

## **Decision No. [XXX]**

### **Draft Commerce Act (Gas Transmission Services Information Disclosure) Determination 2012**

**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 transmission businesses.

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

Date of Decision: [xx xxxxxx 2012]

## **COMMERCE ACT (GAS TRANSMISSION 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. This determination is the Commerce Act (Gas Transmission Services Information Disclosure) Determination 2012.

### **1.2      COMMENCEMENT DATE**

1. This determination comes into force on [    ] May 2012.

### **1.3      APPLICATION**

1. This determination applies to **gas transmission businesses** as suppliers of regulated goods and services under Part 4 of the **Act**.

### **1.4      INTERPRETATION**

1. In this determination, unless the context otherwise requires—
  - 1.1 Terms in bold type have the meaning given to those terms in this clause 1.4;
  - 1.2 Terms used in this determination that are defined in the **Act** but not in this determination, have the same meanings as in the **Act**;
  - 1.3 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**;
  - 1.4 A word which denotes the singular also denotes the plural and vice versa;
  - 1.5 An obligation to do something is deemed to include an obligation to cause that thing to be done;
  - 1.6 Financial items must be measured and disclosed in accordance with **GAAP** unless otherwise required in this Determination;
  - 1.7 Non-financial items must be measured and disclosed in accordance with standard industry practice unless otherwise required in this Determination.
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.

3. In this determination, including in the schedules, the words or phrases in bold type bear the following meanings:

**% Variance**

means:

$$q = \frac{a-b}{b} \times 100$$

where:

*a* = **actual expenditure***b* = **forecast expenditure****5 day peak**

means, in relation to a throughput of gas, a period of 5 successive calendar days in the preceding year during which the total volumetric throughput of gas was not exceeded during any other period of 5 successive calendar days in the preceding year

**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**

**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**, in relation to:

- (a) Vector Limited, for the period from 1 July 2009 to 30 September 2009; and
- (b) Maui Developments Limited (MDL), for the

period from 1 January 2009 to 30 September 2009

## A

<b>Act</b>	means the Commerce Act 1986
<b>Actual controllable opex</b>	has the meaning set out in the <b>IM determination</b>
<b>Actual expenditure</b>	means, in relation to: <ul style="list-style-type: none"> <li>(a) a <b>disclosure year</b>, expenditure for the <b>disclosure year</b></li> <li>(b) the <b>regulatory period</b>, expenditure for the <b>disclosure years</b> from the start of the <b>regulatory period</b> to the current <b>disclosure year</b></li> </ul>
<b>Adjusted depreciation</b>	has the meaning set out in the <b>IM determination</b>
<b>Adjustment resulting from asset allocation</b>	means <ul style="list-style-type: none"> <li>(a) in relation to the <b>works under construction</b> roll-forward, the change in <b>works under construction</b> resulting from a change in asset allocation assumptions for assets included in <b>works under construction</b>, where increases in the value of <b>works under construction</b> are positive and decreases are negative</li> <li>(b) in all other instances, the value of <math>q</math> calculated using the following formula:</li> </ul>

$$q = a - b - c + d + e - f + g$$

where:

$a$  = total closing RAB value

$b$  = total opening RAB value

$c$  = total depreciation

$d$  = total CPI revaluations

$e$  = assets commissioned

$f$  = asset disposals

$g$  = lost and found assets adjustment

	<p>The formula must be calculated using component values that relate to the <b>RAB</b>. These inputs are the values that result from the application of clause 2.1.1 of the <b>IM determination</b>;</p> <p>means the value of the adjustment required to the <b>2009 modified asset values</b> so the resultant value represents the <b>unallocated 2009 modified asset values</b></p>
<b>Adjustment to reinstate 2009 modified asset values to unallocated amounts</b>	
<b>Allocated works under construction</b>	<p>means, for the components of the <b>works under construction</b> roll-forward, the <b>works under construction</b> values after the application of clause 2.1.1 of the <b>IM determination</b></p>
<b>Allocation methodology type</b>	has the meaning set out in the <b>IM determination</b>
<b>Allocator</b>	<p>means the measure used to allocate <b>operating costs</b> or <b>regulated service asset values</b> that are <b>not directly attributable</b> as set out in clause 2.1.3 or clause 2.1.5 of the <b>IM determination</b></p>
<b>Allocator type</b>	has the meaning set out in the <b>IM determination</b>
<b>Allocator metric</b>	has the meaning set out in the <b>IM determination</b>
<b>Allowed controllable opex</b>	has the meaning set out in the <b>IM determination</b>
<b>Alternative closing RIV</b>	means <b>total closing RAB value</b> less <b>adjustment resulting from cost allocation</b> less <b>lost and found assets adjustment</b> plus <b>revenue related working capital</b>
<b>Alternative opening RIV</b>	means the sum of <b>total opening RAB value</b> plus <b>revenue related working capital</b>
<b>Alternative ROI – comparable to a post-tax WACC</b>	means the <b>alternative ROI comparable to the vanilla WACC</b> less the product of the <b>cost of debt (%)</b> , the <b>leverage</b> and the <b>corporate tax rate</b>
<b>Alternative ROI – comparable to a vanilla WACC</b>	<p>means:</p> $q = (1 + \text{monthly } IRR)^{12} - 1$

where:

*monthly IRR* = *IRR* (13 monthly amounts)

where the 13 monthly amounts are:

- 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**

**AMP**

means asset management plan

**AMP planning period**

has the meaning specified in subclause 3.4 of Appendix A to this determination

**AMP update**

has the meaning specified in clause 4 of section 2.5 of this determination

**Arm's-length deduction**

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

**Asset age**

means, in relation to the asset age disclosure requirements in Schedule 16, the number of assets at the end of the most recent **disclosure year** excluding stores and spares, categorised by asset class and the **disclosure year** in which the asset was originally **commissioned** on the **network**. If the original year in which the asset was **commissioned** is not known, then

- the commissioning year categorisation may be made using-
  - an estimated commissioning date (the use of estimates should be reflected in the **data accuracy** rating disclosed in the column '**data accuracy**')
  - a default date (the number of assets for which default dates are used is to be disclosed in the column "No. with default dates")
- the asset is not categorised by commissioning date (the number of assets not categorised by commissioning date is entered in the "No. with age unknown" column)

**Asset category**

means:

- (a) in relation to schedule 5, any of the



	<p>following: <b>pipes, stations, compressors, main-line valves</b>, other system fixed assets, other assets</p> <p>(b) in all other instances, any of the following: <b>pipes, stations, compressors, main-line valves</b>, heating systems, odourisation plants, coalescers, metering systems, SCADA and communications, cathodic protection, chromatographs</p>
<b>Asset category transfers</b>	means the value of an asset transferred between asset categories
<b>Asset disposals</b>	means: <p>(a) in relation to the <b>unallocated RAB</b>, the sum of unallocated opening <b>RAB</b> values less regulatory depreciation of <b>disposed assets</b>, as determined in accordance with the input methodologies identified as applicable to that asset in the <b>IM determination</b>;</p> <p>(b) in relation to the <b>RAB</b>, the value (as determined in accordance with paragraph (a)) which was allocated to <b>gas transmission services</b> in accordance with clause 2.1.1 of the <b>IM determination</b></p>
<b>Asset disposals (other)</b>	means <b>asset disposals</b> other than <b>asset disposals to a regulated supplier</b> and <b>asset disposals to a related party</b>
<b>Asset disposals to a regulated supplier</b>	means <b>asset disposals</b> disposed of to a <b>regulated supplier</b>
<b>Asset disposals to a related party</b>	means <b>asset disposals</b> disposed of to a <b>related party</b>
<b>Asset management plan</b>	has the meaning specified in clause 1 of section 2.5 of this determination
<b>Asset or assets with non-standard depreciation</b>	means a description of assets or groups of assets where depreciation is not included in <b>Depreciation – standard</b>
<b>Asset relocations</b>	means <b>gross capital expenditure</b> where the <b>primary driver</b> is the need to relocate assets due third party requests, such as for the purpose of allowing road widening or similar needs.
<b>Asset replacement and renewal</b>	means <b>gross capital expenditure</b> where the

**primary driver** is maintaining asset integrity to maintain the existing asset performance experienced by consumers. This category includes activities to replace or refurbish/renew assets as a result of the obsolescence of **network** assets or as a result of their economic, physical, safety or environmental performance (i.e., to meet prudent operator standards). This includes preventative replacement expenditure (consistent with asset life cycle management policies). It also includes expenditure associated with the ongoing physical security of the assets, SCADA and telecommunications means:

**Assets acquired from a regulated supplier**

- (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**;
- (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 transmission services** in accordance with clause 2.1.1 of the **IM determination**

**Assets acquired from a related party**

- means:
- (a) 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**;
  - (b) 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 transmission services** in accordance with clause 2.1.1 of the **IM determination**

**Assets commissioned**

- means:
- (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 <b>IM determination</b> ;
	(b) in relation to the <b>RAB</b> , the value of the assets (as determined in accordance with paragraph (a)) which is allocated to the <b>gas transmission services</b> in accordance with clause 2.1.1 of the <b>IM determination</b> ;
	(c) in relation to forecast information, a forecast of the value of the assets (as determined in accordance with paragraph (b)) for a future <b>disclosure year</b>
<b>Associates</b>	in relation to the definition of <b>involved in</b> , has the meaning set out in the Electricity Industry Act 2010
<b>Attribution rate</b>	means: $q = \frac{a \times b}{c}$ where: $a$ = <b>average opening and closing RAB values</b> $b$ = a leverage rate of 44% $c$ = <b>total book value of interest bearing debt</b>
<b>Atypical</b>	means 'one off' or 'exceptional' costs incurred often as a result of events outside management control
<b>Audited disclosure information</b>	means information disclosed pursuant to any of subclause 1.1 and clause 8 of section 2.3, clauses 19 and 20 of section 2.4, subclause 6.1 of section 2.5 and subclauses 1.1 and 1.2 of section 2.10 of this determination
<b>Average opening and closing RAB values</b>	means; $q = \frac{a + b}{2}$ where: $a$ = <b>total opening RAB value</b> $b$ = <b>total closing RAB value</b>
	<b>B</b>
<b>Balancing gas costs</b>	means a cost or credit specified in clause 3.1.3(c) of the <b>IM determination</b>
<b>Basis for determining value</b>	means the basis for determining the value of

the **related party transaction** in accordance with clause 5.2 of section 2.3 of this determination

**Book value**

means:

- (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**
- (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 **GTB's** latest general purpose financial statements

**Business support**

means **operational expenditure** associated with the following corporate activities:

- HR and non-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, marketing, liaison with **consumers** and **gas retailers**

revenue collection (excluding **direct billing**)

**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**

**Closing RAB (tax value)**

means the sum of **regulatory tax asset values** for assets 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 <b>depreciation - no standard life asset</b> , 'not applicable'
	(b) in relation to assets or groups of assets where depreciation is included in <b>depreciation - modified life assets</b> or <b>depreciation - alternative depreciation determined in accordance with CPP</b> , the sum of closing <b>RAB</b> values as determined in accordance with the <b>IM determination</b> as if the closing <b>RAB</b> value and all proceeding closing <b>RAB</b> values had been calculated in accordance with clause 2.1.1 of the <b>IM determination</b> applying a physical asset life determined in accordance with either clause 2.2.8(e)(iii) or (f) of the <b>IM determination</b> for the relevant <b>asset or assets with non-standard depreciation</b>
<b>Closing RIV</b>	means <b>total closing RAB values</b> less <b>adjustment resulting from cost allocation</b> less <b>lost and found assets adjustment</b>
<b>Closing tax losses</b>	has the meaning given to that term in clause 2.3.2(4) of the <b>IM determination</b>
<b>Commission</b>	means the Commerce Commission
<b>Commissioned</b>	has the meaning set out in the <b>IM determination</b>
<b>Compressors</b>	means [TBC by technical consultation]
<b>Compressor fuel</b>	in relation to expenditure, means <b>operational expenditure</b> where the <b>primary driver</b> is the consumption of natural gas by the compressor fleet.
<b>Compressor stations</b>	means [TBC by technical consultation]
<b>Confirmed public reported escapes of gas</b>	means any escape of gas confirmed by the <b>GTB</b> excluding third party damage events, routine surveys find and no traces events
<b>Connection point</b>	means a welded connection
<b>Consumer</b>	has the meaning set out in the <b>Act</b>

<b>Consumer group</b>	means the category of <b>consumer</b> used by the <b>GTB</b> for the purposes of setting <b>prices</b>
<b>Contract</b>	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 services have not been settled; and (b) any operating agreement, side letter, or documentation that influences, adjusts or amends the terms and conditions of the contract
<b>Control rights</b>	has the meaning set out in the Electricity Industry Act 2010
<b>Corporate tax rate</b>	has the meaning set out in the <b>IM determination</b>
<b>Cost of debt assumption</b>	means the sum of the risk free rate and debt premium estimates as determined by the <b>Commission</b> in accordance with clauses 2.4.3 and 2.4.4 and published by the <b>Commission</b> under clause 2.4.8 of the <b>IM determination</b> for each <b>disclosure year</b>
<b>Cost of executing an interest rate swap</b>	has the meaning set out in the <b>IM determination</b>
<b>Coupon rate</b>	means: (a) where the information is available publicly, the nominal coupon rate of interest of a <b>qualifying debt</b> on the <b>issue date</b> ; (b) where the nominal coupon rate of interest of a <b>qualifying debt</b> on the <b>issue date</b> is not available publicly, either the nominal coupon rate of interest or the basis for determining the nominal coupon rate of interest of a <b>qualifying debt</b> on the <b>issue date</b>
<b>CPI<sub>4</sub></b>	has the meaning set out in clause 2.2.9(4) of the <b>IM determination</b>

<b>CPI<sub>4</sub><sup>-4</sup></b>	has the meaning set out in clause 2.2.9(4) of the <b>IM determination</b>
<b>CPP</b>	means customised price-quality path
<b>Current period tax losses</b>	has the meaning given to that term in clause 2.3.2(5) of the <b>IM determination</b>
<b>Customer connection</b>	In relation to expenditure, means <b>gross capital expenditure</b> where the <b>primary driver</b> is the connection of new connection points to the network or alterations to the connection of existing connection points where the expenditure relates to connection assets.
<b>CY, CY-X or CY+X</b>	means <ul style="list-style-type: none"> <li>(a) the <b>disclosure year</b> or</li> <li>(b) where a '-' precedes 'X', the Xth year preceding the <b>disclosure year</b> or</li> <li>(c) where a '+' precedes the 'X', the Xth year following the <b>disclosure year</b></li> </ul> <p><b>D</b></p>
<b>Data accuracy</b>	in relation to disclosures of asset register quantities, asset register additions, disposals and relocations, asset health and asset life, means an estimate of the accuracy of the data and is expressed as a whole number between 1 and 4 where '4' means 'accurate' and '1' means 'unreliable'
<b>Debt issue cost readjustment</b>	has the meaning set out in clause 2.4.11(4) of the <b>IM determination</b>
<b>Depreciation - alternative depreciation in accordance with CPP</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to the <b>unallocated RAB</b>, the sum of unallocated depreciation calculated in accordance with clause 2.2.6 of the <b>IM determination</b>;</li> <li>(b) in relation to the <b>RAB</b>, depreciation calculated in accordance with clause 2.2.6 or 2.2.8(4) of the <b>IM determination</b></li> </ul>
<b>Depreciation - modified life assets</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to the <b>unallocated RAB</b>, the sum of unallocated depreciation calculated in accordance with clause 2.2.5(1) of the <b>IM determination</b>;</li> </ul>



**Depreciation - no standard life assets**

(b) in relation to the **RAB**, depreciation calculated in accordance with clause 2.2.5(2) of the **IM determination**; 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**

means:

- (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**;
- (b) in relation to the **RAB**, depreciation calculated in accordance with clause 2.2.5(2) of the **IM determination**; 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**

**Depreciation - standard**

means:

- (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**;
  - (b) in relation to the **RAB**, depreciation calculated in accordance with clause 2.2.5(2) of the **IM determination**;
- excluding **depreciation - alternative depreciation in accordance with CPP**, **depreciation - modified life assets**, and **depreciation - no standard life assets**

<b>Depreciation charge for the period (RAB)</b>	means the depreciation or sum of depreciation as determined in accordance with the <b>IM determination</b> for the relevant <b>asset or assets with non-standard depreciation</b>
<b>Description of transaction</b>	means a brief description of the transaction with a <b>related party</b> , including the goods or services provided to or by the <b>GTB</b> as part of that transaction
<b>Direct billing</b>	means <b>operating expenditure</b> associated with providing a direct billing service direct to the end <b>consumer</b> . This includes billing services, associated customer call centres, and customer account management
<b>Directly attributable</b>	has the meaning set out in the <b>IM determination</b>
<b>Disclosure year</b>	means the 12 month period ending on 30 September of the year the disclosure relates or if the term <b>disclosure year</b> is proceeded by a year, the 12 month period ended on 30 September of that year
<b>Disposed asset</b>	has the meaning set out in paragraph (a) of the defined term in the <b>IM determination</b>

## E

<b>Easement activity</b>	<p>means <b>operational expenditure</b> where the <b>primary driver</b> is the management of the pipeline easement including:</p> <ul style="list-style-type: none"> <li>• land database (property owners, occupiers and other stakeholders)</li> <li>• communications with landowners, occupiers and other stakeholders</li> <li>• vegetation control</li> <li>• monitoring activities on or near the easement</li> <li>• compensation and other associated legal costs</li> </ul>
<b>Easement land</b>	has the meaning set out in the <b>IM determination</b>

<b>Emergency</b>	[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) <sup>1</sup>
<b>Expenditure or loss deductible but not in regulatory profit / (loss) before tax - permanent</b>	means expenditure or loss deductible but not in <b>regulatory profit / (loss) before tax</b> as determined in accordance with clause 2.3.3(3) of the <b>IM determination</b>
<b>Expenditure or loss deductible but not in regulatory profit / (loss) before tax - temporary</b>	means expenditure or loss deductible but not in <b>regulatory profit / (loss) before tax</b> as determined in accordance with clause 2.3.5(5)(b) of the <b>IM determination</b>
<b>Expenditure or loss in regulatory profit / (loss) before tax but not deductible - permanent</b>	means expenditure or loss in <b>regulatory profit / (loss) before tax</b> but not deductible as determined in accordance with clause 2.3.3(2)(b) of the <b>IM determination</b>
<b>Expenditure or loss in regulatory profit / (loss) before tax but not deductible - temporary</b>	means expenditure or loss in <b>regulatory profit / (loss) before tax</b> but not deductible as determined in accordance with clause 2.3.5(4)(b) of the <b>IM determination</b>
<b>Expenses</b>	means <b>operational expenditure</b> and <b>pass-through and recoverable costs</b> accrued in each of the months of the <b>disclosure year</b> . Where costs are notional they should be recognised evenly over the months of the <b>disclosure year</b>
<b>Equity return rights</b>	has the meaning set out in the Electricity Industry Act 2010

## F

<b>Forecast expenditure</b>	means, in relation to: <ul style="list-style-type: none"> <li>(a) current <b>disclosure year</b>, the forecast expenditure for the current <b>disclosure year</b> disclosed pursuant to section 2.5 of this determination immediately prior to the start of the current <b>disclosure year</b></li> <li>(b) <b>regulatory period</b>, the forecast expenditure for the <b>disclosure years</b> from</li> </ul>
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<sup>1</sup> 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/>.

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**

## G

### GAAP

means generally accepted accounting practice in New Zealand

### Gains / (losses) on asset sales

means, in respect of:

- (a) **assets disposals to a related party**, nil;
- (b) **assets disposals to a regulated supplier**, nil;
- (c) **asset disposals (other)**, the values determined in accordance with:

sale price of an asset - **assets disposals (other)**

where each component has the value allocated to **gas transmission services** in accordance with **clause 2.1.1** of the **IM determination**

### 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**

### GDB

has the meaning set out in the Commerce Act (Gas Distribution Services Input Methodologies) Determination 2010

### GPB

means gas pipeline business and includes **GDBs** and **GTBs**

### Gross capital expenditure

means **capital expenditure** plus **capital contributions** and **net value of vested assets**

### Gross capital expenditure on transmission 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

means the sum of **term credit spread difference**, **cost of executing an interest rate**

<b>differential</b>	<b>swap and debt issue cost readjustment for qualifying debt</b>
<b>GTB</b>	has the meaning set out in the <b>IM determination</b>
	<b>H</b>
<b>Highest rate of capitalised finance applied</b>	means the highest rate of finance used as the cost of financing capitalised in <b>works under construction</b>
	<b>I</b>
<b>IM determination</b>	means the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010
<b>Income included in regulatory profit / (loss) before tax but not taxable - permanent</b>	means income included in <b>regulatory profit / (loss) before tax</b> but not taxable as determined in accordance with clause 2.3.3(3)(a) of the <b>IM determination</b>
<b>Income included in regulatory profit / (loss) before tax but not taxable – temporary</b>	means income included in <b>regulatory profit / (loss) before tax</b> but not taxable as determined in accordance with clause 2.3.5(5)(a) of the <b>IM determination</b>
<b>Income not included in regulatory profit / (loss) before tax but taxable - permanent</b>	means income not included in <b>regulatory profit / (loss) before tax</b> that is taxable as determined in accordance with clause 2.3.5(2)(a) of the <b>IM determination</b>
<b>Income not included in regulatory profit / (loss) before tax but taxable – temporary</b>	means income not included in <b>regulatory profit / (loss) before tax</b> that is taxable as determined in accordance with clause 2.3.5(4)(a) of the <b>IM determination</b>
<b>Increase/(decrease) in value resulting from rolling forward the asset adjustment process adjustments</b>	means the adjustment to the value of included or value modified assets resulting from applying clauses 2.2.1 of the <b>IM determination</b> . Included and value modified have the meanings as set out in clause 2.2.1(6)(c) of the <b>IM determination</b>
<b>Increase in value resulting from revaluations in accordance with 2.2.1(3)(b)</b>	means the value of revaluations as determined in accordance with clause 2.2.1(3)(b) of the <b>IM determination</b>

<b>Incremental gain/(loss) in year</b>	means the incremental change or incremental adjustment term for the <b>disclosure year</b> determined in accordance with clause 3.3.1 of the <b>IM determination</b>
<b>Independent auditor</b>	means a person who: <ul style="list-style-type: none"> <li>(a) is qualified for appointment as auditor of a company under the Companies Act 1993 or, where the <b>GPB</b> is a public entity (as defined in s 4 of the Public Audit Act 2001), is the Auditor-General;</li> <li>(b) has no relationship with, or interest in, the <b>GPB</b> that is likely to involve a conflict of interest;</li> <li>(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</li> <li>(d) is not associated with nor directed by any person who has provided any such assistance, advice, or opinion</li> </ul>
<b>Initial disclosure year</b>	means the <b>disclosure year 2012</b>
<b>Input methodology claw-back</b>	means a cost specified in clause 3.1.3(1)(b) of the <b>IM determination</b>
<b>Interruption</b>	means, in relation to the supply of gas to a customer, the cessation of the supply of gas to that customer for a period of 1 minute or longer, other than by reason of disconnection of that customer for breach of the <b>contract</b> or arrangement under which the gas is supplied
<b>Involved in</b>	has the meaning set out in section 74 of the Electricity Industry Act 2010, as if the references to distributor, generator or retailer in s 74(1) were read as references to an <b>GTB</b> or any other <b>person</b>
<b>IRR</b>	means internal rate of return
<b>Issue date</b>	means the day on which a <b>qualifying debt</b> or <b>non-qualifying debt</b> is issued

## L

<b>Legislative and regulatory</b>	means <b>gross capital expenditure</b> where the <b>primary driver</b> is new regulatory or legal requirements. This category includes any step changes in <b>gross capital expenditure</b> as a result of a new requirement (for example a new earthquake code or requirement to provide Ultra-Fast Broadband access and meet electrical safe distance rules). This does not include assets replaced because of condition assessment or ongoing work to improve or maintain the safety or environmental impact of the network
<b>Leverage</b>	has the meaning set out in the <b>IM determination</b>
<b>Levies</b>	means a cost specified in clause 3.1.2(2)(b) of the <b>IM determination</b>
<b>Line charge income</b>	means revenue from <b>prices</b>
<b>Line item</b>	has the meaning set out in the <b>IM determination</b>
<b>Lost and found assets adjustment</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to the <b>unallocated RAB</b>, the value of found assets as determined in accordance with clause 2.2.12 of the <b>IM determination</b>, 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 <b>IM determination</b>;</li> <li>(b) in relation to the <b>RAB</b>, the value of the asset (as determined in accordance with paragraph (a)) which is allocated to <b>gas transmission services</b> in accordance with clause 2.1.1 of the <b>IM determination</b></li> </ul>

## M

<b>Mainline valve</b>	means [TBC by technical consultation]
<b>Material influence</b>	has the meaning set out in the Electricity Industry Act 2010

<b>Merger and acquisition expenses</b>	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 <b>gas transmission services</b> . Disclosure of the benefits to <b>gas transmission services</b> is required for merger and acquisition expenses to be recognised
<b>Mid-point estimate of post tax WACC</b>	means the mid-point estimate of vanilla WACC for the 5 year period commencing on the first day of the <b>disclosure year</b> determined by the <b>Commission</b> in accordance with clause 2.4.1 of the <b>IM determination</b>
<b>Mid-point estimate of post tax WACC</b>	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 <b>Commission</b> in accordance with Part 2, subpart 4 of the <b>IM determination</b>
<b>Most recent ID period</b>	means the <b>disclosure year</b> immediately preceding the end of the <b>consolidation period</b>
<b>N</b>	
<b>Name of related party</b>	means either the legal name of the <b>related party</b> that has entered into a transaction with the <b>GTB</b> or 'inter-company' where the transaction is between the regulated and un-regulated parts of the <b>GTB</b>
<b>Net incremental rolling incentive scheme</b>	means the sum of <b>previous years incremental gain/loss</b> from the five <b>disclosure years</b> preceding the current <b>disclosure year</b>
<b>Net recoverable costs allowed under incremental rolling incentive scheme</b>	means, where: <ol style="list-style-type: none"> <li><b>net incremental rolling incentive scheme</b> is positive, <b>net incremental rolling incentive scheme</b>;</li> <li><b>net incremental rolling incentive scheme</b> is nil or negative, nil</li> </ol>
<b>Net value of vested assets</b>	means the fair value of assets whose ownership is vested in a <b>GTB</b> (whether or not for some consideration) less any consideration paid for those assets



<b>Network</b>	has the meaning set out in the <b>IM determination</b>
<b>Nominal New Zealand dollars</b>	In relation to an expenditure or revenue forecast, means the New Zealand dollar prices expected to apply at the time of transaction
<b>Non-gas transmission services</b>	means services of the <b>GTB</b> that are not <b>gas transmission services</b>
<b>Non-qualifying debt</b>	means interest bearing debt that is not a <b>qualifying debt</b>
<b>Non-qualifying intangible assets</b>	means the value of assets identified in clause 2.2.2(d) of the <b>IM determination</b>
<b>Non-standard contract</b>	means a <b>contract</b> that is not a <b>standard contract</b>
<b>Non-system fixed assets</b>	means <b>gross capital expenditure</b> that is not directly incurred on the <b>network</b> . This includes expenditure on information and technology systems, IT software upgrade costs, asset management systems, customer management systems, office buildings, depots and workshops, office furniture and equipment, motor vehicles, tools, plant and machinery.
<b>Not directly attributable</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to <b>operating costs</b>, <b>operating costs</b> that are not <b>directly attributable</b>;</li> <li>(b) in relation to <b>regulated service asset values</b>, <b>regulated service asset values</b> that are not <b>directly attributable</b></li> </ul>
<b>Notional deductible interest</b>	has the meaning set out in clause 2.3.1(5) of the <b>IM determination</b>
<b>Notional interest tax shield</b>	means the product of <b>notional deductible interest</b> and the <b>corporate tax rate</b> applicable to the current <b>disclosure year</b>
<b>Notional net cash flows</b>	means, in relation to the: <ul style="list-style-type: none"> <li>(a) <b>ROI, operating surplus / (deficit)</b> less <b>regulatory tax allowance</b> less <b>assets commissioned</b> plus <b>asset disposals</b></li> <li>(b) alternative <b>ROI, revenue</b> less <b>expenses</b> less <b>tax</b> less <b>assets commissioned</b> plus <b>asset disposals</b></li> </ul>

## O

<b>Opening RAB (tax value)</b>	means the sum of <b>regulatory tax asset values</b> for assets included in <b>total opening RAB value</b>
<b>Opening RIV</b>	means <b>total opening RAB value</b>
<b>Opening tax losses</b>	has the meaning given to that term in clause 2.3.2(3) of the <b>IM determination</b>
<b>Opening value of fully depreciated, disposed and lost assets</b>	means <ul style="list-style-type: none"> <li>(a) in relation to the <b>unallocated RAB</b>, the sum of <b>unallocated RAB</b> values of assets included in the <b>total opening RAB values</b> that are fully depreciated during the <b>disclosure year, asset disposals</b> and lost assets included in <b>lost and found assets adjustment</b>;</li> <li>(b) in relation to the <b>RAB</b>, the sum of <b>RAB</b> opening <b>RAB</b> values of assets that are fully depreciated during the <b>disclosure year, asset disposals</b> and lost assets included in the <b>lost and found assets adjustment</b></li> </ul>
<b>Operating cost</b>	has the meaning set out in the <b>IM determination</b>
<b>Operating surplus / (deficit)</b>	means <b>total regulatory income</b> less <b>operational expenditure</b> less <b>pass through and recoverable costs</b>
<b>Operational expenditure</b>	means <b>operating costs</b> after applying clause 2.1.1 of the <b>IM determination</b> , except in relation to the report on <b>related party transactions</b> where it means operating costs after applying clause 2.1.1 of the <b>IM determination</b> and that are <b>related party transactions</b>
<b>Operational expenditure on transmission network</b>	means the sum of <b>service interruptions, incidents and emergencies</b> plus <b>easement activity</b> plus <b>routine and corrective maintenance and inspection</b> plus <b>compressor fuel</b> plus <b>system management and operations</b>
<b>Original allocation</b>	means the <b>operating costs</b> or <b>regulated service asset value</b> allocated to <b>gas transmission services</b> in accordance with the original <b>allocator</b> and <b>line items</b> for each of the

<b>Original allocator or line items</b>	relevant <b>disclosure years</b> means the <b>allocator</b> or <b>line items</b> that were used prior to the change in <b>allocator</b> or <b>line items</b>
<b>Original requirements</b>	means the Gas (Information Disclosure) Requirements 1997
<b>Original tenor</b>	means: <ul style="list-style-type: none"> <li>(a) where the <b>qualifying debt</b> or <b>non-qualifying debt</b> is not issued to a <b>related party</b>, the term of a <b>qualifying debt</b> or <b>non-qualifying debt</b> at the <b>issue date</b>;</li> <li>(b) where the <b>qualifying debt</b> or <b>non-qualifying debt</b> is issued to a <b>related party</b>, the shorter of the-             <ul style="list-style-type: none"> <li>(i) the tenor of the <b>qualifying debt</b>; or</li> <li>(ii) the period from the <b>qualifying debt's issue date</b> to the earliest date on which its repayment is or may be required</li> </ul> </li> </ul>
<b>Other adjustments to the RAB tax value</b>	means $q = a - (b + c - d - e)$ where: <ul style="list-style-type: none"> <li><math>a</math> = <b>closing RAB (tax value)</b></li> <li><math>b</math> = <b>opening RAB (tax value)</b></li> <li><math>c</math> = <b>regulatory tax asset value of assets commissioned</b></li> <li><math>d</math> = <b>regulatory tax asset value of asset disposals</b></li> <li><math>e</math> = <b>tax depreciation</b></li> </ul>
<b>Other assets</b>	means [TBC by technical consultation]
<b>Other regulated service</b>	has the meaning set out in the <b>IM determination</b>
<b>Other regulated income</b>	has the meaning set out in the <b>IM determination</b> ;
<b>Other related party transactions</b>	means the value of <b>related party transactions</b> that are not disclosed as <b>total regulatory income, operational expenditure, capital expenditure</b> or <b>market value of asset disposals</b>
<b>Other specified pass-through costs</b>	means costs identified in clause 3.1.2(1)(b) of the <b>IM determination</b>

<b>Other system fixed assets</b>	means [TBC by technical consultation]
<b>OVABAA allocation increase</b>	has the meaning set out in the <b>IM determination</b>
<b>P</b>	
<b>Pass-through and recoverable costs</b>	means a cost specified in clause 3.1.2 or 3.1.3 of the <b>IM determination</b>
<b>Person</b>	means a natural person, a corporation sole, a body corporate or an unincorporated body
<b>Pipes</b>	means [TBC by technical consultation]
<b>Planned interruption</b>	means, in relation to any interruptions that have been planned by a <b>GTB</b> , in respect of which not less than 24 hours' notice was given, either to the public or to all customers affected by the interruption
<b>Prescribed contract</b>	<p>in relation to an <b>GTB</b>, means -</p> <ul style="list-style-type: none"> <li>(a) a <b>contract</b> under which the <b>GTB</b> carries out <b>gas transmission services</b>:</li> <li>(b) a <b>contract</b> for <b>related services</b>, if goods or services are to be supplied under the <b>contract</b> by— <ul style="list-style-type: none"> <li>(i) the <b>GTB</b>; or</li> <li>(ii) a <b>person</b> that is <b>involved in</b> the <b>GTB</b>; or</li> <li>(iii) a <b>person</b> that supplies gas pipelines services by means of works owned by the <b>GPB</b>; or</li> <li>(iv) a <b>person</b> that is <b>involved in</b> a <b>person</b> of the kind referred to in subparagraph (iii )</li> </ul> </li> </ul>
<b>Prescribed terms and conditions</b>	<p>means, in relation to a contract for the carrying out of <b>gas transmission services</b> or for <b>related services</b>, the terms and conditions of the <b>contract</b> that—</p> <ul style="list-style-type: none"> <li>(a) describe the goods or services to be supplied under the <b>contract</b></li> </ul>

- (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) **GTB's** obligations and responsibilities (if any) to **consumers** in the event that the supply of **gas transmission services** to **consumers** is interrupted.

**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**

**Prices**

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

**Pricing date**

means the day on which a **qualifying debt** is priced

**Pricing principles**

means the principles set out in Subpart 5 of the Commerce Act (Gas Transmission Services Input Methodologies) Determination 2010

**Pricing strategy**

means a strategy on the approach to setting **prices** whether in writing or not

**Primary driver**

means the primary reason for a decision to incur a cost in the year the cost was incurred or forecast to be incurred.

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**.

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

#### **Publicly disclose**

in relation to any information, means to:

- (a) disclose the information to the public on the Internet at the **GTB's** usual publicly accessible website;
- (b) make copies of the information available for inspection by any person during ordinary office hours, at the principal office of the **GTB** 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

<b>Qualifying debt</b>	has the meaning set out in paragraph (a) of the defined term in clause 1.1.4(2) in the <b>IM determination</b>
<b>Quality of supply</b>	<p>In relation to expenditure, means <b>gross capital expenditure</b> where the <b>primary driver</b> is to improve the asset performance. This may include expenditure to:</p> <ul style="list-style-type: none"> <li>• reduce the overall outage/fault rate of the <b>network</b></li> <li>• reduce the average time that supply is affected by <b>planned interruptions/unplanned interruptions</b></li> <li>• reduce the average number of <b>consumers</b> affected by <b>planned interruptions/unplanned interruptions</b></li> </ul>

## R

<b>RAB</b>	means regulatory asset base and for the components of the RAB roll-forward, the values after applying clause 2.1.1 of the <b>IM determination</b>
<b>Rates</b>	means a cost specified in clause 3.1.2(2)(a) of the <b>IM determination</b>
<b>Rationale for change</b>	means the rationale for changing the <b>allocator</b> or <b>line items</b> , including whether the change occurred because of change in circumstance or another reason
<b>Real New Zealand dollars</b>	means, in relation to the prospective disclosures made under clauses 1, 4 and 5 of section 2.5 of this determination, New Zealand dollars denominated in real terms as at the mid-point of the <b>disclosure year</b>
<b>Reason for non-standard depreciation</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) in relation to assets or groups of assets where depreciation is included in <b>depreciation - no standard life asset</b>, 'no standard life';</li> <li>(b) in relation to assets or groups of assets</li> </ul>

	where depreciation is included in <b>depreciation - modified life assets</b> , 'modified life';
	(c) in relation to assets or groups of assets where depreciation is included in <b>depreciation - alternative depreciation determined in accordance with CPP</b> , 'CPP amendment'
<b>Record</b>	has the meaning set out in section 4 of the Public Records Act 2005
<b>Recoverable costs</b>	has the meaning set out in the <b>IM determination</b>
<b>Recoverable customised price-quality path costs</b>	means a cost specified in clause 3.1.3(h),(i),(j),(k) or (l) of the <b>IM determination</b>
<b>Regulated service asset values</b>	has the meaning set out in the <b>IM determination</b>
<b>Regulated supplier</b>	has the meaning set out in the <b>IM determination</b>
<b>Regulatory net taxable income</b>	has the meaning specified in clause 2.3.1(2) of the <b>IM determination</b>
<b>Regulatory period</b>	has the meaning set out in the <b>IM determination</b>
<b>Regulatory profit / (loss)</b>	means the <b>regulatory profit / (loss) before tax</b> less the <b>regulatory tax allowance</b>
<b>Regulatory profit / (loss) before tax</b>	means the value of calculated using the following formula: $q = a - b + c$ where: <b>a = operating surplus / (deficit)</b> <b>b = total depreciation</b> <b>c = total CPI revaluations</b>
<b>Regulatory tax allowance</b>	has the meaning set out in clause 2.3.1 of the <b>IM determination</b>
<b>Regulatory tax asset value</b>	has the meaning set out in the <b>IM determination</b>
<b>Regulatory tax asset value of asset disposals</b>	means the sum of <b>regulatory tax asset values</b> for assets that have a value in <b>asset disposals</b>
<b>Regulatory tax asset value of assets commissioned</b>	means the sum of <b>regulatory tax asset values</b> for assets that have a value in <b>assets commissioned</b>



<b>Regulatory taxable income</b>	has the meaning set out in the <b>IM determination</b>
<b>Related party</b>	has the meaning set out in the <b>IM determination</b>
<b>Related party transaction</b>	means a transaction with a <b>related party</b>
<b>Related services</b>	<p>means any <b>contract</b> for the supply of goods or services (other than a <b>contract</b> for the supply or conveyance of gas or the supply of gas appliances) in any case where-</p> <p>(a) there is a linkage between:</p> <ul style="list-style-type: none"> <li>(i) that <b>contract</b>; and</li> <li>(ii) a <b>contract</b> for the supply or conveyance of gas</li> </ul> <p>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</p> <p>(b) the monetary value of the goods or services supplied, or to be supplied, under the <b>contract</b> referred to in (a)(i) above, in respect of:</p> <ul style="list-style-type: none"> <li>(i) the period of 12 months immediately before the information relating to the <b>contract</b> for the supply or conveyance of gas that is <b>publicly disclosed</b> as required by clauses 9 or 10 of section 2.4; or</li> <li>(ii) the period of 12 months immediately after that information is <b>publicly disclosed</b>-</li> </ul> <p>amounts to or will amount to more than 1% of the monetary value or projected monetary value of the <b>contract</b> for the supply or conveyance of gas</p>
<b>Request for reserved capacity</b>	<p>means a notice from a <b>shipper</b> to a <b>GTB</b> that:</p> <p>(a) is made before the start of the <b>disclosure year</b> in respect of which the request relates; and</p> <p>(b) specifies the pipeline capacity or capacities to which the <b>shipper</b> requires either:</p> <ul style="list-style-type: none"> <li>(i) access; or</li> </ul>

	(ii) priority access
<b>Response time to emergencies (RTE)</b>	for the duration or part of the <b>disclosure year</b> [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) <sup>2</sup>
<b>Revaluation rate</b>	has the meaning set out in the <b>IM determination</b>
<b>Revenue</b>	means <b>total regulatory income</b> accrued in each of the months of the <b>disclosure year</b>
<b>Revenue related working capital</b>	means for the <b>opening RIV</b> and <b>closing RIV</b> , the <b>revenue</b> for the last month of the <b>disclosure year</b>
<b>ROI</b>	means return on investment
<b>ROI comparable to a vanilla WACC</b>	means: $q = (1 + \text{half-yearly } IRR)^2 - 1$
	where: <i>half-yearly IRR</i> = <i>IRR</i> (3 half-yearly amounts)
	where the 3 half-yearly amounts are: <ul style="list-style-type: none"> <li>• the negative of <b>opening RIV</b> (year-start)</li> <li>• <b>notional net cash flows</b> (mid-year)</li> <li>• the <b>closing RIV</b> less <b>term credit spread differential allowance</b> (year-end)</li> </ul>
<b>ROI comparable to a post-tax WACC</b>	means the <b>ROI comparable to the vanilla WACC</b> less the product of the <b>cost of debt (%)</b> , the <b>leverage</b> and the <b>corporate tax rate</b>
<b>Routine and corrective maintenance and inspection</b>	means <b>operational expenditure</b> where the <b>primary driver</b> is pre-planned or programmed inspection, testing and maintenance work schedules. This includes visual checking of the external condition of system assets including any associated civil constructions (eg, <b>pressure regulating stations</b> ) and activity relating to the invasive ('hands on') examination of, and the undertaking of any subsequent works to repair defects or replace components of <b>network</b>

<sup>2</sup> 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/>.

assets, where the expenditure is not capitalised. Includes land owner negotiation and arrangements associated with these activities. Examples of activities classified as routine and corrective maintenance and inspection include:

- asset surveys including intelligent pigging
- **network** pressure monitoring and reading gauges
- non capitalised renewal, replacement and refurbishment of network assets and/or components thereof
- environmental response
- painting of network assets
- outdoor and indoor maintenance of stations, including weed clearance, lawn mowing and fencing,
- functional and intrusive testing of assets, plant & equipment including critical spares and equipment

## S

### Secondary assets

means system fixed assets that support the conveyance of gas. Secondary assets include protection, SCADA and communication systems and chromatographs, but do not include compressors and river crossings

### Self-insurance allowance

means any self-insurance allowance allowed by the **Commission** through a **CPP**

### Service interruptions, incidents and emergencies

means **operational expenditure** where the **primary driver** is caused by 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 from production facilities. It does not include expenditure on activities performed proactively to mitigate the impact such an event would have should it occur.

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**

**Shared asset**

means an asset used by more than one **consumer** in order to receive **gas transmission services**

**Shipper**

means a **person** who is a party to a **contract** with a **transmission system** owner to have gas transported through all or part of the **transmission system**

**Sole use assets**

means assets installed as part of a new connection project used by only one connecting **consumer** in order to receive **gas transmission services**

**Standard contract**

means, any **contract** (being a **contract** for the carrying out of **gas transmission services**) between a **GTB**, and any other **person**, where –

- (a) the **price** at which the **gas transmission 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
- (b) at least four other **persons** have such contracts with the **GTB**, and none of those other **persons** is **involved in** the **GTB**, or

	with any of those other <b>persons</b>
<b>Stations</b>	means [TBC by technical consultation]
<b>System growth</b>	in relation to expenditure, means <b>gross capital expenditure</b> where the <b>primary driver</b> is a change in demand (either load or number of connections) on the existing network asset which results in a requirement for either additional capacity to meet this demand or additional investment to maintain current security and quality of supply standards due to the increased demand. This includes gross capital expenditure associated with SCADA and telecommunications
<b>System management and operations</b>	in relation to expenditure, means <b>operational expenditure</b> relating office based system operations, including <ul style="list-style-type: none"> <li>• control centre costs</li> <li>• for gas transmission, critical system operator activities (including OATIS)</li> <li>• outage planning and notification</li> <li>• planning and co-ordinating network switching including fault switching</li> <li>• production facility liaison</li> </ul>
<b>T</b>	
<b>Target revenue</b>	means the revenue that the <b>GTB</b> expects to obtain from <b>prices</b>
<b>Tax payments</b>	means <b>regulatory tax allowance</b> recognised proportionally to how the <b>GTB</b> has paid (or would have paid tax) over the tax year preceding the end of the <b>disclosure year</b>
<b>Tax depreciation</b>	has the meaning set out in clause 2.3.5(3) of the <b>IM determination</b>
<b>Tax effect</b>	has the meaning set out in the <b>IM determination</b>
<b>Tax effect of other temporary differences</b>	means the <b>tax effect</b> of <b>positive temporary differences</b> less <b>negative temporary differences</b> . <b>Positive temporary differences</b> and <b>negative temporary differences</b> have the meanings set out in clause 2.3.5 of the <b>IM</b>

<b>Tax effect of adjusted depreciation</b>	<b>determination</b> means the <b>tax effect</b> of <b>adjusted depreciation</b>
<b>Tax effect of total tax depreciation</b>	means the <b>tax effect</b> of <b>tax depreciation</b>
<b>Term credit spread difference</b>	has the meaning set out in the <b>IM determination</b>
<b>Term credit spread differential allowance</b>	has the same meaning as the 'term credit spread differential' as set out in clause 2.4.11(3) of the <b>IM determination</b>
<b>Total attributable to regulated service</b>	means the sum of <b>directly attributable</b> and <b>not directly attributable</b> that is attributable to <b>gas transmission services</b>
<b>Total book value of interest bearing debt</b>	means the sum of <b>book value</b> of <b>qualifying debt</b> and <b>non-qualifying debt</b> at the date of the latest general purpose financial statements
<b>Total closing RAB values</b>	means: (a) in relation to the <b>unallocated RAB</b> , the sum of unallocated closing <b>RAB</b> values as determined in accordance with the <b>IM determination</b> ; (b) in relation to the <b>RAB</b> , the sum of closing <b>RAB</b> values as determined in accordance with the <b>IM determination</b>
<b>Total CPI revaluations</b>	means: (a) in relation to the <b>unallocated RAB</b> , the sum of unallocated revaluation as determined in accordance with the <b>IM determination</b> ; (b) in relation to the <b>RAB</b> or <b>regulatory profit</b> , the sum of revaluations as determined in accordance with the <b>IM determination</b>
<b>Total depreciation</b>	means: (a) in relation to the <b>unallocated RAB</b> , the sum of unallocated depreciation as determined in accordance with the <b>IM determination</b> ; (b) in relation to the <b>RAB</b> or <b>regulatory profit</b> , the sum of depreciation as determined in accordance with the <b>IM determination</b>

<b>Total expenditure on transmission network</b>	means the sum of <b>gross capital expenditure on transmission network</b> and <b>operational expenditure on transmission network</b>
<b>Total expenditure on transmission network business</b>	means the sum of <b>non-system fixed assets</b> plus <b>business support</b> plus <b>direct billing</b>
<b>Total opening RAB values</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to the <b>unallocated RAB</b>, the sum of unallocated opening <b>RAB</b> values as determined in accordance with the <b>IM determination</b>;</li> <li>(b) in relation to the <b>RAB</b>, the sum of opening <b>RAB</b> values as determined in accordance with the <b>IM determination</b></li> </ul>
<b>Total opening RAB values subject to revaluations</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to the <b>unallocated RAB</b>, <b>total opening RAB values - unallocated RAB</b> less <b>opening RAB value of fully depreciated, disposed and lost assets - unallocated RAB</b>;</li> <li>(b) in relation to the <b>RAB</b>, <b>total opening RAB values - RAB</b> less <b>opening RAB value of fully depreciated, disposed and lost assets - RAB</b></li> </ul>
<b>Total regulatory income</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to the report on regulatory profit, sum of <b>line charge revenue</b> and <b>other regulatory income</b></li> <li>(b) in relation to the report on <b>related party transactions</b>, <b>total regulatory income</b> (as determined in accordance with paragraph (a)) from <b>related party transactions</b></li> </ul>
<b>Total unadjusted asset values</b>	means the sum of <b>2009 authorisation assets</b> and <b>2009 disclosed assets</b>
<b>Transmission charge</b>	means any payment made in respect of the use of the <b>transmission system</b>
<b>Transmission system</b>	means the following systems contained in the <b>network</b> : <ul style="list-style-type: none"> <li>(a) the gas transmission pipelines and associated system fixed assets owned by MDL</li> <li>(b) in respect of the gas transmission</li> </ul>

pipelines owned by Vector Limited, one of the following six transmission pipelines and associated system fixed assets:

- (i) North, extending from the end of the Maui pipeline at Rotowaro (near Huntly) to Auckland, then through to Kauri north of Whangarei Central (North), extending from Rotowaro to Hamilton (Temple View) and including the Morrinsville sub-system;
- (ii) Central (South), extending from the Kapuni Gas Treatment Plant to the interconnection to the Bay of Plenty System at Pokuru ('Pokuru No.2 Offtake');
- (iii) Bay of Plenty, extending east from Pokuru (near Te Awamutu) on the Maui line to Tauranga, Taupo and Gisborne, etc;
- (iv) South, extending south from the Kapuni Gas Treatment Plant to Wellington and Hastings;
- (v) Frankley Rd to Kapuni, extending from the Frankley Rd Offtake Station on the Maui pipeline near New Plymouth to the Kapuni Gas Treatment Plant, including laterals to the TCC Power Station and the Ammonia-Urea Plant

## 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**

### 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**

### 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



<b>Unallocated initial RAB value</b>	means the values of assets as determined in accordance with clause 2.2.3(1) of the <b>IM determination</b>
<b>Unplanned interruption</b>	means any interruption that is not a <b>planned interruption</b>
<b>Unregulated services</b>	has the meaning set out in the <b>IM determination</b>
<b>Utilised tax losses</b>	has the meaning set out in paragraph (a) of the defined term in the <b>IM determination</b>

**V**

<b>Value of Transaction</b>	means the value of the <b>related party transaction</b> as determined in accordance with clause 5 of section 2.3 of this determination
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**W**

<b>Weighted average expected total asset life</b>	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 <b>IM Determination</b>
<b>Weighted average remaining asset life</b>	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 <b>IM Determination</b>

<b>Works under construction</b>	means:
	(a) in relation to <b>unallocated works under construction</b> , the value of calculated using the following formula:

$$q = a + b - c + d$$

where:

$a$  = **unallocated works under construction** - preceding disclosure year;

$b$  = **unallocated capital expenditure**;

$c$  = **unallocated assets commissioned**;  
and

$d$  = **adjustment resulting from cost**

**allocation;**

- (b) in relation to **allocated works under construction**, the value (as determined in accordance with paragraph (a)) which was allocated to **gas transmission services** in accordance with clause 2.1.1 of the **IM determination**
- (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**

**Y**

**Year change made**

means:

- (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;
- (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;
- (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

## Part 2 Disclosure Requirements

### 2.1 INFORMATION DISCLOSURE

1. Subject to sections 2.9 and 2.10, from the **commencement date** every **GTB** must comply with the information disclosure requirements set out in this determination and, in particular, must comply with:
  - 1.1 The requirements to disclose financial and other information in section 2.3
  - 1.2 The requirement to disclose pricing and related information in section 2.4
  - 1.3 The requirement to disclose asset management information in section 2.5
  - 1.4 The audit, certification and verification requirements in sections 2.6 and 2.7
  - 1.5 The retention and continuous disclosure requirements in section 2.8
  - 1.6 The transitional provisions in section 2.10.

### 2.2 APPLICABLE INPUT METHODOLOGIES

1. Every **GTB** must apply the following input methodologies as applicable, when complying with this determination:
  - 1.1 asset valuation
  - 1.2 cost allocation
  - 1.3 treatment of taxation
  - 1.4 pricing methodologies

### 2.3 FINANCIAL INFORMATION

#### *Annual Disclosure Relating to Financial Information*

1. Subject to clauses 2, 3 and subclause 3.1 of this section and section 2.10, within 5 months after the end of each **disclosure year**, every **GTB** must disclose information relating to its financial position by:
  - 1.1 Subject to clauses 1.2 and 1.3 of this section, completing each of the following reports by inserting all information relating to the **gas transmission services** supplied by the **GTB** for that **disclosure year**:
    - 1.1.1 the Report on Return on Investment set out in Schedule 1;

- 1.1.2 the Report on Regulatory Profit set out in Schedule 2;
- 1.1.3 the Report on Regulatory Tax Allowance set out in Schedule 3
- 1.1.4 the Report on Term Credit Spread Differential Allowance set out in Schedule 4;
- 1.1.5 the Report on Regulatory Asset Base Roll Forward set out in Schedule 5;
- 1.1.6 the Report on Expenditure set out in Schedule 6;
- 1.1.7 the Report on Expenditure Forecasts set out in Schedule 7;
- 1.1.8 the Report on Related Party Transactions set out in Schedule 8;
- 1.1.9 the Report on Asset Allocations set out in Schedule 9;
- 1.1.10 the Report on Cost Allocations set out in Schedule 10; and
- publicly disclosing** each of those reports;
- 1.2 In completing Schedule 1, a **GTB** can elect to disclose information in accordance with section 1c of Schedule 1;
- 1.3 Schedule 4 is only required to be completed by qualifying suppliers as qualifying suppliers is defined in the **IM determination**.
- 2. Where an item disclosed in accordance with clause 1 of this section is classified differently from the previous year a **GTB** must disclose as notes to the relevant disclosure the:
  - 2.1 Nature of the item reclassified
  - 2.2 Value of the item in the current **disclosure year** and in the previous **disclosure year**
  - 2.3 Classification of the item in the previous **disclosure year**
  - 2.4 Classification of the item in the current **disclosure year**
  - 2.5 Reason why the item has been reclassified
- 3. Subject to section 2.10, in completing schedule 6:
  - 3.1 For **customer connections** in note 6a(i) in Schedule 6, disclose **customer connections** expenditure by capacity groups consistent with the pricing statistics disclosure
    - 3.2.1 disclose the purpose of the project and a description of the assets created for each project in the commentary in note 6a in Schedule 6.
  - 3.2 For each material **quality of supply** project:

- 3.3.1 separately disclose a description of the project and its value in note 6a(iii) in Schedule 6
    - 3.3.2 disclose the purpose of the project and a description of the assets created for each project in the commentary note 6a in Schedule 6
  - 3.3 For each material **asset relocation** project:
    - 3.4.1 separately disclose a description of the project and its value in note 6a(iv) in Schedule 6
    - 3.4.2 disclose the purpose of the project and a description of the assets created for each project in the commentary to note 6a in Schedule 6
  - 3.4 For each material **legislative and regulatory** project:
    - 3.2.2 separately disclose a description of the project and its value in note 6a(v) in Schedule 6
  - 3.5 For each material **atypical non-system fixed assets** project:
    - 3.5.1 separately disclose a description of the project and its value in note 6a(vi) in Schedule 6
    - 3.5.2 disclose the purpose of the project and a description of the assets created for each in the commentary note 6a in Schedule 6
  - 3.6 For each material **atypical expenditure** included in **operational expenditure** separately disclose a description of the project, the purpose of the project, a description of the assets, the asset's value and the **operating expenditure** categories the expenditure relates to in the commentary note 6b in Schedule 6
4. In completing Schedules 9 and 10 every **GTB** must **publicly disclose**, for each **asset category** in Schedule 9 and each **operational expenditure** category in Schedule 10 that has **not directly attributable** costs:
- 4.1 a description of the not directly attributable costs or assets;
  - 4.2 the **allocation methodology types** used to allocate the **not directly attributable** costs or assets;
  - 4.3 where more than one allocation method is used, the percentage of **not directly attributable** costs or assets allocated using each method;
  - 4.4 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
  - 4.5 the **allocators** used and the rationale for using each **allocator**

5. For the purpose of clause 1 of this section, **transactions with related parties** must be accounted for:
- 5.1 Where the transaction is for an asset acquired from a related party, in accordance with clause 2.2.11(1)(g) of the IM Determination;
  - 5.2 For any transaction between **related parties** (other than a transaction for an **asset acquired from a related party**), a **GTB** must elect to disclose the transaction in accordance with one of the following approaches:
    - 5.2.1 subject to clause 6 of this section, at the cost incurred by the **related party** providing the service; or
    - 5.2.2 subject to clause 6 of this section, where the transaction involves the provision of contracting services to maintain and/or develop the **network** or part of that **network**, at the cost directly incurred by the **related party** in providing the good or service in question plus a mark-up which does not exceed 17.2% (on those directly incurred costs); or
    - 5.2.3 at the transaction value, where the related party makes at least 75% of its sales to unrelated parties and the prices charged to the **GTB** are demonstrably the same as those charged to unrelated parties;
    - 5.2.4 at the transaction value, where the services in question had previously been outsourced and the **GTB** can demonstrate that the cost of supply from the **related party** was the same or less than the costs incurred under the previous outsourced arrangement;
    - 5.2.5 at the transaction value, where the value of all transactions with that **related party** is less than 1% of the **GTB's** total revenue from the supply of **gas transmission services** for that year, (and the total value of all **related party transactions** is less than 5% of the **GTB's** total revenue from the supply of **gas transmission services**) or
    - 5.2.6 subject to clause 7 below, at the transaction value, where a certified tender has been undertaken;
    - 5.2.7 in all other cases, the transaction should be disclosed at a nil value.
6. For the purpose of subclauses 5.2.1 and 5.2.2 of this section, where a **related party transaction** is disclosed at a cost directly incurred by, or a value based partly on the cost directly incurred by, the **related party**, then the **directors** of the **GTB** must certify that, having made all reasonable enquiries, including enquiries of the **related party**:
- 6.1 the cost incurred by the **related party** in providing the service to the **GTB** is fair and reasonable to the **GTB**

- 6.2 the cost incurred by the **related party** in providing the service to the **GTB** is proportionate to the cost incurred by the **related party** in providing services to other parties, including unrelated parties.
- 7. For the purpose of clause 5.2.6 a tender is a certified tender when:
  - 7.1 The **directors** of the **GTB** have certified:
    - 7.1.1 that an open competitive tender was used to determine the transaction value
    - 7.1.2 that the tender has been run in a manner intended to ensure there were multiple credible competing tender proposals from parties unrelated to the **GTB**
    - 7.1.3 that all actual and potential tenderers were provided with the same information and there was no information or communication relevant to the tender that was provided only to the **related party**
    - 7.1.4 that other tender proposals were received, and one or more such tenders is willing to discuss their tender proposal with the **Commission** (if the **Commission** wishes)
    - 7.1.5 that the lowest qualifying tender proposal was accepted.
  - 7.2 The **GTB** holds documentation identifying:
    - 7.2.1 how many tender proposals were received, and how many tender proposals met any qualifying criteria and were considered for acceptance
    - 7.2.2 why any tender proposal lodged was not considered by the **GTB** for acceptance (if any).
- 8. Subject to section 2.10, within 5 months after the end of each disclosure year, every **GTB** must disclose to the **Commission** information supporting the information disclosed in accordance with clause 1.1 by:
  - 8.1 completing each of the following reports by inserting all information relating to the information supplied by the **GTB** in Schedules 9 and 10 for that disclosure year:
    - 8.1.1 the Report Supporting Asset Allocation set out in Schedule 11;
    - 8.1.2 the Report Supporting Cost Allocation set out in Schedule 12;

## 2.4 PRICING AND RELATED INFORMATION

### *Disclosure of pricing methodologies*

1. Every **GTB** must **publicly disclose**, prior to the beginning of each **disclosure year**, a pricing methodology which:
  - 1.1 Describes the methodology, in accordance with clause 3 of this section, used to calculate the **prices** payable or to be payable
  - 1.2 Explains, in accordance with clause 4 of this section, any changes in **prices** and **target revenues**
  - 1.3 Indicates, in accordance with clause 5 of this section, the implications of the **pricing strategy** (if any) for future **prices**
  - 1.4 Explains, in accordance with clause 6 of this section, the approach taken with respect to pricing in **non-standard contracts**; and
  - 1.5 Explains whether, and if so how, the **GTB** has sought the view 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 **GTB** has not sought the views of **consumers**, the reasons for not doing so must be disclosed.
2. Any change in the pricing methodology or adoption of a different pricing methodology, must be **publicly disclosed** one month before the change or the adoption of a different pricing methodology takes effect.
3. Every disclosure under clause 1 of this section must:
  - 3.1 Describe the methodology used to calculate **prices** payable or to be payable
  - 3.2 Include sufficient information and commentary for 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**
  - 3.3 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**
  - 3.4 Where applicable, identify the key components of **target revenue** required to cover the costs and profits of the **GTB's** provision of **gas transmission services**, including the cost of capital. Disclosure must include the numerical value of each of the components
  - 3.5 State the **consumer groups** for whom **prices** have been set, and describe:



- 3.5.1 the rationale for grouping **consumers** in this way
  - 3.5.2 the method and the criteria used by the **GTB** to allocate **consumers** to each of the **consumer groups**
- 3.6 Provide for each delivery point, the proportion of charges (as applicable) which are:
  - 3.6.1 fixed
  - 3.6.2 variable
  - 3.6.3 capacity reservation-based
  - 3.6.4 throughput-based
  - 3.6.5 imposed in any other mannerand describe the rationale for determining the proportions of charges in this manner.
- 3.7 Where applicable, describe the method used by the **GTB** to allocate the components of **target revenue** among delivery points, including the numerical values of the different components allocated to each delivery point and the rationale for allocating them in this way.
- 4. Every disclosure under clause 1 of this section must:
  - 4.1 To the extent **prices** have changed from **prices** disclosed for the immediately preceding **disclosure year**, explain the reasons for changes, and quantify the change for each such reason
  - 4.2 State the **target revenue** for the current **disclosure year**
  - 4.3 Subject to clause 7 of section 2.10, state the **target revenue** for the **disclosure year** immediately preceding the current **disclosure year** as disclosed in the pricing methodology for that immediately preceding **disclosure year**
  - 4.4 Subject to clause 7 of section 2.10, explain the reasons for any differences between the **target revenue** for the current **disclosure year** and the **target revenue** disclosed for the immediately preceding **disclosure year**, and quantify the difference for each of those reasons.
- 5. Every disclosure under clause 1 of this section must, if the **GTB** has a **pricing strategy**

- 5.1 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
  - 5.2 Explain how and why **prices** are expected to change as a result of the **pricing strategy**
  - 5.3 If the **pricing strategy** has changed from the preceding **disclosure year**, identify the changes and explain the reasons for the changes.
6. Every disclosure under clause 1 of this section must:
  - 6.1 Describe the approach to setting **prices** for **non-standard contracts**, including:
    - 6.1 The extent of **non-standard contract** use, including the number of **connection points** represented by **non-standard contracts** and the value of **target revenue** anticipated from **non-standard contracts**;
    - 6.2 How the **GTB** determines whether to use a **non-standard contract**, including any criteria used;
    - 6.3 Any specific criteria or methodology used for pricing **non-standard contracts**, and how the criteria or methodology is consistent with the **pricing principles**;
  - 6.2 The **GTB's** obligations and responsibilities (if any) to customers on **non-standard contracts** compared to those on a **standard contract**, in the event that the supply of **gas transmission services** to the customer is interrupted. Disclosure must explain:
    - 6.2.1 the extent of the differences in these terms between **standard** and **non-standard contracts**
    - 6.2.2 any implications of this approach for pricing in **non-standard contracts**.

*Disclosure of capital contributions*

7. Every **GTB** must at all times **publicly disclose**:
  - 7.1 A description of its current policy or methodology for determining **capital contributions**, including:
    - 7.1.1 the circumstances (or how to determine the circumstances) under which the **GTB** may require a **capital contribution** from **consumers**;

- 7.1.2 how the amount payable by a **consumer** 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
  - 7.1.3 a description of the extent to which any policy or methodology applied is consistent with principles (1), (3) and (4) of the **pricing principles**
- 7.2 A statement of whether a **consumer** can use an independent contractor to undertake some or all of the work covered by the **capital contribution** sought by the **GTB**, as an alternative to paying the full amount of the **capital contribution** to the **GTB**
- 7.3 If the **GTB** has a standard schedule of **capital contributions** charges, the current version of that standard schedule.
- 8. When a **consumer** from whom 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 **GTB** must, within 10 working days of receiving the request, provide reasonable explanation to any reasonable query from that **person** of the components of that charge and how these were determined.

*Disclosure of prescribed terms and conditions of contracts*

- 9. Every **GTB** must, not later than 1 month after entering into a **prescribed contract** that is a **standard contract**, **publicly disclose** the **prescribed terms and conditions** of the **prescribed contract**.
- 10. Every **GTB** must, not later than 1 month after entering into a **prescribed contract** that is a **non-standard contract**, **publicly disclose**:
  - 10.1 A description of the goods or services to be supplied under the **contract**;
  - 10.2 The estimated value of the goods and services to be supplied under the **contract**.
- 11. Every **GTB** must disclose to any **person**, within 1 month of a request by that **person**, the **prescribed terms and conditions** of a **prescribed contract** that is a **non-standard contract**.
- 12. If any **prescribed terms and conditions** of a **prescribed contract** which 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 **GTB** must, not later than 1 month after those modifications take effect, **publicly disclose**:

- 12.1 The **prescribed contract** concerned;
  - 12.2 The modifications made to the **prescribed terms and conditions**.
13. 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, then the **GTB** must disclose to any **person**, within 1 month of receiving a request from that **person**, the modifications made to the **prescribed terms and conditions**.
14. Every **GTB** 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 11 or 13 of this section, include the following information:
- 14.1 The maximum monthly 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**;
  - 14.2 The month in which the supply of the maximum monthly amount of gas referred to in subclause 14.1 of this section is to occur, or is most likely to occur;
  - 14.3 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;
  - 14.4 Where the other party to the **contract** is a **consumer** or any other **person** for whom gas is conveyed:
    - 14.4.1 the 2-digit ANZSIC Classification Code 2006 (if any) applicable to that other party
    - 14.4.2 if there is no such code, the **consumer group** of that **consumer**
15. For the purposes of this section, **public disclosure** by a **GTB** of the **prescribed terms and conditions** of a **standard contract** is to be regarded as **public disclosure** by that **GTB** in relation to all of its **standard contracts** with the same **prescribed terms and conditions**.

*Disclosure of prices*

16. Every **GTB** must at all times **publicly disclose**:
  - 16.1 Each current **price** expressed in a manner that enables individual **consumers** to determine:
    - 16.1.1 the **consumer group** or **consumer groups** applicable to them
    - 16.1.2 the total **price** for **gas transmission services** which is applicable to them.
    - 16.1.3 The amount of each current **price** that is attributable to the **price** of any other **GTB**;
  - 16.2 The number (or estimated number) of **consumers** by whom each **price** is payable;
  - 16.3 The date at which each **price** was or will be first introduced;
  - 16.4 The **price** that was payable previously.
17. Every **GTB** must, at least 20 working days before changing a **price** or introducing a new **price**:
  - 17.1 **Publicly disclose**:
    - 17.1.1 the information specified in clause 16 of this section in respect of that **price**
    - 17.1.2 an explanation of the reasons for the new **price** or the changed **price**.
  - 17.2 Give written notice to each **consumer** by whom that **price** is payable the information specified in clause 16 of this section in respect of that **price**;
  - 17.3 Notify in the news section of 2 separate editions of each newspaper that is widely read by gas **consumers** connected to lines of that **GTB**, details of the changed **price**, including:
    - 17.3.1 the changed **prices** alongside the immediately preceding **price** applicable
    - 17.3.2 contact details where further details of the new or changed **price** can be found including the URL of the **GTB**'s publicly accessible website.

### *Disclosure of Pricing Statistics*

18. Within 5 months after the end of each **disclosure year**, every **GTB** must **publicly disclose** the information specified in Schedule 13.

## **2.5 ASSET MANAGEMENT INFORMATION**

### *Disclosure relating to asset management information*

1. Subject to clause subclause 3.2 of this section, before the start of each **disclosure year** except **disclosure year** 2012, every **GTB** must complete and **publicly disclose** an **AMP** that—
  - 1.1 Relates to the **gas transmission services** supplied by the **GTB**
  - 1.2 Meets the purposes of **AMP** disclosure set out in clause 2 of this section
  - 1.3 Has been prepared in accordance with Appendix A to this determination
  - 1.4 Is consistent with the reports disclosed in the same **disclosure year** under clause 5 of this section.
2. The purposes of **AMP** disclosure are that the **AMP**—
  - 2.1 Must provide sufficient information for interested persons to assess whether:
    - 2.1.1 assets are being managed for the long term
    - 2.1.2 the required level of performance is being delivered
    - 2.1.3 costs are efficient and performance efficiencies are being achieved
  - 2.2 Must be capable of being fully understood by interested persons with a reasonable understanding of the management of infrastructure assets
  - 2.3 Should provide a sound basis for the ongoing assessment of asset-related risks, particularly high impact asset-related risks.
3. If a **GTB** has **publicly disclosed** an **AMP** under clause 1 of this section in the previous **disclosure year**, then the **GTB** may—
  - 3.1 Elect to not comply with clause 1 of this section in the current **disclosure year**; and
  - 3.2 Complete and publicly disclose an **AMP update** under clause 4 of this section.

4. For the purpose of subclause 3.1 of this section, the **AMP update** must—
  - 4.1 Relate to the **gas transmission services** supplied by the **GTB**
  - 4.2 Identify any major changes to the network development plans disclosed in the last **AMP** pursuant to clauses 15 of Appendix A
  - 4.3 Identify any major changes to the lifecycle (maintenance and renewal) plans disclosed in the last **AMP** pursuant to clause 16 of Appendix A
  - 4.4 Be consistent with the reports disclosed in the same **disclosure year** under subclause 5.1 of this section
  - 4.5 Provide the reasons for any material changes since the previous **disclosure year** in the Network Expenditure AMP Report set out in Schedule 14.
5. Before the start of each **disclosure year** except **disclosure year** 2012, every **GTB** must—
  - 5.1 Complete each of the following reports by inserting all information relating to the **gas transmission services** supplied by the **GTB** for the **disclosure year** provided for in the following reports—
    - 5.1.1 the Network Expenditure AMP Report set out in Schedule 14
    - 5.1.2 the Network Driver AMP Report set out in Schedule 15
    - 5.1.3 the Network Asset AMP Report set out in Schedule 16
    - 5.1.4 the Network Performance Report set out in Schedule 19
    - 5.1.5 the AMMAT Report set out in Schedule 17 under clauses 25 and 26 of Appendix A; and
    - 5.1.6 **publicly disclose** those reports.
6. Within 2 months after the end of each **disclosure year**, every **GTB** must complete and **publicly disclose** the Pipeline Capacity Report set out in Appendix B.
7. Within 5 months after the end of each **disclosure year**, every **GTB** must—
  - 7.1 Complete each of the following reports by inserting all information relating to the **gas transmission services** supplied by the **GTB** for the **disclosure year(s)** provided for in the reports:
    - 7.1.1 the Network Driver Report set out in Schedule 18

7.1.2 the Network Performance Report set out in Schedule 19; and

7.1.3 **publicly disclose** those reports.

## 2.6 AUDITOR'S REPORTS

1. Where an **GTB** is required to **publicly disclose** any **audited disclosure information**, the **GTB** must:

1.1 Procure a report by an **independent auditor** in respect of that **audited disclosure information** signed by the **independent auditor** (either in his or her own name or that of his or her firm), stating:

1.1.1 a duty of care to the **Commission**

1.1.2 the work done by the **independent auditor**

1.1.3 the scope and limitations of the audit

1.1.4 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 **GTB** or any of its subsidiaries

1.1.5 whether the **independent auditor** has obtained all information and explanations that he or she required and, if not, the information and explanations not obtained

1.1.6 subject to clause 1.2 of this section, 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 required information have been kept by the **GTB** and, if not, the **records** not so kept

1.1.7 whether (and, if not, the respects in which it does not), in the **independent auditor's** opinion, the **audited disclosure information** complies with this determination; and

1.1.8 in respect of historical financial information contained in Schedule 1 to 12 and 21, whether (and, if not, the respects in which it does not), in the **independent auditor's** opinion, that information has been prepared in all material respects in accordance with this determination.



1.2 For the purpose of subclause 1.1.6 of this section, 'complies with this determination' means:

1.2.1 in respect of historical non-financial information contained in Schedules 13, 18 and 19 whether (and, if not, the respects in which it does not), in the **independent auditor's** opinion, the **GTB** has complied in all material respects with this determination, and the information is based on the **records** examined under subclause 1.1.5 of this section

1.2.2 in respect of the prospective financial or non-financial information included in Schedule 7, are (where applicable and except to the extent that amendments to those requirements have changed that basis) presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the current **disclosure year** and the immediately preceding **disclosure year**, and are calculated based on source data provided by the **GTB**.

1.3 **Publicly disclose** the **independent auditor's** report prepared in accordance with subclause 1 above at the same time as the **GTB publicly discloses** the **audited disclosure information**.

## 2.7 CERTIFICATES

1. Where a **GTB** is required to **publicly disclose** any information under any of clause 1 of section 2.4, clause 1 and subclauses 3.2 and 5.1 of section 2.5, the **GTB** must at that time **publicly disclose** a certificate in the form set out in Schedule 21 in respect of that information, duly signed by 2 **directors** of the **GTB**.
2. Where a **GTB** is required to **publicly disclose** any information under any of subclauses 1.1, 8.1.1 and 8.1.2 of section 2.3, clause 18 of section 2.4 and clauses 6, 7 and 8 of section 2.5 the **GTB** must at that time publicly disclose a certificate in the form set out in Schedule 22 in respect of that information, duly signed by 2 **directors** of the **GTB**.
3. Where a **GTB** is required to **publicly disclose** any information under subclauses 1.1 and 1.2 of section 2.10, the **GTB** must at that time **publicly disclose** a certificate in the form set out in Schedule 23 in respect of that information, duly signed by 2 **directors** of the **GTB**.

## 2.8 RETENTION AND CONTINUING DISCLOSURES

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

## 2.9 EXEMPTIONS

1. The **Commission** may at any time, by written notice to a **GTB**,-
  - 1.1 Exempt the **GTB** 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
  - 1.2 Amend or revoke any such exemption

## 2.10 TRANSITIONAL PROVISIONS

1. Subject to clause 2 of this section, within 5 months after the end of the **disclosure year 2012**, each **GTB** must:
  - 1.1 Complete the Report on Transitional Financial Information set out in Schedule 23;
  - 1.2 Complete the Report on Asset Allocations set out in Schedule 9 by inserting all information relating to the asset allocation for the **total opening RAB value** disclosed in Schedule 5; and
  - 1.3 **Publicly disclose** those reports.
2. Subject to clause 3 of this section, where a **GTB** has previously elected to undertake an adjustment in accordance with clause 2.2.1 of the **IM Determination**, within 5 months after the **disclosure year 2012** the **GTB** 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.
3. Where a **GTB** 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 subclauses 1.1 and 1.2 of section 2.10 must be consistent with that disclosure.

4. Notwithstanding any requirements set out in section 2.3 of this determination, the following transitional provisions apply in respect of the **disclosure year 2012**:
  - 5.1 Information in 1a of the Report on Return on Investment set out in Schedule 1 related to **CY-2** and **CY-1** is not required to be disclosed
  - 5.2 Information in 5a of the Report on Regulatory Asset Base Roll Forward set out in Schedule 5 relating to **CY-3** and **CY-4** is not required to be disclosed
  - 5.3 Information in the Report on Expenditure set out in Schedule 6 is not required to be disclosed
  - 5.4 Information in the Report on Expenditure Forecasts set out in Schedule 7 is not required to be disclosed
  - 5.5 In completing the Report on Asset Allocations set out in Schedule 9 and the Report Supporting Asset Allocations set out in Schedule 11, all allocations may be disclosed under **other assets**
  - 5.6 In completing the Report on Cost Allocations set out in Schedule 10 and the Report Supporting Cost Allocations set out in Schedule 12, all allocations may be disclosed under **direct billing**
5. Notwithstanding any requirements set out in section 2.3 of this determination, the following transitional provisions apply in respect of the **disclosure year 2013**:
  - 6.1 Information in 1a of the Report on Return on Investment set out in Schedule 1 relating to **CY-2** is not required to be disclosed
  - 6.2 Information in 5a of the Report on Regulatory Asset Base Roll Forward set out in Schedule 5 relating to **CY-4** is not required to be disclosed
6. The information required under subclauses 4.3 and 4.4 of section 2.4 is not required to be **publicly disclosed** in respect of the **disclosure year 2013**.
7. The information required under subclauses 7 of section 2.4 above, is not required to be **publicly disclosed** for the first time until 5 months after this determination is determined.
8. **MDL** must **publicly disclose** the following information in relation to the year ended 31 December 2011 , within 5 months after the end of **disclosure year 2012**:
  - Total revenue

- In relation to the conveyance of gas during the year through each **transmission system** owned by **MDL** and through each **distribution system** owned by **MDL**:
  - Load factor
  - System length for each **system**
  - Total amount of gas (in gigajoules) conveyed through the **system** or **systems** during the year
  - Total customers

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 **GTBs** will implement best practice asset management processes.*

### **AMP design**

1. The core elements of asset management:
  - 1.1 A focus on performance measurement, monitoring and continuous improvement of asset management practices
  - 1.2 Close alignment with corporate vision and strategy
  - 1.3 That asset management is driven by clearly defined strategies, business objectives and service level targets
  - 1.4 That responsibilities and accountabilities for asset management are clearly assigned
  - 1.5 An emphasis on knowledge of what assets are owned and why, the location of the assets and the condition of the assets
  - 1.6 An emphasis on optimising asset utilisation and performance
  - 1.7 That a total life cycle approach should be taken to asset management
  - 1.8 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 of this Appendix
  - 2.2 Are clearly documented and communicated to all stakeholders
  - 2.3 Contain sufficient information to allow interested persons to make an informed judgement about the extent to which the **GTB's** asset management processes meet best practice criteria
  - 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 **AMP**
- 2.10 Use unambiguous and consistent definitions of asset management processes to enhance comparability of asset management practices over time and between **GTBs**
- 2.11 Promote continual improvements to asset management practices.

*Disclosing an **AMP** does not constrain a **GTB** from managing its assets in a way that differs from the **AMP** if circumstances change after preparing the **AMP** or if the **GTB** 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 **GTB** considers significant
  - 3.2 Details of the background and objectives of the **GTB's** asset management and planning processes including a purpose statement that addresses the matters referred to in clause 3.3 of this Appendix
  - 3.3 The purpose statement must:
    - 3.3.1 make clear the purpose and status of the **AMP** in the **GTB'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 state the corporate mission or vision as it relates to asset management
    - 3.3.3 identify the documented plans produced as outputs of the annual business planning process adopted by the **GTB**
    - 3.3.4 state how the different documented plans relate to one another, with particular reference to any plans specifically dealing with asset management
    - 3.3.5 include 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 **GTB'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 10 year asset management planning period 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.

- 3.9 A description of changes proposed where the information is not based on the **GTB's** existing business
- 3.10 Set out the sources of uncertainty and the potential effect of the uncertainty on the prospective information
- 3.11 Include the price inflator assumptions used to prepare the financial information disclosed in **nominal New Zealand dollars** in the Network Expenditure AMP Report set out in Schedule 14
- 3.12 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
- 3.13 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 **GTB'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.*

- 3.14 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 referred to in clause 3.14 of this Appendix are integrated.*



- 3.15 A statement covering any limitations in the availability or completeness of asset management data and disclosure of 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.*

- 3.16 A description of the processes used within the **GTB** for:

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

3.16.2 planning and implementing **network** development projects

3.16.3 measuring **network** performance.

- 3.17 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 **GTB** outsources components of the asset management system, the processes and controls that the **GTB** uses to ensure efficient and cost effective delivery of its asset management strategy;*
- *where the **GTB** 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.*

- 3.18 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;*
- *incentivise staff engagement in the efficient and cost effective delivery of the asset management requirements.*

4. The **AMP** must present all financial values in **nominal New Zealand dollars**;

5. The **AMP** must be structured and presented in a way that the **GTB** considers will support the purposes of **AMP** disclosure set out in clause 1.8 of this Appendix.

*Assets covered*

6. The **AMP** must provide details of the assets covered, including—
- 6.1 A diagram, with any cross-referenced information contained in an accompanying schedule, of each **transmission system** of the pipeline owner showing the following details:
- 6.1.1 all pipelines in the system with notations showing—
- (a) internal, external, or nominal pipe diameters used (identifying whether internal, external, or nominal pipe diameters are used); and
  - (b) pipe design pressure ratings; and
  - (c) an unique identifier for each intake and offtake point of the system:
- 6.1.2 all—
- (a) **compressor stations**; and
  - (b) **pressure regulating stations**; and
  - (c) mainline isolation valves; and
  - (d) mixing stations; and
  - (e) intake points; and
  - (f) offtake points:
- 6.1.3 if applicable, the points where a significant change has occurred since the previous disclosure under these regulations of the information referred to in subclauses 6.1 and 6.1.2 of this Appendix, including—
- (a) a clear description of every point on the pipeline system that is affected by the change; and
  - (b) a statement as to whether the capacity of the pipeline, at the points where the change has occurred, or at other points, as the case may be, has increased or decreased or is not affected.
  - (c) a description of the nature of the change:

- 6.1.4 the distances between the items referred to in subclause 6.1.2 of this Appendix.
- 6.2 A diagram, with any cross-referenced information contained in an accompanying schedule, of each **transmission system** of the pipeline owner showing the following details:
  - 6.3.1 the physical location (by common place name or street address) of all pipelines in the system, with notations showing:
    - (a) internal, external, or nominal pipe diameters used; and
    - (b) pipe design pressure ratings; and
    - (c) a unique identifier for each intake and offtake point of the system;
  - 6.3.2 the physical location of all:
    - (a) **compressor stations**; and
    - (b) **pressure regulating stations**; and
    - (c) mainline isolation valves; and
    - (d) mixing stations; and
    - (e) intake points; and
    - (f) offtake points;
- 6.3 if applicable, the locations where a significant change has occurred since the previous disclosure of the information referred to in subclauses 6.2 and 6.3.2 of this Appendix, including:
  - 6.3.1 a clear description of every location on the **transmission system** that is affected by the change; and
  - 6.3.2 a statement as to whether the capacity of the pipeline , in the locations where the change has occurred, or in other locations, as the case may be, has increased or decreased or is not affected; and
  - 6.3.3 a description of the nature of the change;
  - 6.3.4 the distances between the physical locations of the items referred to in subclause 6.3.2 of this Appendix.

#### *Network assets by category*

- 7. The **AMP** must describe the **network** assets by providing the following information for each **asset category**:

- 7.1 Description and quantity of assets;
  - 7.2 Age profiles;
  - 7.3 value of the assets in the **asset category**; and
  - 7.4 A discussion of the results of formal risk assessments of the assets, further broken down as appropriate. Systemic issues leading to the premature replacement of assets or parts of assets should be discussed.
8. The **asset categories** discussed in clause 7 of this Appendix should include at least the following:
- 8.1 the categories listed in the Network Asset AMP Report set out in Schedule 16;
  - 8.2 assets owned by the **GTB** but installed at facilities owned by others.
9. For the purposes of the requirement to publicly disclose the diagrams referred to in clauses 6 and 6.1.4 of this Appendix, a **GTB** is deemed to comply with the requirement if the **GTB**, within 5 months after the end of each **disclosure year**, makes copies of the diagrams available for inspection, during ordinary office hours, at the principal offices of that **GTB**.

#### *Service Levels*

10. 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**.
11. Performance indicators for which targets have been defined in clause 10 of this Appendix must include the DPP requirements required under the price quality path determination applying to the regulatory assessment period in which the next **disclosure year** falls.

*Performance indicators for which targets have been defined in clause 10 of this Appendix should also include:*

- ***consumer** oriented indicators that preferably differentiate between different categories of **consumer**;*
- *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.*

12. The **AMP** must describe the basis on which the target level for each performance indicator was determined. Justification for target levels of service includes customer 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.
13. Targets should be compared to historic values where available to provide context and scale to the reader.
14. Where forecast expenditure is expected to materially affect performance against a target defined in clause 10 of this Appendix, the target should be consistent with the expected change in the level of performance.

#### *Network Development Planning*

15. **AMPs** must provide a detailed description of **network** development plans, including—
  - 15.1 A description of the planning criteria and assumptions for **network** development;
 

*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.*
  - 15.2 A description of strategies or processes (if any) used by the **GTB** that promote cost efficiency through the use of standardised assets and designs;
 

*The use of standardised designs may lead to improved cost efficiencies. This section should discuss:*

    - *the categories of assets and designs that are standardised;*
    - *the approach used to identify standard designs.*
  - 15.3 A description of the criteria used to determine the capacity of new equipment for different types of assets or different parts of the **network**.
 

*The criteria described should relate to the philosophy of the business in managing planning risks.*
  - 15.4 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.

- 15.5 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;
- 15.6 Explain the load forecasting methodology and indicate all the factors used in preparing the load estimates;
- 15.7 Provide separate forecasts to at least off-take points covering at least a minimum 5 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;
- 15.8 Identify any **network** or equipment constraints that may arise due to the anticipated growth in demand during the **AMP planning period**;
- 15.9 Analyse the significant **network** level development options available and detail decisions made to satisfy and meet target levels of service, including:
  - 15.10.1 the reasons for choosing a selected option for projects where decisions have been made;
  - 15.10.2 alternative options proposed for projects that are planned to start in the next 5 years;
  - 15.10.3 consideration of planned innovations that improve efficiencies within the **network**, such as improved utilisation, extended asset lives, and deferred investment.
- 15.10 A description and identification of the **network** development programme and actions to be taken, including associated expenditure projections. The **network** development plan must include:
  - 15.11.1 a detailed description of the projects currently underway or planned to start within the next 12 months;
  - 15.11.2 a summary description of the projects planned for the next 4 years; and
  - 15.11.3 an overview of the 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 5 years, alternative options should be discussed.*
- 15.11 A description of the extent to which the disclosed **network** development plans meet the loads anticipated in current gas demand

forecasts prepared by the Gas Industry Company or any Government department or agency.

*Lifecycle Asset Management Planning (Maintenance and Renewal)*

16. The **AMP** must provide a detailed description of the lifecycle asset management processes, including—
  - 16.1 The key drivers for maintenance planning and assumptions;
  - 16.2 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:
    - 16.2.1 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;
    - 16.2.2 any systemic problems identified with any particular asset types and the proposed actions to address these problems; and
    - 16.2.3 budgets for maintenance activities broken down by **asset category** for the **AMP planning period**.
  - 16.3 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:
    - 16.3.1 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;
    - 16.3.2 a description of the projects currently underway or planned for the next 12 months;
    - 16.3.3 a summary of the projects planned for the following 4 years; and
    - 16.3.4 an overview of other work being considered for the remainder of the **AMP planning period**.

*Risk Management*

17. **AMPs** must provide details of risk policies, assessment, and mitigation, including—
  - 17.1 methods, details and conclusions of risk analysis;

- 17.2 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;
- 17.3 a description of the policies to mitigate or manage the risks of events identified in subclause 17.1 of this Appendix;
- 18. Details of emergency response and contingency plans.
 

*Asset risk management forms a component of a **GTB**'s overall risk management plan or policy, focusing on the risks to assets and maintaining service levels. **AMPs** should demonstrate how the **GTB** 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.*
- 19. Details of any insurance cover for the assets, including:
  - 19.1 The **GTB**'s approaches and practices in regard to the insurance of assets, including the level of insurance;
  - 19.2 In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

#### *Evaluation of performance*

- 20. **AMPs** must provide details of performance measurement, evaluation, and improvement, including—
  - 20.1 A review of progress against plan, both physical and financial;
  - 20.2 Referring to the most recent disclosures made pursuant to clause 5 of section 2.5, discussing any significant differences and highlighting reasons for substantial variances;
  - 20.3 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;
  - 20.4 Commenting on progress against maintenance initiatives and programmes and discuss the effectiveness of these programmes noted.
- 21. An evaluation and comparison of actual service level performance against targeted performance.



- 21.1 In particular, comparing the actual and target service level performance for all the targets discussed under the 'service levels' section of the **AMP** over the previous 5 years and explain any significant variances;
- 22. An evaluation and comparison of the results of the asset management maturity assessment disclosed in the AMMAT Report set out in Schedule 17 against relevant objectives of the **GTB's** asset management and planning processes.
- 23. An analysis of gaps identified in subclauses 20, 20.4 and 21.1 of this Appendix. Where significant gaps exist (not caused by one-off factors), the **AMP** must describe any planned initiatives to address the situation.

#### *Capability to deliver*

- 24. **AMPs** must describe the processes used by the **GTB** to ensure that
  - 24.1 The **AMP** is realistic and the objectives set out in the plan can be achieved;
  - 24.2 The organisation structure and the processes for authorisation and business capabilities will support the implementation of the **AMP** plans.

#### **AMMAT Report**

- 25. Each **GTB** must complete the AMMAT Report set out in Schedule 17. The **GTB** 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:
  - 25.1 Organising people within the organisation to answer the questions;
  - 25.2 Arranging for all information to be captured within the AMMAT;
  - 25.3 Reporting to the organisation on the results of the assessment;
  - 25.4 Planning the assessment process, including:
    - 25.5 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;
    - 25.6 Arranging for appropriate outsourced service providers and stakeholders to act as respondents during the assessment exercise;
    - 25.7 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;

## 25.8 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 **GTB**. In particular, it helps 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 organisation.*

*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 **GTB** to objectively identify the level currently being achieved by the organisation.*

26. Each **GTB** must specify in the AMMAT Report the standard of asset management practice that the **GTB** has used as the reference standard.

*To meet AMMAT level 4 maturity, the **GTB**'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 with the PAS 55 specification. However, a similar specification, if available, may be used for the purpose of disclosure.*

27. Cells in the following columns in the AMMAT Report set out in Schedule 17 must be filled out:

**'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.

**'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.

**‘Score’: the appropriate maturity rating (this must be a whole number between 0 and 4).**

## APPENDIX B DISCLOSURE OF PIPELINE CAPACITY

### 1. Intake points

1.1 Subject to subclauses 1.2, 1.3 and clause 7 of this Appendix, in respect of each intake point that has a throughput of gas in the **5 day peak** for the intake point of 2 000 gigajoules or more and that forms part of a **transmission system**, the following information:

- 1.1.1 the dates of the **5 day peak** for that intake point and for that system:
- 1.1.2 the throughput of gas (in gigajoules) in the **5 day peak** for that system:
- 1.1.3 the numerical factor by which the throughput of gas in the **5 day peak** for that system may be increased, if—
  - (a) no further capital investment is required to increase that throughput; and
  - (b) there is no change in the throughput at other intake points.

1.2 No person is required to **publicly disclose** the information specified in clause 1.1 of this Appendix if—

- 1.2.1 the throughput of gas (in gigajoules) of each of the intake points is **publicly disclosed** as part of the input data required under clause 5 of this Appendix; or
- 1.2.2 the **transmission system** involved has only 1 intake point, and the information required for that intake point can be readily deduced from offtake point information **publicly disclosed** under this Appendix.

1.3 Disclosures made pursuant to clause 1.1 of this Appendix must be prepared in respect of—

- 1.3.1 throughputs of gas that are actual throughputs for the preceding year; and
- 1.3.2 throughputs of gas for the preceding year that are estimates prepared for a 1 in 20 year high peak demand scenario.

### 2. Offtake points

2.1 Subject to clause 2.3 and clause 7 of this Appendix, in respect of any offtake point that forms part of a **transmission system** and has a throughput of gas in the **5 day peak** of 2 000 gigajoules or more, the following information:

- 2.1.1 the dates of the **5 day peak** for the offtake point and for the system
- 2.1.2 the throughput of gas (in gigajoules) in the **5 day peak** for the offtake point and for the **transmission system**

- 2.1.3 an estimate of the throughput of gas (in gigajoules) in the **5 day peak** for the offtake point and for the system under a 1 in 20 demand scenario
  - 2.1.4 the amount, expressed both as an absolute quantity (in gigajoules) and as a numerical factor, by which the throughput of gas in the **5 day peak** for the system may be increased if—
    - (a) no further capital investment is required to increase that throughput; and
    - (b) there is no change in the throughput at other offtake points;
- 2.2 Subject to clause 7 of this Appendix, in respect of transmission system offtake points that have a throughput of gas of less than 2 000 gigajoules in the **5 day peak** for the system, the total load of the offtake points in the **5 day peak** for the system (in gigajoules) averaged over all of the offtake points.
- 2.3 Disclosures made pursuant to clause SCHEDULE **1**DIVISION **112.1** of this Appendix are to be prepared in respect of—
  - 2.3.1 throughputs of gas that are actual throughputs for the preceding year; and
  - 2.3.2 throughputs of gas for the preceding year that are estimates prepared for a 1 in 20 year high peak demand scenario.
- 3. Critical points of transmission systems
  - 3.1 Subject to clause 7 of this Appendix, in respect of—
    - 3.1.1 any offtake point of a **transmission system** that has a throughput of gas in the **5 day peak** for the system of 2 000 gigajoules or more; and
    - 3.1.2 all other offtake points for that system taken together as a group;
    - 3.1.3 the information specified in clause 3.2 of this Appendix.
  - 3.2 The information referred to in clause 3.1 of this Appendix is as follows:
    - 3.2.1 the critical point of the system that limits the throughput of gas at any offtake point, the factors that cause the limitation, and the dates of the week in which the throughput of gas is limited by that critical point;
    - 3.2.2 a statement of the means (if any) by which the limitation imposed by the critical point may be overcome, and a reasonable estimate of the size of any consequent throughput increase if those means are employed; and
    - 3.2.3 a reasonable estimate of the cost of investment necessary to employ the means referred to in subclause 3.2.2 of this Appendix.

#### 4. Methodologies

- 4.1 The methodology or methodologies used to determine the information disclosed under the following clauses:
  - 4.1.1 clause 1.1 of this Appendix;
  - 4.1.2 clause 2 of this Appendix;
  - 4.1.3 clause 3 of this Appendix.
- 4.2 If the methodology or methodologies referred to in clause 4.1 of this Appendix involves computerised capacity simulation modelling, the following details:
  - 4.2.1 input data for the modelling, which must be **publicly disclosed** on a computer disk; and
  - 4.2.2 the name of the capacity simulation model software.
- 4.3 For the purposes of subclause 4.2.1 of this Appendix, a **GTB** is deemed to comply with the requirement to **publicly disclose** the input data for the modelling if the **GTB**, within 10 working days of being requested to do so by any **person**, provides that **person** with a copy of this information on a computer disk, either by post or for collection (during ordinary office hours) from the principal offices of that **GTB**, whichever the **person** prefers.

#### 5. Gas held or reserved in **transmission systems**

- 5.1 Subject to clause 7 of this Appendix in respect of—
  - 5.1.1 each intake point or offtake point that—
    - (a) forms part of a **transmission system**; and
    - (b) has a throughput of gas in the **5 day peak** for the system of 2 000 gigajoules or more in the disclosure year; and
  - 5.1.2 all other intake points of each **transmission system** taken together as a group; and
  - 5.1.3 all other offtake points of each **transmission system** taken together as a group,—the information specified in clause 5.2 of this Appendix.
- 5.2 Subject to clause 5.3 of this Appendix, the information referred to in clause 5.1 is the throughput of gas (in gigajoules) held or reserved for the pipeline owner (including any **person involved in** the pipeline owner), and the throughput of gas (in gigajoules) held or reserved for other **persons**, separately for the following 3 disclosure years:
  - 5.2.1 the **disclosure year** immediately following the relevant disclosure year;
  - 5.2.2 the third **disclosure year** after the relevant **disclosure year**; and

5.2.3 the fifth **disclosure year** after the relevant **disclosure year**.

5.3 The information referred to in clause 5.2 of this Appendix must include—

- 5.3.1 the reserved maximum daily amounts of gas;
- 5.3.2 the reserved maximum hourly amounts of gas;
- 5.3.3 the location and designation of receipt points for intakes, and of delivery points for offtakes; and
- 5.3.4 if the pressure of gas delivered to consumers differs from the standard pressure in the system, the contracted delivery pressure.

## 6. Allocations

6.1 Total requests for reserved capacity that the **GTB** has:

- 6.1.1 received;
- 6.1.2 fulfilled in full;
- 6.1.3 fulfilled in part; and
- 6.1.4 not fulfilled.

6.2 The information referred to in clause 6.1 of this Appendix must—

- 6.2.1 Include the following:
  - (a) total number of requests;
  - (b) total daily capacity requested; and
  - (c) total hourly capacity requested;
- 6.2.2 Be disclosed by the type of reserved capacity requested, such as firm capacity, interruptible capacity, authorised quantity.

6.3 Subject to the **GTB** receiving requests described in clause 6.1 of this Appendix, describe the methodology or methodologies used to determine which requests were fulfilled in full or in part, including how, if at all, the quantity of uncommitted capacity in the pipeline was determined.

6.4 If the information referred to in clause 6.1 of this Appendix includes requests for capacity on that were not fulfilled in full, then describe:

- 6.4.1 the reasons for the requests not being fulfilled; and
- 6.4.2 the measures (if any) proposed or intended that would enable the GTB to fulfil similar requests for reserved capacity in the future.

## 7. Measured volumes and estimates

7.1 For the purposes of clauses 1, 2, 3, and 5 of this Appendix,—

- 7.1.1 if gas flows are metered, the measured volumes must be used; and

- 7.1.2 if gas flows are not metered, reasonable estimates must be used; and
- 7.1.3 if estimates are used, they must be clearly stated as estimates.



Schedule 1                      Report on Return on Investment

Company Name				
Disclosure Year Ended				
SCHEDULE 1: REPORT ON RETURN ON INVESTMENT				
ref				
6	1a: Return on Investment	CY-2	CY-1	Current Year CY
7				
8	Post tax WACC	%	%	%
9	ROI—comparable to a post tax WACC			—
10				
11	Mid-point estimate of post tax WACC			
12	25th percentile estimate			
13	75th percentile estimate			
14				
15				
16	Vanilla WACC			
17	ROI—comparable to a vanilla WACC			—
18				
19	Mid-point estimate of vanilla WACC			
20	25th percentile estimate			
21	75th percentile estimate			
22				
23	Commentary on profitability			
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26				
27				
28				
29				
30				
31				
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Company Name			
Disclosure Year Ended			
<b>SCHEDULE 1: REPORT ON RETURN ON INVESTMENT (cont)</b>			
ref			
67	<b>1b: Information Supporting the ROI</b>		(\$000)
68			
69	Total opening RAB value		
70	<b>Opening RIV</b>		
71			
72	Operating surplus / (deficit)		
73	less Regulatory tax allowance		
74	less Assets commissioned		
75	plus Asset disposals		
76	<b>Notional net cash flows</b>		
77			
78	Total closing RAB value		
79	less Adjustment resulting from asset allocation		
80	less Lost and found assets adjustment		
81	<b>Closing RIV</b>		
82	less Term credit spread differential		
84			
85	<b>ROI—comparable to a vanilla WACC</b>		
86			
87	Leverage (%)		44%
88	Cost of debt assumption (%)		
89	Corporate tax rate (%)		
90			
91	<b>ROI—comparable to a post tax WACC</b>		
92			
93	<b>1c: Information Supporting the Alternative ROI - Elective Disclosure</b>		
94			
95	<b>Cash flows</b>	<b>Revenue</b>	<b>Expenses</b>
96			
97	October		
98	November		
99	December		
100	January		
101	February		
102	March		
103	April		
104	May		
105	June		
106	July		
107	August		
108	September		
109			
110	<b>RIV and other</b>	<b>RAB</b>	<b>Adjustment resulting from asset allocation</b>
111			
112			
113	Alternative opening RIV		
114	Alternative closing RIV		
115			
116	Term credit spread differential allowance		
117			
118	<b>Alternative ROI—comparable to a vanilla WACC</b>		
119			
120	<b>Alternative ROI—comparable to a post-tax WACC</b>		
121			
122			

## Schedule 2      Report on Regulatory Profit

Company Name		
Disclosure Year Ended		
<b>SCHEDULE 2: REPORT ON REGULATORY PROFIT</b>		
ref		
6	<b>2a: Regulatory Profit</b>	(\$000)
7	<b>Income</b>	
8	Line charge income	<input style="width: 100%;" type="text"/>
9		
10	Gains / (losses) on asset sales	<input style="width: 100%;" type="text"/>
11	Other regulated income (other than above)	<input style="width: 100%;" type="text"/>
12	Other regulated income	<input style="width: 100%;" type="text" value="–"/>
13		
14	Total regulatory income	<input style="width: 100%;" type="text" value="–"/>
15	<b>Expenses</b>	
16	<i>less</i> Operational expenditure	<input style="width: 100%;" type="text"/>
17		
18	<i>less</i> Pass-through and recoverable costs	<input style="width: 100%;" type="text"/>
19		
20	<b>Operating surplus / (deficit)</b>	<input style="width: 100%;" type="text" value="–"/>
21		
22	<i>less</i> Total depreciation	<input style="width: 100%;" type="text" value="–"/>
23		
24	<i>plus</i> Total CPI revaluations	<input style="width: 100%;" type="text" value="–"/>
25		
26	<b>Regulatory profit / (loss) before tax</b>	<input style="width: 100%;" type="text" value="–"/>
27		
28	<i>less</i> Regulatory tax allowance	<input style="width: 100%;" type="text" value="–"/>
29		
30	<b>Regulatory profit / (loss)</b>	<input style="width: 100%;" type="text" value="–"/>
31	<i>Commentary on regulatory profit</i>	
32	<div style="border: 1px solid black; height: 150px; width: 100%;"></div>	
33		
34		
35		
36		
37		
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Company Name			
Disclosure Year Ended			
<b>SCHEDULE 2: REPORT ON REGULATORY PROFIT (cont)</b>			
59			
60	<b>2b: Pass-through and recoverable costs</b>	(	\$000)
61			
62	Pass-through costs		
63	Rates		
64	Levies		
65	Other specified pass-through costs		
66	Recoverable costs		
67	Net recoverable costs allowed under incremental rolling incentive scheme		
68	Balancing gas costs		
69	Input Methodology claw-back		
70	Recoverable customised price-quality path costs		
71	Pass-through and recoverable costs	—	
72			
73	<b>2d: Incremental Rolling Incentive Scheme</b>		
74		CY-1	CY
75		[year]	
76	Allowed controllable opex		
77	Actual controllable opex		
78			
79	<b>Incremental gain/(loss) in year</b>		
80			
81		Previous years'	Previous years'
82		incremental	incremental
83		gain/(loss)	gain/(loss)
84			adjusted for
85			inflation
86	CY-5 [year]		
87	CY-4 [year]		
88	CY-3 [year]		
89	CY-2 [year]		
90	CY-1 [year]		
91	Net incremental rolling incentive scheme	—	
92			
93	<b>Net recoverable costs allowed under incremental rolling incentive scheme</b>		
94			
95	<b>2b: Merger and acquisition costs</b>		
96			
97	Merger and acquisition expenses		
98			
99	<i>Commentary on benefits of merger and acquisition expenditure to the gas transmission business, including required disclosures in accordance with section 2.3</i>		
100			
101			
102	<b>2b: Other disclosures</b>		
103			
104	Capital contributions		
105			
106	Net value of vested assets		
107			
108	Self-insurance allowance		
109			

**Schedule 3****Report on Regulatory Tax Allowance**

Company Name			
Disclosure Year Ended			
<b>SCHEDULE 3: REPORT ON REGULATORY TAX ALLOWANCE</b>			
ref			
6	<b>3a: Regulatory Tax Allowance</b>		<b>(\$000)</b>
7	Regulatory profit / (loss) before tax		—
8			
9	plus Total depreciation		
10	Income not included in regulatory profit / (loss) before tax but taxable - permanent	*	
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible - permanent	*	
12	Income not included in regulatory profit / (loss) before tax but taxable - temporary	*	
13	Expenditure or loss in regulatory profit / (loss) before tax but not deductible - temporary	*	
14			—
15			
16	less Tax depreciation		
17	Income included in regulatory profit / (loss) before tax but not taxable - permanent	*	
18	Expenditure or loss deductible but not in regulatory profit / (loss) before tax - permanent	*	
19	Income included in regulatory profit / (loss) before tax but not taxable - temporary	*	
20	Expenditure or loss deductible but not in regulatory profit / (loss) before tax - temporary	*	
21	Notional deductible interest		—
22			—
23			
24	Regulatory taxable income		—
25			
26	less Utilised tax losses		
27	Regulatory net taxable income		—
28			
29	Corporate tax rate (%)		
30	Regulatory tax allowance		—
31			
32	* Workings to be provided in Schedule 3(b)(i)		
33	<b>3b: Notes to the Report</b>		
34	<b>3b(i): Disclosure of Permanent and Temporary Differences</b>		
35	Provide descriptions and workings of items recorded in the asterisked categories in Schedule 3a.		
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Company Name			
Disclosure Year Ended			
<b>SCHEDULE 3: REPORT ON REGULATORY TAX ALLOWANCE (cont)</b>			
ref			
66	<b>3b(ii): Reconciliation of Tax Losses</b>		(\$000)
67			
68	Opening tax losses	—	
69	<i>plus</i> Current period tax losses		
70	<i>less</i> Utilised tax losses		
71	Closing tax losses		—
72			
73	<b>3b(iii): Tax Depreciation Roll-Forward</b>		
74			(\$000)
75	Opening RAB (tax value)		
76	<i>plus</i> Regulatory tax asset value of assets commissioned		
77	<i>less</i> Regulatory tax asset value of asset disposals		
78	<i>less</i> Tax depreciation		
79	<i>plus</i> Other adjustments to the RAB tax value		
80	Closing RAB (tax value)		—
81			

## Schedule 4

## Report on Term Credit Spread Differential Allowance

SCHEDULE 4: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE									
Company Name Disclosure Year Ended									
ref									
6	<b>4. Allowance for Term Credit Spread Differential</b>								
7	This schedule is only to be completed if at the date of the most recently published financial statements, the weighted average original tenor of the debt portfolio (both qualifying debt and non-qualifying debt) is greater than five years								
8	<b>4(a): Non-qualifying Debt</b>								
9									
10	Issuing party (or other identifying information)	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)		
11									
12									
13									
14									
15									
16									
17	<b>4(b): Qualifying Debt</b>								
18									
19	Issuing party (or other identifying information)	Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Cost of executing an interest rate swap
20									
21									
22									
23									
24									
25									
26									
27									
28									
29	<b>4(c): Attribution of Term Credit Spread Differential</b>								
30	Gross term credit spread differential								
31	Book value of interest bearing debt								
32	Leverage								
33	Average opening and closing RAB values								
34	Attribution Rate (%)								
35	Term credit spread differential allowance								
36									
37									

## Schedule 5      Report on Regulatory Asset Base Roll Forward

Company Name						
Disclosure Year Ended						
<b>SCHEDULE 5: REPORT ON REGULATORY ASSET BASE ROLL FORWARD</b>						
ref		RAB CY-4 (\$000)	RAB CY-3 (\$000)	RAB CY-2 (\$000)	RAB CY-1 (\$000)	RAB CY (\$000)
6	<b>5a: Regulatory Asset Base Roll Forward</b>					
7						
8						
9	<b>Total opening RAB value</b>	-	-	-	-	-
10						
11	<i>less</i> <b>Total depreciation</b>					-
12						
13	<i>plus</i> <b>Total CPI revaluations</b>					-
14						
15	<i>plus</i> <b>Assets commissioned</b>					-
16						
17	<i>less</i> <b>Asset disposals</b>					-
18						
19	<i>plus</i> <b>Lost and found assets adjustment</b>					-
20						
21	<i>plus</i> <b>Adjustment resulting from asset allocation</b>					-
22						
23	<b>Total closing RAB value</b>	-	-	-	-	-
24						
25	<b>5b: Unallocated Regulatory Asset Base</b>					
26						
27		Unallocated RAB *	RAB			
28		(\$000)	(\$000)	(\$000)	(\$000)	
29	<b>Total opening RAB value</b>					
30	<i>less</i> <b>Total depreciation</b>					-
31	<i>plus</i> <b>Total CPI revaluations</b>					-
32	<i>plus</i> <b>Assets commissioned (other than below)</b>					
33	Assets acquired from a regulated supplier					
34	Assets acquired from a related party					
35	<b>Assets commissioned</b>		-			-
36	<i>less</i> <b>Asset disposals (other than below)</b>					
37	Asset disposals to a regulated supplier					
38	Asset disposals to a related party					
39	<b>Asset disposals</b>		-			-
40	<i>plus</i> <b>Lost and found assets adjustment</b>					
41	<i>plus</i> <b>Adjustment resulting from asset allocation</b>					-
42						
43	<b>Total closing RAB value</b>		-			-
44						
45	<i>Commentary on regulatory asset base</i>					
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64	<small>* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide gas transmission 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.</small>					
65						





SCHEDULE 5: REPORT ON REGULATORY ASSET BASE ROLL FORWARD (cont)		Company Name						
		Disclosure Year Ended						
5c(vi): Disclosure by Asset Category		Pipes	Stations	Compressors	Main-line valves	Other system fixed assets	Other assets	Total
121	Total opening RAB value							—
122	less Total depreciation							—
123	plus Total CPI revaluations							—
124	plus Assets commissioned							—
125	less Asset disposals							—
126	plus Lost and found assets adjustment							—
127	plus Adjustment resulting from asset allocation							—
128	plus Asset class transfers							—
129	Total closing RAB value	—	—	—	—	—	—	—
130	Asset Life							
131	Weighted average remaining asset life							
132	Weighted average expected total asset life							
133								
134								
135								
136								

**Schedule 6****Report on Expenditure**

Company Name			
Disclosure Year Ended			
<b>SCHEDULE 6: REPORT ON EXPENDITURE</b>			
ref			
6			
7	<b>6a: Capital expenditure</b>		<b>(\$000)</b>
8			
9	Customer connection		
10	System growth		
11	Quality of supply		
12	Asset replacement and renewal		
13	Asset relocations		
14	Legislative and regulatory		
15	Non-system fixed assets		
16	<b>Gross capital expenditure</b>		
17	Capital contributions		
18	Net value of vested assets		
19	<b>Capital expenditure</b>		
20			
21	<b>6a(i): Customer Connection</b>		
22			
23	GDB connections		
24	Other distribution companies		
25	Power stations		
26	Other users		
27	Suppliers		
28	<b>Customer connection total</b>		
29			
30	<b>6a(ii): System Growth and Asset Replacement and Renewal</b>		
31		<b>System Growth</b>	<b>Asset Replacement and Renewal</b>
32			
33	Pipes		
34	Stations		
35	Compressors		
36	Main-line valves		
37	Heating system		
38	Odourisation plants		
39	Coalescers		
40	Metering system		
41	SCADA and communications		
42	Cathodic protection		
43	Chromatographs		
44	Aerial crossings		
45			
46	<b>Total</b>		
47			

Company Name			
Disclosure Year Ended			
<b>SCHEDULE 6: REPORT ON EXPENDITURE (cont)</b>			
ref			
54	<b>6a(iii): Quality of Supply</b>		<b>(\$000)</b>
55			
56	<b>Project</b>		
57	[Description of project]		
58	[Description of project]		
59	[Description of project]		
60	[Description of project]		
61	[Description of project]		
62	Other		
63	<b>Quality of supply total</b>		—
64			
65	<b>6a(iv): Asset relocations</b>		
66			
67	[Description of project]		
68	[Description of project]		
69	[Description of project]		
70	Other		
71	<b>Asset relocations total</b>		—
72			
73	<b>6a(v): Legislative and regulatory</b>		
74			
75	<b>Legislative or regulatory requirement</b>		
76	[Description of legislative or regulatory requirement]		
77	[Description of legislative or regulatory requirement]		
78	[Description of legislative or regulatory requirement]		
79	[Description of legislative or regulatory requirement]		
80	[Description of legislative or regulatory requirement]		
81	Other		
82	<b>Legislative and regulatory total</b>		—
83			
84	<b>6a(vi): Non-system fixed assets</b>		
85			
86	Routine expenditure		
87	Atypical expenditure		
88	[Description of project]		
89	[Description of project]		
90	[Description of project]		
91	<b>Atypical expenditure total</b>		—
92	<b>Non-system fixed assets total</b>		—
93			

	Company Name	
	Disclosure Year Ended	

**SCHEDULE 6: REPORT ON EXPENDITURE (cont)**

ref	
100	
101	<b>6a: Capital expenditure (cont)</b>
102	Commentary on gross capital expenditure, including required disclosures in accordance with section 2.3
103	
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## Schedule 7

## Report on Expenditure Forecasts

		Company Name				
		Disclosure Year Ended				
<b>SCHEDULE 7: REPORT ON EXPENDITURE FORECASTS</b>						
ref		(\$000 unless otherwise specified)				
6	<b>Comparison of forecasts to actual expenditure</b>					
7		<b>Current Year</b>			<b>Regulatory period</b>	
8		<b>Forecast</b>	<b>Actual</b>	<b>% variance</b>	<b>Forecast</b>	<b>Actual</b>
9	<b>Capital Expenditure</b>	<b>Expenditure</b>	<b>Expenditure</b>		<b>Expenditure</b>	<b>Expenditure</b>
10	Customer connection			—		
11	System growth			—		
12	Quality of supply			—		
13	Asset replacement and renewal			—		
14	Asset relocations			—		
15	Legislative and regulatory			—		
16	<b>Gross capital expenditure on transmission network</b>	—	—	—	—	—
17	<b>Operational Expenditure</b>					
18	Service interruptions, incidents and emergencies			—		
19	Easement activity			—		
20	Routine and corrective maintenance and inspection			—		
21	Compressor fuel			—		
22	System management and operations			—		
23	<b>Operational expenditure on transmission network</b>	—	—	—	—	—
24						
25	<b>Total expenditure on transmission network</b>	—	—	—	—	—
26						
27	Non-system fixed assets			—		
28	Business support			—		
29	Direct billing			—		
30	<b>Total expenditure on transmission network business</b>	—	—	—	—	—
31						
32	<i>Commentary on variance in actual to forecast expenditure, including required disclosure in accordance with section 2.3</i>					
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Schedule 8                      Report on Related Party Transactions

Company Name			
Disclosure Year Ended			

**SCHEDULE 8: REPORT ON RELATED PARTY TRANSACTIONS**

ref

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8(i) SUMMARY—RELATED PARTY TRANSACTIONS

(\$000)

7

8

Total regulatory income

9

Operational expenditure

10

Capital expenditure

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Market value of asset disposals

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Other related party transactions

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8(ii) ENTITIES INVOLVED IN RELATED PARTY TRANSACTIONS

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Name of Related Party

Related Party Relationship

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8(iii) RELATED PARTY TRANSACTIONS

Name of Related Party

Description of Transaction

Value of Transaction

Basis for Determining Value

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## Schedule 9

## Report on Asset Allocations

Company Name					
Disclosure Year Ended					
<b>SCHEDULE 9: REPORT ON ASSET ALLOCATIONS</b>					
<b>9a: REGULATED SERVICE ASSET VALUES</b>					
	Value allocated (\$000s)				OVABAA allocation increase (\$000s)
	Arm's length deduction	Gas transmission services	Non-gas transmission services	Total	
<b>Pipes</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Stations</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Compressors</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Main-line valves</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Other system fixed assets</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Other assets</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Regulated service asset value directly attributable</b>		-			
<b>Regulated service asset value not directly attributable</b>	-	-	-	-	-
<b>Total closing RAB value</b>		-			
<b>9b: NOTES TO THE REPORT</b>					
<b>9b(i): Changes in Asset Allocation*</b>					
			CY-1	Current Year (CY)	CY+1
<u>Change in asset value allocation 1</u>					
Asset category		Original allocation			
Original allocator or line items		New allocation			
New allocator or line items		Difference	-	-	
Rationale for change					
<u>Change in asset value allocation 2</u>					
Asset category		Original allocation			
Original allocator or line items		New allocation			
New allocator or line items		Difference	-	-	
Rationale for change					
<u>Change in asset value allocation 3</u>					
Asset category		Original allocation			
Original allocator or line items		New allocation			
New allocator or line items		Difference	-	-	
Rationale for change					
* a change in asset allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.					

		Company Name	
		Disclosure Year Ended	
<b>SCHEDULE 9: REPORT ON ASSET ALLOCATIONS (cont)</b>			
ref			
73			
74		<b>9b(ii): Allocation methodology details</b>	
75			
76		Commentary on cost allocation, including required disclosures in accordance with section 2.3	
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## Schedule 10

## Report on Cost Allocations

Company Name					
Disclosure Year Ended					
<b>SCHEDULE 10: REPORT ON COST ALLOCATIONS</b>					
<b>10a: OPERATING COST ALLOCATIONS</b>					
	Value allocated (\$000s)				OVABAA allocation increase (\$000s)
	Arm's length deduction	Gas transmission services	Non-gas transmission services	Total	
<b>Service interruptions, incidents and emergencies</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Easement activity</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Routine and corrective maintenance and inspection</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Compressor fuel</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>System management and operations</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Business support</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Direct Billing</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Operating costs directly attributable</b>		-			
<b>Operating costs not directly attributable</b>	-	-	-	-	-
<b>Operating expenditure</b>		-			
<b>10b: OTHER COST ALLOCATIONS</b>					
<b>Pass through costs</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>Recoverable costs</b>					
Directly attributable					
Not directly attributable				-	
Total attributable to regulated service		-			
<b>10c: NOTES TO THE REPORT</b>					
<b>10c(i): Changes in Cost Allocations*</b>					
			CY-1	Current Year (CY)	CY+1
<u>Change in cost allocation 1</u>					
Cost category		Original allocation			
Original allocator or line items		New allocation			
New allocator or line items		Difference	-	-	
Rationale for change					
<u>Change in cost allocation 2</u>					
Cost category		Original allocation			
Original allocator or line items		New allocation			
New allocator or line items		Difference	-	-	
Rationale for change					
<u>Change in cost allocation 3</u>					
Cost category		Original allocation			
Original allocator or line items		New allocation			
New allocator or line items		Difference	-	-	
Rationale for change					
* 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.					

	Company Name <input style="width: 100%;" type="text"/>
	Disclosure Year Ended <input style="width: 100%;" type="text"/>
<b>SCHEDULE 10: REPORT ON COST ALLOCATIONS (cont)</b>	
ref	<b>10c(ii): Allocation methodology details</b>
86	<i>Commentary on cost allocation, including required disclosures in accordance with section 2.3</i>
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Schedule 11 Report Supporting Asset Allocation

SCHEDULE 11: REPORT SUPPORTING ASSET ALLOCATIONS

Company Name

Disclosure Year Ended

6	Have assets been allocated in aggregate using ACAM in accordance with clause 2.1.1(3) of the IIM Determination		Yes /No									
9	Line Item	Allocation methodology type	Allocator	Allocator type	Allocator Metric			Value allocated			OVABAA allocation increase	
10					Gas transmission services	Non-gas transmission services	Arm's length deduction	Gas transmission services	Non-gas transmission services	Total		
11	<b>Pipes</b>											
12	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
13	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
14	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy								
15	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy								
16	Not directly attributable											
17	<b>Stations</b>											
18	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
19	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
20	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy								
21	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy								
22	Not directly attributable											
23	<b>Compressors</b>											
24	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
25	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
26	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy								
27	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy								
28	Not directly attributable											
29	<b>Main-line valves</b>											
30	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
31	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
32	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy								
33	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy								
34	Not directly attributable											
35	<b>Other system fixed assets</b>											
36	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
37	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
38	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy								
39	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy								
40	Not directly attributable											
41	<b>Other assets</b>											
42	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
43	Insert asset description	e.g. ABAA	Allocator 1	Causal or proxy								
44	Insert asset description	e.g. ABAA	Allocator 2	Causal or proxy								
45	Insert asset description	e.g. ABAA	Allocator 3	Causal or proxy								
46	Not directly attributable											
47	<b>Regulated service asset value not directly attributable</b>											
48												
49												

## Schedule 12      Report Supporting Cost Allocation

Company Name <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px; vertical-align: middle;"></span> Disclosure Year Ended <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px; vertical-align: middle;"></span>										
<b>SCHEDULE 12: REPORT SUPPORTING COST ALLOCATIONS</b>										
ref										
6										
7	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; font-size: 0.8em;">Have costs been allocated in aggregate using ACAM in accordance with clause 2.1.1(3) of the IM Determination</div> <div style="margin-left: 10px;"> <div style="border: 1px solid black; padding: 2px; text-align: center;">Yes / No</div> </div> </div>									
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63										
64										
65										
66										
67										
68										

## Schedule 13      Pricing Statistics

Company Name									
For Year Ended									
Network / Sub-network Name									
<b>SCHEDULE 13: REPORT ON PRICING STATISTICS</b>									
ref									
7									
8	Receipt point	Delivery or Welded Point name	Delivery or Welded Point ID	Line charge income from Price A (\$000)	Line charge income from Price B (\$000)	Line charge income from other prices (\$000)	Total line charge income (\$000)	Capital contributions (\$000)	Volume Supplied (TJ)
9									
10							—		
11							—		
12							—		
13							—		
14							—		
15							—		
16							—		
17							—		
18							—		
19							—		
20							—		
21							—		
22							—		
23							—		
24							—		
25							—		
26							—		
27							—		
28							—		
29							—		
30							—		
31							—		
32							—		
33							—		
34							—		
35							—		
36							—		
37							—		
38							—		
39							—		
40							—		
41							—		
42							—		
43							—		
44							—		
45							—		
46							—		
47							—		
48							—		
49							—		
50	<b>Totals</b>			—	—	—	—	—	—
51									
52	<i>Add extra rows for additional Delivery Points as necessary</i>								
53	<b>Line charge income by component of price</b>			<b>Standard contracts (\$000)</b>	<b>Non-Standard contracts (\$000)</b>	<b>Total income (\$000)</b>			
54	Income from Price A			—	—	—			
55	Income from Price B			—	—	—			
56	Income from other prices			—	—	—			
57				—	—	—			
58				—	—	—			
59	Total income from capital contributions					—			
60	<b>Total Line charge income including capital contributions</b>					—			
61									
62									
63	<b>Commentary on pricing statistics</b>								
64									
65									
66									
67									
68									
69									
70									
71									
72									
73	<i>If 'income from other prices' is entered in row 57 above, explain how this price(s) is levied</i>								

## Schedule 14 Network Expenditure AMP Report

		Company Name									
		AMP Planning Period									
SCHEDULE 14: NETWORK EXPENDITURE AMP REPORT		1 October 2012 – 30 September 2022									
		( \$000 unless otherwise specified )									
ref		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
6											
7											
8	<b>14a: Capital Expenditure Forecast</b>										
9	Customer connection										
10	System growth										
11	Quality of supply										
12	Asset replacement and renewal										
13	Asset relocations										
14	Legislative and regulatory										
15	Non-system fixed assets										
16	<b>Gross capital expenditure</b>	–	–	–	–	–	–	–	–	–	–
17		Year 1	Year 2	Year 3	Year 4	Year 5					
18	<b>14a(i): Customer Connection</b>										
19	GDB connections										
20	Other distribution companies										
21	Power stations										
22	Other users										
23	Suppliers										
24	<b>Customer connection total</b>	–	–	–	–	–					
25		Year 1	Year 2	Year 3	Year 4	Year 5					
26	<b>14a(ii): System Growth</b>										
27	Pipes										
28	Stations										
29	Compressors										
30	Main-line valves										
31	Heating systems										
32	Odourisation plants										
33	Coalescers										
34	Metering systems										
35	SCADA and communications										
36	Cathodic protection										
37	Chromatographs										
38	Aerial crossings										
39	<b>System Growth total</b>	–	–	–	–	–					
40		Year 1	Year 2	Year 3	Year 4	Year 5					
41	<b>14a(iii): Asset Replacement and Renewal</b>										
42	Pipes										
43	Stations										
44	Compressors										
45	Main-line valves										
46	Heating systems										
47	Odourisation plants										
48	Coalescers										
49	Metering systems										
50	SCADA and communications										
51	Cathodic protection										
52	Chromatographs										
53	Aerial crossings										
54	<b>Asset Replacement and Renewal total</b>	–	–	–	–	–					
55		Year 1	Year 2	Year 3	Year 4	Year 5					
56	<b>14a(iv): Quality of supply</b>										
57	[Description of Project]										
58	[Description of Project]										
59	[Description of Project]										
60	<b>Quality of Supply total</b>	–	–	–	–	–					
61		Year 1	Year 2	Year 3	Year 4	Year 5					
62	<b>14a(v): Legislative and Regulatory</b>										
63	[Description of legislative or regulatory requirement]										
64	[Description of legislative or regulatory requirement]										
65	[Description of legislative or regulatory requirement]										
66	<b>Legislative and Regulatory total</b>	–	–	–	–	–					
67		Year 1	Year 2	Year 3	Year 4	Year 5					
68	<b>14a(vi): Non-System Fixed Assets</b>										
69	Routine expenditure										
70											
71	<b>Atypical expenditure</b>										
72	[Description of Project]										
73	[Description of Project]										
74	[Description of Project]										
75	<b>Atypical expenditure total</b>	–	–	–	–	–					
76		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
77	<b>14b: Operational Expenditure forecast</b>										
78	Service interruptions, incidents and emergencies										
79	Easement activity										
80	Routine and corrective maintenance and inspection										
81	Compressor fuel										
82	System management and operations										
83	Business support										
84	Direct billing										
85	Operating expenditure	–	–	–	–	–	–	–	–	–	–
86											



**Schedule 15****Network Driver AMP Report**

Company Name		1 October 2012 – 30 September 2022				
AMP Planning Period						
<b>SCHEDULE 15: NETWORK DRIVER AMP REPORT</b>						
ref		Year 1	Year 2	Year 3	Year 4	Year 5
6	<b>15a: Forecast Connections</b>					
7						
8						
9	GDB connections—additions					
10	Other distribution companies—additions					
11	Power stations—additions					
12	Other users—additions					
13	Suppliers—additions					
14	<b>Connections total</b>	—	—	—	—	—
15						



SCHEDULE 16: NETWORK ASSET AMP REPORT (continued)																							Company Name AMP Planning Period 1 October 2012 – 30 September 2022	
16a	16b: Asset Age										Number of assets at end of year by installation date <sup>1</sup>													
	Pressure	Asset category	Asset class	Asset (years)	Units	Total	No. with default dates	No. with age unknown	pre-1993	1993-99	1999-07	1997-98	1995-97	...	...	...	2006-05	2007-04	2008-03	2009-02	2010-01	2011-00	Data Accuracy (1-4)	
6	All	Pipes	Protected steel pipes	km	—	—																		
7	All	Pipes	Aerial crossings	km	—	—																		
8	All	Stations	Compressor stations	No.	—	—																		
9	All	Stations	Gate stations	No.	—	—																		
10	All	Stations	Valve stations	No.	—	—																		
11	All	Stations	Scrapers	No.	—	—																		
12	All	Stations	Receipt points	No.	—	—																		
13	All	Stations	Measuring stations	No.	—	—																		
14	All	Compressors	Compressors—turbine driven	No.	—	—																		
15	All	Compressors	Compressors—electric motor driven	No.	—	—																		
16	All	Compressors	Compressors—reciprocating engine driven	No.	—	—																		
17	All	Main-line valves	Main-line valves manually operated	No.	—	—																		
18	All	Main-line valves	Main-line valves remotely operated	No.	—	—																		
19	All	Heating systems	Gas-fired heaters	No.	—	—																		
20	All	Heating systems	Electric heaters	No.	—	—																		
21	All	Odourisation plants	Odourisation plants	No.	—	—																		
22	All	Coalescers	Coalescers	No.	—	—																		
23	All	Measuring systems	Meeters—ultrasonic	No.	—	—																		
24	All	Measuring systems	Meeters—radio	No.	—	—																		
25	All	Measuring systems	Meeters turbine	No.	—	—																		
26	All	Measuring systems	Meeters—mass flow	No.	—	—																		
27	All	Secondary assets	Remote terminal units (RTU)	No.	—	—																		
28	All	Secondary assets	SCADA and communications	No.	—	—																		
29	All	Secondary assets	Communications terminals	No.	—	—																		
30	All	Secondary assets	Rectifier units	No.	—	—																		
31	All	Secondary assets	Chromatographs	No.	—	—																		
32	Note 1: Years 0 to 99 should be included in the disclosed table																							
33																								

Company Name

AMP Planning Period

1 October 2012 – 30 September 2022

SCHEDULE 16: NETWORK ASSET AMP REPORT (continued 2)

ref																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											</
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## AMMAT Report

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SCHEDULE 17: AMMAT REPORT (continued 1)									
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
27	Asset management (plans)	How has the organisation ensured that all relevant parties to a level of detail appropriate to the received risk in their delivery?	The organisation does not have a documented plan for delivery of its plans.	The plan(s) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	The plan(s) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	The plan(s) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	The plan(s) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	There will be no delivery unless they are coordinated and supported by the management system. Delivery functions and support.	Recorded information (plans)
29	Asset management (plans)	How are designated responsibilities and roles for delivery of the plan(s) documented?	The organisation has not documented designated responsibilities and roles for delivery of the plan(s).	Asset management (plans) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	Asset management (plans) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	Asset management (plans) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	Asset management (plans) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	The organisation's asset management (plans) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.	The organisation's asset management (plans) are communicated to relevant parties responsible for delivery of the plan(s). Communication of those responsible for delivery is either regular or ad hoc.
31	Asset management (plans)	What has the organisation done to ensure that appropriate arrangements are in place for the delivery of the plan(s)?	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).
33	Contingency planning	What plan(s) and procedure(s) does the organisation have for identifying and responding to incidents and emergencies? How does the organisation ensure continuity of critical asset management activities?	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).	The organisation has not conducted a risk assessment for delivery of the plan(s).

[illegible]

Company Name AMP Planning Period									
SCHEDULE 17: AMMAT REPORT (continued 3)									
Question No.	Function	Question	Maturity Level 9	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4	Why	Who
48	Training, awareness and competence	How does the organisation develop management activities including the management strategy, process(es), decisions and plans?	The organisation has not recognised its competence requirements to develop its asset management system.	The organisation has recognised the competence requirements and to develop its asset management system. There is limited recognition of the competence requirements but the work is incomplete or has not been consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation's processes comply with requirements set out in the standardised template. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	There is a need for an organisation to implement its asset management system. Competence requirements are required to develop and implement the system. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	Senior management responsible for the asset management system (including its functions). Staff responsible for the asset management system (including its functions). Connected service providers.
49	Training, awareness and competence	How does the organisation identify competence requirements and then plan, provide and record the training activities?	The organisation does not have any means in place to identify competence requirements.	The organisation has recognised the competence requirements and to develop its asset management system. There is limited recognition of the competence requirements but the work is incomplete or has not been consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation's processes comply with requirements set out in the standardised template. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	There is a need for an organisation to implement its asset management system. Competence requirements are required to develop and implement the system. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	Senior management responsible for the asset management system (including its functions). Staff responsible for the asset management system (including its functions). Connected service providers.
50	Training, awareness and competence	How does the organisation ensure that personnel are competent to perform their duties? How does the organisation ensure that personnel are competent to perform their duties? How does the organisation ensure that personnel are competent to perform their duties?	The organisation has not recognised its competence requirements to develop its asset management system.	The organisation has recognised the competence requirements and to develop its asset management system. There is limited recognition of the competence requirements but the work is incomplete or has not been consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation's processes comply with requirements set out in the standardised template. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	There is a need for an organisation to implement its asset management system. Competence requirements are required to develop and implement the system. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	Senior management responsible for the asset management system (including its functions). Staff responsible for the asset management system (including its functions). Connected service providers.
51	Training, awareness and competence	How does the organisation ensure that personnel are competent to perform their duties? How does the organisation ensure that personnel are competent to perform their duties? How does the organisation ensure that personnel are competent to perform their duties?	The organisation has not recognised its competence requirements to develop its asset management system.	The organisation has recognised the competence requirements and to develop its asset management system. There is limited recognition of the competence requirements but the work is incomplete or has not been consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation has developed a competence and training system aligned to the asset management system. The system is comprehensive and the work is consistently implemented.	The organisation's processes comply with requirements set out in the standardised template. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	There is a need for an organisation to implement its asset management system. Competence requirements are required to develop and implement the system. The assessor is advised to note in the evidence section why this is the case and the evidence seen.	Senior management responsible for the asset management system (including its functions). Staff responsible for the asset management system (including its functions). Connected service providers.



[illegible]

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[illegible]





## Schedule 19      Network Performance Report

<b>SCHEDULE 19: NETWORK PERFORMANCE REPORT</b>		Company Name For Year Ended Network / Sub-network Name	
ref			
6	<b>19a: Interruptions and Reliability</b>		
7			
8	Total number of planned interruptions		
9	<b>Service incidents and emergencies</b>		
10	Number of incidents		
11	<b>Unplanned interruptions in transmission systems</b>		
12	<b>Description and cause of Interruption</b>	<b>Transmission systems affected</b>	<b>Date</b>
13	(Description of interruption)		<b>Duration (hrs)</b>
14	(Description of interruption)		
15	(Description of interruption)		
16	(Description of interruption)		
17	(Description of interruption)		
18	(Description of interruption)		
19	(Description of interruption)		
20	(Description of interruption)		
21	Number of interruption or curtailment events:		
22	due to insufficient capacity		
23	due to customer flows exceeding approved quantities		
24	caused by equipment failure		
25	caused by third parties		
26	<b>19c: General Indicators</b>		
27	<b>Compressor Availability</b>		
28	<b>Compressor station code/name</b>	<b>Compressor unit ID</b>	<b>Number of hours the compressor ran</b>
29	(Compressor station name)		<b>Number of hours compressor was available for service</b>
30	(Compressor station name)		<b>Number of instances where the compressor failed to start</b>
31	(Compressor station name)		<b>Number of instances where a compressor was required but unavailable for service</b>
32	(Compressor station name)		
33	(Compressor station name)		
34	(Compressor station name)		
35	(Compressor station name)		
36	(Compressor station name)		
37	(Compressor station name)		
38	(Compressor station name)		
39	(Compressor station name)		
40	<b>Product control</b>		
41	Number of incidents relating to pressure		
42	Number of incidents relating to gas specification		
43	Number of incidents relating to odourisation		
44			
45	<b>Response time to emergencies (RTE)</b>		
46	Proportion of emergencies responded to within 3 hours (%)		
47	Average call response time (hours)		
48	Number of emergencies		
49			
50	<b>Public reported escapes (PRE)</b>		
51	Number of confirmed public reported gas escapes per 1000 km of pipeline		
52	Number of confirmed PREs caused by others		
53	Number of PREs that did not result in disruption to supply		
54	<b>Unaccounted for Gas</b>		
55	<b>Transmission system</b>	<b>Total gas entering system (GJ/year)</b>	<b>UFG (GJ/year)</b>
56	(Transmission system 1)		<b>UFG (%)</b>
57	(Transmission system 2)		Not Defined
58	(Transmission system 3)		Not Defined
59	(Transmission system 4)		Not Defined
60	(Transmission system 5)		Not Defined
61	(Transmission system 6)		Not Defined
62	Total	—	
63			

		Company Name	
		For Year Ended	
<b>SCHEDULE 19: NETWORK PERFORMANCE REPORT (continued)</b>		Network / Sub-network Name	

ref	
70	<b>19d: Commentary on Network Performance</b>
71	
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## Schedule 20

## Report on Transitional Financial Information

		Company Name	
		Disclosure Year Ended	
<b>SCHEDULE 20: REPORT ON TRANSITIONAL FINANCIAL INFORMATION</b>			
ref			
6	<b>20a: Regulatory Asset Base Value</b>		
7	<b>20a(i): Establishment of Initial Regulatory Asset Base Value</b>		
8		Unallocated Initial RAB	
9		(\$000)	(\$000)
10	2009 disclosed assets		—
11			
12	plus Asset adjustment process - adjustments		
13			
14	plus Increase/(decrease) in value resulting from rolling forward the asset adjustment process - adjustments		
15			
16	plus Increase in value resulting from revaluations in accordance with 2.2.1(3)(b)		
17			
18	2009 modified asset values (adjusted for results of asset adjustment process)		—
19	Adjustment to reinstate 2009 modified asset values to unallocated amounts		
20	Unallocated 2009 modified asset values		—
21			
22	less (to the extent included in row 13)		
23	Assets not used to supply gas transmission services		
24	Easement land		
25	Non-qualifying intangible assets		
26	Works under construction		
27	Unallocated asset values excluded from unallocated 2009 modified asset values		—
28			
29	Unallocated initial RAB values		—
30			
31	<b>20a(ii): Roll forward of Unallocated Regulatory Asset Base Value - 2010 and 2011 *</b>		
32		2009 Part Year	2010
33		(\$000)	(\$000)
34	<b>Total opening RAB value</b>	—	—
35	less		
36	<b>Total depreciation</b>		
37	plus		
38	<b>Total CPI revaluations</b>		
39	plus		
40	Assets commissioned (other than below)		
41	Assets acquired from a regulated supplier		
42	Assets acquired from a related party		
43	<b>Assets commissioned</b>	—	—
44	less		
45	Asset disposals (other than below)		
46	Assets disposed of to a regulated supplier		
47	Assets disposed of to a related party		
48	<b>Asset disposals</b>	—	—
49			
50	plus <b>Lost and found assets adjustment</b>		
51			
52	<b>Total closing RAB value</b>	—	—
53			
54			



		Company Name	
		Disclosure Year Ended	
<b>SCHEDULE 20: REPORT ON TRANSITIONAL FINANCIAL INFORMATION (cont)</b>			
ref			
61	<b>20a(iii): Calculation of Revaluation Rate and Indexed Revaluation (\$000 unless otherwise specified)</b>		
62		<b>2009 Part Year</b>	<b>2010</b>
63	CPI at CPI reference date—preceding disclosure year		
64	CPI at CPI reference date—current disclosure year		
65			
66	Revaluation rate (%)	—	—
67			
68			
69	Total opening RAB value	—	—
70	less Opening RAB value of fully depreciated, disposed and lost assets		
71			
72	Total opening RAB value subject to revaluation	—	—
73	Total CPI revaluations	—	—
74	<b>20a(iv): Works Under Construction</b>		
75		<b>Unallocated works under construction</b>	<b>Allocated works under construction</b>
76			
77	Works under construction—year ended 2009	—	
78	plus Capital expenditure—2009 part year		
79	less Assets commissioned—2009 part year	—	
80	plus Adjustment resulting from asset allocation—2009 part year		
81	Works under construction—end of 200 part year	—	—
82	plus Capital expenditure—year ended 2010		
83	less Assets commissioned—year ended 2010	—	
84	plus Adjustment resulting from asset allocation—year ended 2010		
85	Works under construction—year ended 2010	—	—
86	plus Capital expenditure—year ended 2011		
87	less Assets commissioned—year ended 2011	—	—
88	plus Adjustment resulting from asset allocation—year ended 2011		
89	Works under construction—year ended 2011	—	—
90			
91	<b>20b: Regulatory Tax Information</b>		
92	<b>20b(i): Reconciliation of Tax Losses (GTB Business)</b>	<b>2009 part year</b>	<b>2010</b>
93			
94	Opening tax losses		—
95	plus Current period tax losses		
96	less Utilised tax losses		
97	Closing tax losses	—	—
98			
99	<b>20b(ii): Tax Depreciation Roll-Forward</b>	<b>2009 Part Year</b>	<b>2010</b>
100			
101	Opening RAB (tax value)		—
102	plus Regulatory tax asset value of assets commissioned		
103	less Regulatory tax asset value of asset disposals		
104	less Tax depreciation		
105	plus Other adjustments to the RAB tax value		
106	Closing RAB (tax value)	—	—
107			

## **Schedule 21                      Certification for Year-beginning Disclosures**

clause 1, section 2.7

We, [insert full names], being directors of [name of GTB] certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached information of [name of GTB] prepared for the purposes of clause 1, section 2.4, clause 1 and subclauses 3.2 and 5.1, section 2.5 of the Commerce Act (Gas Transmission Services Information Disclosure) Determination 2012 in all material respects complies with that determination.

[Signature of 2 directors]

[Date]

## **Schedule 22                      Certification for Year-end Disclosures**

### Clause 2 of section 2.7

We, [insert names], being directors of [name of GTB] certify that, having made all reasonable enquiry, to the best of our knowledge the information, prepared for the purposes of subclause 1.1 and clause 8.1 of section 2.3, clauses 19 and 20 of section 2.4 and clauses 6 and 7 of section 2.5 of the Commerce Act (Gas Transmission Services Information Disclosure) Determination 2012 in all material respects complies with that determination.

\* [In respect of related party costs used in the disclosure of related party transactions, we certify that, having made all reasonable enquiry, including enquiries of the related party:

- the costs incurred by the related party in providing the service to [name of GTB] is fair and reasonable to [name of GTB]; and
- the costs incurred by the related party in providing the service to [name of GTB] is proportionate to the costs incurred by the related party in providing services to other parties, including unrelated parties]

\* [In respect of tender information used in the disclosure of related party transactions, we certify that:

- an open competitive tender was used to determine the transaction value;
- the tender has been run in a manner intended to ensure there were multiple credible competing tender proposals from parties unrelated to [name of GTB];
- all actual and potential tenderers were provided with the same information and there was no information or communication relevant to the tender that was provided only to the related party;
- other tender proposals were received and one or more such tenderers is willing to discuss their tender with the Commission (if the Commission wishes);
- that the lowest qualifying tender proposal was accepted; and
- [name of GTB] holds document supporting:
  - How many tender proposals were received and how many tender proposals met any qualifying criteria and were considered for acceptance;
  - Why any tender proposal lodged was not considered by [name of GTB] for acceptance]

\* Delete if inapplicable

[Signatures of 2 directors]

[Date]

## **Schedule 23      Certification for Transitional Disclosures**

Clause 3 of section 2.7

We, [insert names], being directors of [name of GTB] certify that, having made all reasonable enquiry, to the best of our knowledge the information, prepared for the purposes of subclauses 1.1 and 1.2 of section 2.10 of the Commerce Act (Gas Transmission Services Information Disclosure) Determination 2012 in all material respects complies with that determination.

[Signatures of 2 directors]

[Date]