixed assets plus business support plus direct billing
Total gas conveyed (GJ/annum)	Means the maximum amount of gas entering a network, or sub-network, in the disclosure year, measured in GJ

Total opening RAB values subject to revaluations	means: (a) in relation to the unallocated RAB, total opening RAB values - unallocated RAB less opening RAB value of fully depreciated, disposed and lost assets - unallocated RAB; (b) in relation to the RAB, total opening RAB values - RAB less opening RAB value of fully depreciated, disposed and lost assets – RAB
Total unadjusted asset values	means the sum of 2009 authorisation assets and 2009 disclosed assets
Transmission system	means that part of the system that conveys gas from the point where the gas leaves a gas processing facility to the boundary of the gasworks or gate station outlet flange supplying gas- (a) for distribution; or (b) to a gas customer, where the gas does not enter a distribution system
Unallocated 2009 modified asset values	means the value of the 2009 modified asset values before any allocation of asset value relevant to the regulatory disclosures been undertaken
Unallocated initial RAB value	means the values of assets as determined in accordance with clause 2.2.3(1) of the IM determination
Unallocated works under construction	means for the components of the works under construction roll-forward, the works under construction values before the application of clause 2.1.1 of the IM determination
Unregulated services	has the meaning set out in the IM determination
Utilised tax losses	has the meaning set out in paragraph (a) of the defined term in the IM determination
Value of Commissioned assets	has the meaning set out in the IM determination.

Value of transaction	means the value of the related party transaction as determined in accordance with clause 5 of section 2.3 of this determination
Weighted average expected total asset life	means the weighted average expected total asset life of assets calculated by using the opening RAB values as weights where opening RAB value has the meaning set out in the IM Determination
Weighted average pipe diameter (mm)	The weighted average pipe diameter, expressed in millimetres, based on the length of pipeline that form the network
Weighted average remaining asset life	means the weighted average remaining asset life of assets calculated by using the opening RAB values as weights where remaining asset life and opening RAB values has the meaning set out in the IM Determination
Weighted average remaining useful life of relevant assets (years)	means the weighted average remaining useful life of assets included in opening unamortised initial differences in asset values calculated by using the opening unamortised initial difference in asset values as weights

Works under construction	<p>means:</p> <p>(a) in relation to unallocated works under construction, the value of calculated using the following formula:</p> $q = a + b - c + d$ <p>where:</p> <p><i>a</i> = unallocated works under construction - preceding disclosure year</p> <p><i>b</i> = unallocated capital expenditure</p> <p><i>c</i> = unallocated assets commissioned</p> <p><i>d</i> = adjustment resulting from cost allocation</p> <p>(b) in relation to allocated works under construction, the value (as determined in accordance with paragraph (a)) which was allocated to gas pipeline services in accordance with clause 2.1.1 of the IM determination</p> <p>(c) in relation to the establishment of the initial RAB value, the value of works under construction included in unallocated 2009 modified asset values as works under construction is defined in the IM determination</p>
Year change made	<p>means:</p> <p>(a) in relation to assets or groups of assets where depreciation is included in depreciation - no standard life asset, the year the asset was acquired;</p> <p>(b) in relation to assets or groups of assets where depreciation is included in depreciation - modified life assets, the year the asset life was modified;</p> <p>(c) in relation to assets or groups of assets where depreciation is included in depreciation - alternative depreciation determined in accordance with CPP, the start of the CPP period</p>

Schedule 17 Certification for Year-beginning Disclosures

clause 2.9.1

We, [insert full names], being directors of [name of GDB] certify that, having made all reasonable enquiry, to the best of our knowledge:

- a) the following attached information of [name of GDB] prepared for the purposes of clause 2.4.1, clause 2.6.1, 2.6.3(2), 2.6.5(2)1 and 2.12.6(1)(b) of the Commerce Act (Gas Distribution Services Information Disclosure) Determination 2012 in all material respects complies with that determination.
- b) The prospective financial or non-financial information included the attached information has been measured on a basis consistent with regulatory requirements or recognised industry standards.

[Signatures of 2 directors]

[Date]

Schedule 18 Certification for Year-end Disclosures

Clause 2.9.2

We, [insert names], being directors of [name of GDB] certify that, having made all reasonable enquiry, to the best of our knowledge, the information prepared for the purposes of clauses 2.3.1 and 2.3.2, clauses 2.4.19 and 2.4.20, clause 2.5.1, and clauses 2.7.1 and 2.7.2 of the Commerce Act (Gas Distribution Services Information Disclosure) Determination 2012 in all material respects complies with that determination.

*[In respect of related party costs and revenues recorded in accordance with clauses 2.3.6(1), 2.3.6(2)(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.]

*Delete if inapplicable

[Signatures of 2 directors]

[Date]

Schedule 19 Certification for Transitional Disclosures

Clause 2.9.3

We, [insert names], being directors of [name of GDB] certify that, having made all reasonable enquiry, to the best of our knowledge the information, prepared for the purposes of clause 2.10.1 of the Commerce Act (Gas Distribution Services Information Disclosure) Determination 2012 in all material respects complies with that determination.

[Signatures of 2 directors]

[Date]