



**GDB Information Disclosure Requirements  
Information Templates  
for  
Schedules 1–10**

<b>Company Name</b>	First Gas Limited (Distribution)
<b>Disclosure Date</b>	9 December 2016
<b>Disclosure Year (year ended)</b>	30 June 2016

Templates for Schedules 1–10 excluding 5f–5g  
Template Version 4.1. Prepared 24 March 2015

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

## SCHEDULE 1: ANALYTICAL RATIOS

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

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

sch ref

### 7 1(i): Expenditure Metrics

	Expenditure per TJ energy delivered to ICPs (\$/TJ)	Expenditure per average no. of ICPs (\$/ICP)	Ratio of expenditure to maximum monthly load (\$ per GJ/month)	Expenditure per km of pipeline for supply (\$/km)
Operational expenditure	747	109	7	1,498
Network	442	65	4	886
Non-network	305	45	3	612
Expenditure on assets	846	124	8	1,697
Network	797	117	8	1,598
Non-network	49	7	0	98

### 16 1(ii): Revenue Metrics

	Revenue per TJ energy delivered to ICPs (\$/TJ)	Revenue per average no. of ICPs (\$/ICP)
Total line charge revenue	2,852	418
Standard consumer line charge revenue	5,960	406
Non-standard consumer line charge revenue	157	42,278

### 23 1(iii): Service Intensity Measures

Demand density	210	Maximum monthly load (GJ per month) per system length
Volume density	2	Quantity of gas delivered per km of system length (TJ/km)
Connection point density	14	Average number of ICPs in disclosure year per system length
Energy intensity	146	Total GJ delivered to ICPs per average number of ICPs in disclosure year

### 30 1(iv): Composition of Revenue Requirement

	(\$000)	% of revenue
Operational expenditure	6,775	26.12%
Pass-through and recoverable costs excluding financial incentives and wash-ups	486	1.87%
Total depreciation	5,041	19.43%
Total revaluations	547	2.11%
Regulatory tax allowance	3,532	13.61%
Regulatory profit/(loss) including financial incentives and wash-ups	10,656	41.07%
<b>Total regulatory income</b>	<b>25,942</b>	

### 40 1(v): Reliability

Interruption rate	11.36	Interruptions per 100km of system length
-------------------	-------	--

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 2: REPORT ON RETURN ON INVESTMENT**

This schedule requires information on the Return on Investment (ROI) for the GDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. GDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If a GDB makes this election, information supporting this calculation must be provided in 2(iii).

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

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

sch ref

2(i): Return on Investment		for year ended					
		CY-2 30 Jun 14 %	CY-1 30 Jun 15 %	Current Year CY 30 Jun 16 %			
7	<b>2(i): Return on Investment</b>						
8							
9	<b>ROI – comparable to a post tax WACC</b>						
10	Reflecting all revenue earned	8.20%	6.46%	7.89%			
11	Excluding revenue earned from financial incentives	8.20%	6.46%	7.89%			
12	Excluding revenue earned from financial incentives and wash-ups	8.20%	6.46%	7.89%			
13							
14	<b>Mid-point estimate of post tax WACC</b>	6.16%	6.76%	6.02%			
15	25th percentile estimate	5.35%	5.95%	5.21%			
16	75th percentile estimate	6.97%	7.57%	6.83%			
17							
18							
19	<b>ROI – comparable to a vanilla WACC</b>						
20	Reflecting all revenue earned	8.87%	7.23%	8.52%			
21	Excluding revenue earned from financial incentives	8.87%	7.23%	8.52%			
22	Excluding revenue earned from financial incentives and wash-ups	8.87%	7.23%	8.52%			
23							
24	<b>WACC rate used to set regulatory price path</b>	7.44%	7.44%	7.44%			
25							
26	<b>Mid-point estimate of vanilla WACC</b>	6.84%	7.54%	6.65%			
27	25th percentile estimate	6.03%	6.73%	5.84%			
28	75th percentile estimate	7.65%	8.35%	7.46%			
29							
30	<b>2(ii): Information Supporting the ROI</b>	(\$000)					
31							
32	Total opening RAB value	131,352					
33	plus Opening deferred tax	(3,878)					
34	<b>Opening RIV</b>		127,474				
35							
36	<b>Line charge revenue</b>		25,879				
37							
38	Expenses cash outflow	7,261					
39	plus Assets commissioned	5,820					
40	less Asset disposals	9					
41	plus Tax payments	2,931					
42	less Other regulated income	63					
43	<b>Mid-year net cash flows</b>		15,940				
44							
45	<b>Term credit spread differential allowance</b>		-				
46							
47	Total closing RAB value	131,884					
48	less Adjustment resulting from asset allocation	(786)					
49	less Lost and found assets adjustment	-					
50	plus Closing deferred tax	(4,478)					
51	<b>Closing RIV</b>		128,192				
52							
53	<b>ROI – comparable to a vanilla WACC</b>			8.52%			
54							
55	Leverage (%)			44%			
56	Cost of debt assumption (%)			5.11%			
57	Corporate tax rate (%)			28%			
58							
59	<b>ROI – comparable to a post tax WACC</b>			7.89%			
60							
61	<b>2(iii): Information Supporting the Monthly ROI</b>						
62							
63	Opening RIV			N/A			
64							
65		(\$000)					
66		Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
67	Month 1						-
68	Month 2						-

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 2: REPORT ON RETURN ON INVESTMENT**

This schedule requires information on the Return on Investment (ROI) for the GDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. GDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If a GDB makes this election, information supporting this calculation must be provided in 2(iii).

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

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

*sch ref*

69	Month 3							-
70	Month 4							-
71	Month 5							-
72	Month 6							-
73	Month 7							-
74	Month 8							-
75	Month 9							-
76	Month 10							-
77	Month 11							-
78	Month 12							-
79	<b>Total</b>							-
80								
81	<b>Tax Payments</b>							N/A
82								
83	<b>Term credit spread differential allowance</b>							N/A
84								
85	<b>Closing RIV</b>							N/A
86								
87								
88	<b>Monthly ROI – comparable to a vanilla WACC</b>							N/A
89								
90	<b>Monthly ROI – comparable to a post tax WACC</b>							N/A
91								
92	<b>2(iv): Year-End ROI Rates for Comparison Purposes</b>							
93								
94	<b>Year-end ROI – comparable to a vanilla WACC</b>							8.17%
95								
96	<b>Year-end ROI – comparable to a post tax WACC</b>							7.54%
97								
98	<i>* these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by GDBs and do not represent the Commission's current view on ROI.</i>							
99								
100	<b>2(v): Financial Incentives and Wash-Ups</b>							
101								
102	Net recoverable costs allowed under incremental rolling incentive scheme							-
103	Other financial incentives							-
104	<b>Financial incentives</b>							-
105								
106	<b>Impact of financial incentives on ROI</b>							-
107								
108	Input methodology claw-back							-
109	Recoverable customised price-quality path costs							-
110	Other wash-ups							-
111	<b>Wash-up costs</b>							-
112								
113	<b>Impact of wash-up costs on ROIs</b>							-

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 3: REPORT ON REGULATORY PROFIT**

This schedule requires information on the calculation of regulatory profit for the GDB for the disclosure year. GDBs must complete all sections and must provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).

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

*sch ref*

7	<b>3(i): Regulatory Profit</b>	(\$000)
8	<b>Income</b>	
9	Line charge revenue	25,879
10	<i>plus</i> Gains / (losses) on asset disposals	-
11	<i>plus</i> Other regulated income (other than gains / (losses) on asset disposals)	63
12		
13	<b>Total regulatory income</b>	<b>25,942</b>
14	<b>Expenses</b>	
15	<i>less</i> Operational expenditure	6,775
16		
17	<i>less</i> Pass-through and recoverable costs excluding financial incentives and wash-ups	486
18		
19	<b>Operating surplus / (deficit)</b>	<b>18,681</b>
20		
21	<i>less</i> Total depreciation	5,041
22		
23	<i>plus</i> Total revaluations	547
24		
25	<b>Regulatory profit / (loss) before tax</b>	<b>14,187</b>
26		
27	<i>less</i> Term credit spread differential allowance	-
28		
29	<i>less</i> Regulatory tax allowance	3,532
30		
31	<b>Regulatory profit/(loss) including financial incentives and wash-ups</b>	<b>10,656</b>
32		
33	<b>3(ii): Pass-through and recoverable costs excluding financial incentives and wash-ups</b>	(\$000)
34	<b>Pass through costs</b>	
35	Rates	295

36	Commerce Act levies			166
37	Industry Levies			25
38	CPP specified pass through costs			-
39	<b>Recoverable costs excluding financial incentives and wash-ups</b>			
40	Other recoverable costs excluding financial incentives and wash-ups			-
41	<b>Pass-through and recoverable costs excluding financial incentives and wash-ups</b>			486
42				
43				
44	<b>3(iii): Incremental Rolling Incentive Scheme</b>			<b>(\$000)</b>
45				
46				
47	Allowed controllable opex			
48	Actual controllable opex			
49				
50	<b>Incremental change in year</b>			
51				
52				
53	CY-5	30 Jun 11		
54	CY-4	30 Jun 12		
55	CY-3	30 Jun 13		
56	CY-2	30 Jun 14		
57	CY-1	30 Jun 15		
58	<b>Net incremental rolling incentive scheme</b>			-
59				
60	<b>Net recoverable costs allowed under incremental rolling incentive scheme</b>			-
61				
62	<b>3(iv): Merger and Acquisition Expenditure</b>			
63				<b>(\$000)</b>
64	Merger and acquisition expenditure			-
65				
66	<i>Provide commentary on the benefits of merger and acquisition expenditure to the gas distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)</i>			
67				<b>(\$000)</b>
68	<b>3(v): Other Disclosures</b>			
69				<b>(\$000)</b>
70	Self-insurance allowance			-

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

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

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. GDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

4(i): Regulatory Asset Base Value (Rolled Forward)		for year ended				
		RAB 30 Jun 12 (\$000)	RAB 30 Jun 13 (\$000)	RAB 30 Jun 14 (\$000)	RAB 30 Jun 15 (\$000)	RAB 30 Jun 16 (\$000)
7						
8						
9						
10	Total opening RAB value					131,352
12	less Total depreciation					5,041
13						
14	plus Total revaluations					547
15						
16	plus Assets commissioned					5,820
17						
18	less Asset disposals					9
19						
20	plus Lost and found assets adjustment					-
21						
22	plus Adjustment resulting from asset allocation					(786)
23						
24	Total closing RAB value	-	-	-	-	131,884
25						
26	<b>4(ii): Unallocated Regulatory Asset Base</b>					
27						
28						
29	Total opening RAB value		Unallocated RAB * (\$000)		RAB (\$000)	131,352
30	less					
31	Total depreciation		5,041		5,041	5,041
32	plus					
33	Total revaluations		667		547	547
34	plus					
35	Assets commissioned (other than below)	5,590		5,590		
36	Assets acquired from a regulated supplier	230		230		
37	Assets acquired from a related party	-		-		
38	Assets commissioned		5,820		5,820	5,820
39	less					
40	Asset disposals (other than below)	9		9		
41	Asset disposals to a regulated supplier					
42	Asset disposals to a related party					
43	Asset disposals		9		9	9
44						
45	plus Lost and found assets adjustment		-		-	-
46						
47	plus Adjustment resulting from asset allocation		(29,646)		(786)	(786)
48						
49	Total closing RAB value		131,884		131,885	131,885

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

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

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. GDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

\* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide gas distribution services without any allowance being made for the allocation of costs to services provided by the supplier that are not gas distribution services. The RAB value represents the value of these assets after applying this cost allocation. Neither value includes works under construction.

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

CPI <sub>t</sub>	1,205
CPI <sub>t-4</sub>	1,200
Revaluation rate (%)	0.42%

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Adjusted total opening RAB value	160,093		131,352	
less Opening value of fully depreciated, disposed and lost assets	8		8	
Total opening RAB value subject to revaluation	160,085		131,344	
<b>Total revaluations</b>		667		547

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

	Unallocated works under construction		Allocated works under construction	
Works under construction—preceding disclosure year		874		493
plus Capital expenditure	6,035		6,035	
plus Assets acquired from a regulated supplier	230		230	
less Assets commissioned	5,820		5,820	
plus Adjustment resulting from asset allocation	(602)		(222)	
Works under construction - current disclosure year		716		716
Highest rate of capitalised finance applied				6.55%

**4(v): Regulatory Depreciation**

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Depreciation - standard	4,659		4,659	
Depreciation - no standard life assets	382		382	
Depreciation - modified life assets				
Depreciation - alternative depreciation in accordance with CPP				
<b>Total depreciation</b>		5,041		5,041

(\$000 unless otherwise specified)

**4(vi): Disclosure of Changes to Depreciation Profiles**



Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

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

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. GDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

	Asset or assets with changes to depreciation	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation
86					
87					
88					
89					
90					
91					
92					
93					
94					

\* include additional rows if needed

**4(vii): Disclosure by Asset Category**

(\$000 unless otherwise specified)

	Intermediate pressure main pipelines	Medium pressure main pipelines	Low pressure main pipelines	Service pipe	Stations	Line valve	Special crossings	Other network assets	Non-network assets	Total	
98	<b>Total opening RAB value</b>	15,754	76,829	1,417	23,848	3,472	881	3,733	3,603	1,813	131,352
100	less Total depreciation	438	2,457	33	1,323	124	27	132	163	343	5,040
101	plus Total revaluations	63	313	6	110	15	4	15	16	7	547
102	plus Assets commissioned	377	2,840	29	1,594	445	109	-	427	-	5,821
103	less Asset disposals	-	0	-	1	-	-	-	(0)	8	9
104	plus Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
105	plus Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	(788)	(788)
106	plus Asset category transfers	-	-	-	-	-	-	-	-	-	-
107	<b>Total closing RAB value</b>	15,756	77,525	1,419	24,228	3,807	968	3,616	3,882	682	131,884
108	<b>Asset Life</b>										
110	Weighted average remaining asset life	39	36	49	33	31	53	31	25	21	(years)
111	Weighted average expected total asset life	69	60	60	66	35	60	60	36	35	(years)

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

## SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). GDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).

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

7 8  
sch ref

		(\$000)	
7	<b>5a(i): Regulatory Tax Allowance</b>		
8	<b>Regulatory profit / (loss) before tax</b>		14,187
9			
10	<i>plus</i> Income not included in regulatory profit / (loss) before tax but taxable	-	*
11	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	-	*
12	Amortisation of initial differences in asset values	1,690	
13	Amortisation of revaluations	79	
14			1,769
15			
16	<i>less</i> Total revaluations	547	
17	Income included in regulatory profit / (loss) before tax but not taxable	-	*
18	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	-	*
19	Notional deductible interest	2,796	
20			3,343
21			
22	<b>Regulatory taxable income</b>		12,613
23			
24	<i>less</i> Utilised tax losses	-	
25	Regulatory net taxable income		12,613
26			
27	Corporate tax rate (%)	28%	
28	<b>Regulatory tax allowance</b>		3,532
29			
30	* Workings to be provided in Schedule 14		
31			
32	<b>5a(ii): Disclosure of Permanent Differences</b>		
33	In Schedule 14, Box 5, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).		
34	<b>5a(iii): Amortisation of Initial Difference in Asset Values</b>		(\$000)
35			
36	Opening unamortised initial differences in asset values	62,525	
37	<i>less</i> Amortisation of initial differences in asset values	1,690	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	244	
40	Closing unamortised initial differences in asset values		60,591
41			
42	Opening weighted average remaining useful life of relevant assets (years)		37
43			
44	<b>5a(iv): Amortisation of Revaluations</b>		(\$000)
45			
46	Opening sum of RAB values without revaluations	122,872	
47			
48	Adjusted depreciation	4,962	
49	Total depreciation	5,041	
50	Amortisation of revaluations		79
51			
52	<b>5a(v): Reconciliation of Tax Losses</b>		(\$000)
53			
54	<b>Opening tax losses</b>	-	
55	<i>plus</i> Current period tax losses	-	
56	<i>less</i> Utilised tax losses	-	
57	<b>Closing tax losses</b>		-
58	<b>5a(vi): Calculation of Deferred Tax Balance</b>		(\$000)
59			
60	<b>Opening deferred tax</b>	(3,878)	
61			
62	<i>plus</i> Tax effect of adjusted depreciation	1,389	
63			

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE**

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). GDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes).

This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 78

sch ref

64	less	Tax effect of tax depreciation	1,529	
65				
66	plus	Tax effect of other temporary differences*	37	
67				
68	less	Tax effect of amortisation of initial differences in asset values	473	
69				
70	plus	Deferred tax balance relating to assets acquired in the disclosure year	-	
71				
72	less	Deferred tax balance relating to assets disposed in the disclosure year	(2)	
73				
74	plus	Deferred tax cost allocation adjustment	(26)	
75				
76		<b>Closing deferred tax</b>		<b>(4,478)</b>
77				

**5a(vii): Disclosure of Temporary Differences**

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

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

82				<b>(\$000)</b>
83		<b>Opening sum of regulatory tax asset values</b>	46,388	
84	less	Tax depreciation	5,462	
85	plus	Regulatory tax asset value of assets commissioned	5,224	
86	less	Regulatory tax asset value of asset disposals	1	
87	plus	Lost and found assets adjustment	-	
88	plus	Adjustments resulting from asset allocation	(880)	
89	plus	Other adjustments to the RAB tax value	-	
90		<b>Closing sum of regulatory tax asset values</b>		<b>45,269</b>

Company Name	First Gas Limited (Distribution)
For Year Ended	30 June 2016

**SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS**

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination.  
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

7	5b(i): Summary—Related Party Transactions	(\$000)
	<b>Vector ownership</b>	
8	Total regulatory income	(1,478)
9	Operational expenditure	20
10	Capital expenditure	-
11	Market value of asset disposals	-
12	Other related party transactions	-
	<b>First Gas ownership</b>	
	Total regulatory income	-
	Operational expenditure	2,204
	Capital expenditure	1,459
	Market value of asset disposals	-
	Other related party transactions	-

13 **5b(ii): Entities Involved in Related Party Transactions**

14	Name of related party	Related party relationship
15	<b>Vector ownership</b>	
	Vector Gas Trading Limited	A fully owned subsidiary of Vector Limited.
16	Vector Communications Limited	A fully owned subsidiary of Vector Limited.
17		
18	<b>First Gas ownership</b>	
19	Gas Services (Joint Venture)	Gas Services Joint Venture and First Gas Limited have common ultimate owners

\* include additional rows if needed

21 **5b(iii): Related Party Transactions**

Company Name	<b>First Gas Limited (Distribution)</b>
For Year Ended	<b>30 June 2016</b>

**SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS**

This schedule provides information on the valuation of related party transactions, in accordance with section 2.3.6 and 2.3.7 of the ID determination.  
 This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

	Name of related party	Related party transaction type	Description of transaction	Value of transaction (\$000)	Basis for determining value
22	<b>Vector ownership</b>				
23					
24	Vector Gas Trading Limited	Sales	Sold Distribution services	(1,478)	ID clause 2.3.7(2)(a)
25	Vector Communications Limited	Opex	Purchase of telecommunications services.	20	ID clause 2.3.6(2)(d)
26					
27	<b>First Gas ownership</b>				
28	Gas Services (Joint Venture)	Opex	Provision of all necessary services to enable Gas Services Joint Venture to manage the maintenance and operation of the First Gas assets	2,204	ID clause 2.3.6(2)(b)
29	Gas Services (Joint Venture)	Capex	Provision of all necessary services to enable Gas Services Joint Venture to manage the maintenance and operation of the First Gas assets	1,459	IM clause 2.2.11(5)(e)
30					
31					
32					
33					
34					
35					
36					
37					
38	<i>* include additional rows if needed</i>				

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE**

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

sch ref

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

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

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

**5c(ii): Attribution of Term Credit Spread Differential**

<b>Gross term credit spread differential</b>									
Total book value of interest bearing debt									
Leverage				44%					
Average opening and closing RAB values									
<b>Attribution Rate (%)</b>									
<b>Term credit spread differential allowance</b>									

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 5d: REPORT ON COST ALLOCATIONS**

This schedule provides information on the allocation of operational costs. GDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

		Value allocated (\$000s)				
		Arm's length deduction	Gas distribution services	Non-gas distribution services	Total	OVABAA allocation increase (\$000s)
7	<b>5d(i): Operating Cost Allocations</b>					
8						
9						
10	<b>Service interruptions, incidents and emergencies</b>					
11	Directly attributable		2,197			
12	Not directly attributable					
13	<b>Total attributable to regulated service</b>		2,197			
14	<b>Routine and corrective maintenance and inspection</b>					
15	Directly attributable		1,812			
16	Not directly attributable					
17	<b>Total attributable to regulated service</b>		1,812			
18	<b>Asset replacement and renewal</b>					
19	Directly attributable		-			
20	Not directly attributable					
21	<b>Total attributable to regulated service</b>		-			
22	<b>System operations and network support</b>					
23	Directly attributable		339			
24	Not directly attributable		445	8,594	9,039	
25	<b>Total attributable to regulated service</b>		784			
26	<b>Business support</b>					
27	Directly attributable		103			
28	Not directly attributable		1,879	34,585	36,464	
29	<b>Total attributable to regulated service</b>		1,982			
30						
31	<b>Operating costs directly attributable</b>		4,451			
32	<b>Operating costs not directly attributable</b>		2,324	43,179	45,503	
33	<b>Operational expenditure</b>		6,775			
34						
35	<b>5d(ii): Other Cost Allocations</b>					
36	<b>Pass through and recoverable costs</b>					
37	<b>Pass through costs</b>					
38	Directly attributable		486			
39	Not directly attributable					
40	<b>Total attributable to regulated service</b>		486			
41	<b>Recoverable costs</b>					
42	Directly attributable					
43	Not directly attributable					

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 5d: REPORT ON COST ALLOCATIONS**

This schedule provides information on the allocation of operational costs. GDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

44	<b>Total attributable to regulated service</b>			-
45	<b>5d(iii): Changes in Cost Allocations* †</b>			
46			(\$000)	
47	<b>Change in cost allocation 1</b>		CY-1	Current Year (CY)
48	Cost category		Original allocation	
49	Original allocator or line items		New allocation	
50	New allocator or line items		Difference	
51				
52	Rationale for change			
53				
54			(\$000)	
55			CY-1	Current Year (CY)
56	<b>Change in cost allocation 2</b>		Original allocation	
57	Cost category		New allocation	
58	Original allocator or line items		Difference	
59	New allocator or line items			
60				
61	Rationale for change			
62				
63			(\$000)	
64			CY-1	Current Year (CY)
65	<b>Change in cost allocation 3</b>		Original allocation	
66	Cost category		New allocation	
67	Original allocator or line items		Difference	
68	New allocator or line items			
69				
70	Rationale for change			
71				
72				
73	* a change in cost allocation must be completed for each cost allocator change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or component.			
74	† include additional rows if needed			



Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS**

This schedule requires information on the allocation of asset values. This information supports the calculation of the RAB value in Schedule 4. GDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any changes in asset allocations. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

5e(i): Regulated Service Asset Values		Value allocated (\$000s) Gas distribution services
7		
8		
9		
10	<b>Main pipe</b>	
11	Directly attributable	94,700
12	Not directly attributable	-
13	<b>Total attributable to regulated service</b>	94,700
14	<b>Service pipe</b>	
15	Directly attributable	24,228
16	Not directly attributable	-
17	<b>Total attributable to regulated service</b>	24,228
18	<b>Stations</b>	
19	Directly attributable	3,807
20	Not directly attributable	-
21	<b>Total attributable to regulated service</b>	3,807
22	<b>Line valve</b>	
23	Directly attributable	968
24	Not directly attributable	-
25	<b>Total attributable to regulated service</b>	968
26	<b>Special crossings</b>	
27	Directly attributable	3,616
28	Not directly attributable	-
29	<b>Total attributable to regulated service</b>	3,616
30	<b>Other network assets</b>	
31	Directly attributable	3,882
32	Not directly attributable	-
33	<b>Total attributable to regulated service</b>	3,882
34	<b>Non-network assets</b>	
35	Directly attributable	682
36	Not directly attributable	-
37	<b>Total attributable to regulated service</b>	682
38		
39	<b>Regulated service asset value directly attributable</b>	131,884
40	<b>Regulated service asset value not directly attributable</b>	-
41	<b>Total closing RAB value</b>	131,884
42		

**5e(ii): Changes in Asset Allocations\* †**

Change in asset value allocation 1		(\$000)	
		CY-1	Current Year (CY)
46	Asset category		
47	Original allocator or line items		
48	New allocator or line items		
49			
50			
51	Rationale for change		
52			
53			
54			
55	<b>Change in asset value allocation 2</b>	(\$000)	
56	Asset category	CY-1	Current Year (CY)
57	Original allocator or line items		
58	New allocator or line items		
59			
60	Rationale for change		
61			
62			
63			
64	<b>Change in asset value allocation 3</b>	(\$000)	
65	Asset category	CY-1	Current Year (CY)
66	Original allocator or line items		
67	New allocator or line items		
68			
69	Rationale for change		
70			
71			

component.

† include additional rows if needed

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

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

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

GDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory notes to templates).

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

sch ref

		(\$000)	(\$000)
7	<b>6a(i): Expenditure on Assets</b>		
8	Consumer connection		3,857
9	System growth		169
10	Asset replacement and renewal		2,178
11	Asset relocations		916
12	Reliability, safety and environment:		
13	Quality of supply	-	
14	Legislative and regulatory	53	
15	Other reliability, safety and environment	57	
16	<b>Total reliability, safety and environment</b>		110
17	<b>Expenditure on network assets</b>		7,230
18	Expenditure on non-network assets		444
19			
20	<b>Expenditure on assets</b>		7,674
21	plus Cost of financing		46
22	less Value of capital contributions		1,685
23	plus Value of vested assets		-
24			
25	<b>Capital expenditure</b>		6,035
26	<b>6a(ii): Subcomponents of Expenditure on Assets (where known)</b>		(\$000)
27	Research and development		-
28	<b>6a(iii): Consumer Connection</b>		
29	Consumer types defined by GDB*	(\$000)	(\$000)
30	Mains Extensions/Subdivisions	1,818	
31	Service Connections - Residential	1,777	
32	Service Connections - Residential	262	
33			
34			
35	* include additional rows if needed		
36	<b>Consumer connection expenditure</b>		3,857
37			
38	less Capital contributions funding consumer connection expenditure	650	
39	<b>Consumer connection less capital contributions</b>		3,207
40			
41	<b>6a(iv): System Growth and Asset Replacement and Renewal</b>		
42		System Growth	Asset Replacement and Renewal
43		(\$000)	(\$000)
44	<b>Intermediate pressure</b>		
45	Main pipe		
46	Service pipe		
47	Stations	11	441
48	Line valve		53
49	Special crossings		165
50	<b>Intermediate pressure -total</b>	11	659
51	<b>Medium pressure</b>		
52	Main pipe	158	1,062
53	Service pipe		16
54	Stations		
55	Line valve		28
56	Special crossings		
57	<b>Medium pressure - total</b>	158	1,106
58	<b>Low pressure</b>		
59	Main pipe		
60	Service pipe		
61	Line valve		
62	Special crossings		
63	<b>Low pressure - total</b>	-	-
64	<b>Other network assets</b>		

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

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

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

GDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory notes to templates).

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

sch ref

65	Monitoring and control systems		
66	Cathodic protection systems		263
67	Other assets (other than above)		150
68	<b>Other network assets - total</b>	-	413
69			
70	<b>System growth and asset replacement and renewal expenditure</b>	169	2,178
71	less Capital contributions funding system growth and asset replacement and renewal		
72	<b>System growth and asset replacement and renewal less capital contributions</b>	169	2,178
73	<b>6a(v): Asset Relocations</b>		
74	Project or programme*	(\$000)	(\$000)
75			
76			
77			
78			
79			
80	* include additional rows if needed		
81	All other projects or programmes - asset relocations	916	
82	<b>Asset relocations expenditure</b>		916
83	less Capital contributions funding asset relocations	1,035	
84	<b>Asset relocations less capital contributions</b>		(119)
85	<b>6a(vi): Quality of Supply</b>		
86	Project or programme*	(\$000)	(\$000)
87			
88			
89			
90			
91			
92	* include additional rows if needed		
93	All other projects or programmes - quality of supply		
94	<b>Quality of supply expenditure</b>		-
95	less Capital contributions funding quality of supply		
96	<b>Quality of supply less capital contributions</b>		-
97			
98	<b>6a(vii): Legislative and Regulatory</b>		
99	Project or programme*	(\$000)	(\$000)
100			
101			
102			
103			
104			
105	* include additional rows if needed		
106	All other projects or programmes - legislative and regulatory	53	
107	<b>Legislative and regulatory expenditure</b>		53
108	less Capital contributions funding legislative and regulatory		
109	<b>Legislative and regulatory less capital contributions</b>		53
110			
111	<b>6a(viii): Other Reliability, Safety and Environment</b>		
112	Project or programme*	(\$000)	(\$000)
113			
114			
115			
116			
117			
118	* include additional rows if needed		
119	All other projects or programmes - other reliability, safety and environment	57	
120	<b>Other reliability, safety and environment expenditure</b>		57
121	less Capital contributions funding other reliability, safety and environment		
122	<b>Other reliability, safety and environment less capital contributions</b>		57

Company Name **First Gas Limited (Distribution)**

For Year Ended **30 June 2016**

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

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

GDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory notes to templates).

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

sch ref

123	<b>6a(ix): Non-Network Assets</b>		
124	<b>Routine expenditure</b>		
125	<i>Project or programme*</i>	<b>(\$000)</b>	<b>(\$000)</b>
126			
127			
128			
129			
130			
131	<i>* include additional rows if needed</i>		
132	All other projects or programmes - routine expenditure	125	
133	<b>Routine expenditure</b>		125
134	<b>Atypical expenditure</b>		
135	<i>Project or programme*</i>	<b>(\$000)</b>	<b>(\$000)</b>
136			
137			
138			
139			
140			
141	<i>* include additional rows if needed</i>		
142	All other projects or programmes - atypical expenditure	319	
143	<b>Atypical expenditure</b>		319
144			
145	<b>Expenditure on non-network assets</b>		444

Company Name **First Gas Limited (Distribution)**  
 For Year Ended **30 June 2016**

**SCHEDULE 6b: REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR**

This schedule requires a breakdown of operational expenditure incurred in the current disclosure year. GDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operational expenditure and assets replaced or renewed as part of asset replacement and renewal operational expenditure, and additional information on insurance.

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

*sch ref*

		(\$000)	(\$000)
7	<b>6b(i): Operational Expenditure</b>		
8	Service interruptions, incidents and emergencies	2,197	
9	Routine and corrective maintenance and inspection	1,812	
10	Asset replacement and renewal	-	
11	<b>Network opex</b>		4,009
12	System operations and network support	784	
13	Business support	1,982	
14	<b>Non-network opex</b>		2,766
15			
16	<b>Operational expenditure</b>		<b>6,775</b>
17	<b>6b(ii): Subcomponents of Operational Expenditure (where known)</b>		
18	Research and development		-
19	Insurance		91

Company Name **First Gas Limited (Distribution)**

For Year Ended **30 June 2016**

**SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE**

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

GDBs must provide explanatory comment on the variance between actual and target revenue and forecast expenditure in Schedule 14 (Mandatory Explanatory Notes). This information is part of the audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8. For the purpose of this audit, target revenue and forecast expenditures only need to be verified back to previous disclosures.

sch ref

<b>7(i): Revenue</b>		<b>Target (\$000) <sup>1</sup></b>	<b>Actual (\$000)</b>	<b>% variance</b>
8				
9	Line charge revenue	79,115	25,879	(67%)
<b>7(ii): Expenditure on Assets</b>		<b>Forecast (\$000) <sup>2</sup></b>	<b>Actual (\$000)</b>	<b>% variance</b>
10				
11	Consumer connection	16,679	3,857	(77%)
12	System growth	6,322	169	(97%)
13	Asset replacement and renewal	3,993	2,178	(45%)
14	Asset relocations	3,924	916	(77%)
15	Reliability, safety and environment:			
16	Quality of supply	530	-	(100%)
17	Legislative and regulatory	-	53	-
18	Other reliability, safety and environment	682	57	(92%)
19	<b>Total reliability, safety and environment</b>	<b>1,212</b>	<b>110</b>	<b>(91%)</b>
	<b>Expenditure on network assets</b>	<b>32,130</b>	<b>7,230</b>	<b>(77%)</b>
21	Expenditure on non-network assets	1,308	444	(66%)
22	<b>Expenditure on assets</b>	<b>33,438</b>	<b>7,674</b>	<b>(77%)</b>
<b>7(iii): Operational Expenditure</b>				
23				
24	Service interruptions, incidents and emergencies	4,040	2,197	(46%)
25	Routine and corrective maintenance and inspection	4,464	1,812	(59%)
26	Asset replacement and renewal	-	-	-
27	<b>Network opex</b>	<b>8,504</b>	<b>4,009</b>	<b>(53%)</b>
28	System operations and network support	10,309	784	(92%)
29	Business support	575	1,982	245%
30	<b>Non-network opex</b>	<b>10,884</b>	<b>2,766</b>	<b>(75%)</b>
31	<b>Operational expenditure</b>	<b>19,388</b>	<b>6,775</b>	<b>(65%)</b>
<b>7(iv): Subcomponents of Expenditure on Assets (where known)</b>				
32				
33	Research and development	-	-	-
<b>7(v): Subcomponents of Operational Expenditure (where known)</b>				
34				
35	Research and development	-	-	-
36	Insurance	223	91	(59%)

1 From the nominal dollar target revenue for the pricing year disclosed under clause 2.4.3(3) of this determination

2 From the CY+1 nominal dollar expenditure forecasts disclosed in accordance with clause 2.6.6 for the forecast period starting at the beginning of the disclosure year (the second to last disclosure of Schedules 11a and 11b)







Company Name

First Gas Limited (Distribution)

For Year Ended

30 June 2016

Network / Sub-network Name

**SCHEDULE 9a: ASSET REGISTER**

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class.

sch ref

sch ref	Operating Pressure	Asset Category	Asset Class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
8	Intermediate Pressure	Main pipe	IP PE main pipe	km	-	-	-	N/A
9	Intermediate Pressure	Main pipe	IP steel main pipe	km	193	174	(19)	4
10	Intermediate Pressure	Main pipe	IP other main pipe	km	-	-	-	N/A
11	Intermediate Pressure	Service pipe	IP PE service pipe	km	-	-	-	N/A
12	Intermediate Pressure	Service pipe	IP steel service pipe	km	2	2	-	4
13	Intermediate Pressure	Service pipe	IP other service pipe	km	-	-	-	N/A
14	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	109	106	(3)	3
15	Intermediate Pressure	Line valve	IP line valves	No.	247	225	(22)	3
16	Intermediate Pressure	Special crossings	IP crossings	No.	23	17	(6)	4
17	Medium Pressure	Main pipe	MP PE main pipe	km	3,075	2,819	(255)	4
18	Medium Pressure	Main pipe	MP steel main pipe	km	137	134	(3)	4
19	Medium Pressure	Main pipe	MP other main pipe	km	-	-	-	N/A
20	Medium Pressure	Service pipe	MP PE service pipe	km	1,377	1,307	(70)	4
21	Medium Pressure	Service pipe	MP steel service pipe	km	14	14	(1)	4
22	Medium Pressure	Service pipe	MP other service pipe	km	1	1	-	4
23	Medium Pressure	Stations	Medium pressure DRS	No.	24	24	-	3
24	Medium Pressure	Line valve	MP line valves	No.	1,109	947	(162)	3
25	Medium Pressure	Special crossings	MP special crossings	No.	64	67	3	3
26	Low Pressure	Main pipe	LP PE main pipe	km	40	40	-	4
27	Low Pressure	Main pipe	LP steel main pipe	km	-	-	-	3
28	Low Pressure	Main pipe	LP other main pipe	km	-	-	-	N/A
29	Low Pressure	Service pipe	LP PE service pipe	km	31	31	-	4
30	Low Pressure	Service pipe	LP steel service pipe	km	-	-	-	3
31	Low Pressure	Service pipe	LP other service pipe	km	-	-	-	N/A
32	Low Pressure	Line valve	LP line valves	No.	12	11	(1)	3
33	Low Pressure	Special crossings	LP special crossings	No.	-	-	-	N/A
34	All	Monitoring and control systems	Remote terminal units	No.	5	9	4	3
35	All	Cathodic protection systems	Cathodic protection	No.	37	39	2	4

Company Name	First Gas Limited (Distribution)
For Year Ended	30 June 2016
Network / Sub-network Name	

**SCHEDULE 9b: ASSET AGE PROFILE**

This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class.

sch ref	Disclosure Year (year ended)	Number of assets at disclosure year end by installation date																											Items at end																										
		30 June 2016																											No. with unknown	of year (quantity)	No. with default dates	Data accuracy (1-4)																							
		Units	pre-1970	1970-1974	1975-1979	1980-1984	1985-1989	1990-1994	1995-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016																													
9	Operating Pressure	Asset Category																																																					
10	Intermediate Pressure	Main pipe	IP PE main pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	174		4																								
11	Intermediate Pressure	Main pipe	IP steel main pipe	km	1	16	1	78	64	10	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0	1	0			N/A																									
12	Intermediate Pressure	Main pipe	IP other main pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A																									
13	Intermediate Pressure	Service pipe	IP PE service pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A																									
14	Intermediate Pressure	Service pipe	IP steel service pipe	km	-	0	-	1	1	0	0	-	-	-	-	-	-	0	-	-	0	-	-	-	-	-	-	2		4																									
15	Intermediate Pressure	Service pipe	IP other service pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A																									
16	Intermediate Pressure	Stations	Intermediate pressure DRS	No.	-	1	1	31	37	9	1	-	2	2	-	4	1	-	-	2	1	3	-	1	4	3	2	1	106		4																								
17	Intermediate Pressure	Line valve	IP line valves	No.	-	12	4	42	63	18	6	1	2	1	1	6	6	2	5	4	1	2	5	11	4	11	9	6	3	225		4																							
18	Intermediate Pressure	Special crossings	IP crossings	No.	-	1	-	8	7	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17		4																									
19	Medium Pressure	Main pipe	MP PE main pipe	km	0	20	150	184	705	532	427	74	54	42	64	85	90	57	62	65	32	15	12	13	32	34	41	29	1	2,819		4																							
20	Medium Pressure	Main pipe	MP steel main pipe	km	4	82	29	14	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	134		4																							
21	Medium Pressure	Main pipe	MP other main pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A																								
22	Medium Pressure	Service pipe	MP PE service pipe	km	0	19	94	66	172	219	246	48	43	37	43	43	36	38	35	30	18	18	17	14	18	20	19	15	0	1,307		4																							
23	Medium Pressure	Service pipe	MP steel service pipe	km	0	11	1	1	0	0	0	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	14		4																							
24	Medium Pressure	Service pipe	MP other service pipe	km	-	1	0	-	-	0	0	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	0	1		3																								
25	Medium Pressure	Stations	Medium pressure DRS	No.	-	3	1	2	1	1	2	-	-	-	-	-	-	-	-	1	2	-	2	6	1	1	-	-	24		4																								
26	Medium Pressure	Line valve	MP line valves	No.	9	140	97	208	127	42	39	7	8	4	11	14	23	2	10	8	14	11	13	26	18	23	51	30	12	947		4																							
27	Medium Pressure	Special crossings	MP special crossings	No.	-	-	-	8	26	8	6	1	1	-	-	-	-	-	-	1	-	-	-	1	2	-	-	12	67		4																								
28	Low Pressure	Main pipe	LP PE main pipe	km	-	2	20	2	3	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	40		4																							
29	Low Pressure	Main pipe	LP steel main pipe	km	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0		3																								
30	Low Pressure	Main pipe	LP other main pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A																								
31	Low Pressure	Service pipe	LP PE service pipe	km	0	2	8	4	3	4	3	0	0	0	0	0	0	0	1	0	0	0	0	1	2	1	0	0	0	31		4																							
32	Low Pressure	Service pipe	LP steel service pipe	km	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0		4																								
33	Low Pressure	Service pipe	LP other service pipe	km	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A																								
34	Low Pressure	Line valve	LP line valves	No.	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	5	2	-	-	-	3	11		4																								
35	Low Pressure	Special crossings	LP special crossings	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A																								
36	All	Monitoring and control systems	Remote terminal units	No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	4	4	-	-	9		4																									
37	All	Cathodic protection systems	Cathodic protection	No.	-	1	-	6	18	8	-	1	1	-	-	-	-	-	-	-	-	-	1	2	-	-	-	39		3																									

Company Name	<b>First Gas Limited (Distribution)</b>
For Year Ended	<b>30 June 2016</b>
Network / Sub-network Name	

**SCHEDULE 9c: REPORT ON PIPELINE DATA**

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

sch ref

8	<b>Network Information (end of year)</b>				
9	<b>System length by material (defined by GDB)</b>		<b>Length (km)</b>	<b>%</b>	
10	Steel		324	7.16%	
11	PE		4,198	92.81%	
12	Other		1	0.02%	
13				-	
14				-	
15				-	
16	<b>System length</b>		<b>4,523</b>	<b>100.00%</b>	
17					
18	<b>By operating pressure:</b>	<b>System length (km) (at year end)</b>	<b>Weighted average pipe diameter (mm)</b>	<b>Number of ICPs (at year end)</b>	<b>Gas conveyed for Persons not involved in the GDB (TJ)</b>
19	Intermediate pressure	176	82	38	3,057
20	Medium pressure	4,275	34	60,724	3,565
21	Low pressure	72	37	1,317	35
22	<b>Total</b>	<b>4,523</b>	<b>36</b>	<b>62,079</b>	<b>6,657</b>

Company Name	First Gas Limited (Distribution)
For Year Ended	30 June 2016
Network / Sub-network Name	

**SCHEDULE 9d: REPORT ON DEMAND**

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

sch ref

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**9d(i): Consumer Connections**

Number of ICPs connected in year by consumer type

Consumer types defined by GDB	Number of connections (ICPs)
Residential	906
Commercial	101
<b>Total</b>	<b>1,007</b>

**9d(ii): Gas Delivered**

Number of ICPs at year end	62,144	connections
Maximum daily load	35,097	(GJ per day)
Maximum monthly load	949,506	(GJ per month)
Number of directly billed ICPs	-	(at year end)
Total gas conveyed	9,285,291	(GJ per annum)
Average daily delivery	25,370	(GJ per day)
<b>Load factor</b>	<b>81.49%</b>	

Company Name **First Gas Limited (Distribution)**

For Year Ended **30 June 2016**

Network / Sub-network Name

### SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and CAIDI) for the disclosure year. GDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates). The SAIDI and SAIFI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

10a(i): Interruptions		Actual
Interruptions by class		
8		
9		
10	Class A (planned interruptions by GTB)	-
11	Class B (planned interruptions on the network)	292
12	Class C (unplanned interruptions on the network)	51
13	Class D (unplanned interruptions by GTB)	-
14	Class I (unplanned interruptions caused by third party damage)	171
15	<b>Total</b>	<b>514</b>

Number of unplanned outage events (interruptions that affect more than 5 ICPs)		Actual
16		
17	North Island Regions	1
18		
19		
20		
21		

Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)		Actual
22		
23	North Island Regions	1
24		
25		
26		
27		

28 **10a(ii): Reliability**  
 29 **Overall reliability**

SAIDI SAIFI CAIDI

Company Name **First Gas Limited (Distribution)**

For Year Ended **30 June 2016**

Network / Sub-network Name

### SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and CAIDI) for the disclosure year. GDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates). The SAIDI and SAIFI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

30	Based on the total number of interruptions	722.90	9.337	77.42
31	Class I (unplanned interruptions caused by third party damage)	277.42	3.397	81.67
32	Class B (planned interruptions on the network)	<b>SAIDI</b>	<b>SAIFI</b>	<b>CAIDI</b>
33	North Island Regions	290.93	4.958	58.68
34	Region_02			-
35	Region_03			-
36	Region_04			-
37	Region_05			-
38	Class C (unplanned interruptions on the network)	<b>SAIDI</b>	<b>SAIFI</b>	<b>CAIDI</b>
39	North Island Regions	154.56	0.982	157.39
40	Region_02			-
41	Region_03			-
42	Region_04			-
43	Region_05			-

Company Name	First Gas Limited (Distribution)
For Year Ended	30 June 2016
Network / Sub-network Name	

**SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE**

This schedule requires a summary of the key measures of network Integrity (gas escapes, response time to emergencies etc) for the disclosure year.

sch ref

8 **10b(i): System Condition and Integrity**

9 **Number of confirmed public reported gas escapes per system length**  
 10 **(escapes/1000 km)**

Actual

Vector Region	37.223

15 **Number of leaks detected by routine survey per system length**  
 16 **(leaks/1000 km)**

Actual

Vector Region	1.994

21 **Number of third party damage events per system length**  
 22 **(events/1000 km)**

Actual

Vector Region	53.619

27 **Number of poor pressure events due to network causes**

Actual

Vector Region	1.000

34 **Number of telephone calls to emergency numbers answered within 30 seconds**  
 35 **per total number of calls**

Actual

Vector Region	90.10%

40 **Product control—safety of distribution gas**

Actual

41 Number of non-compliant odour tests

--

42 **10b(ii): Consumer Service**

43 **Response time to emergencies (RTE)**

Proportion of emergencies responded to within 1 hour (%)    Proportion of emergencies responded to within 3 hours (%)    Average call response time (hours)    Number of emergencies

Vector Region	94.74%	100.00%	0.51	57

49 **Number of complaints**

Actual

50 Number of complaints per average total consumer numbers

0.0006
--------

Company Name	First Gas Limited
For Year Ended	30 June 2016

## **Schedule 14: Mandatory Explanatory Notes**

1. This schedule requires GDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and subclauses 2.5.1(1)(e) and 2.5.2(1)(e).
2. This schedule is mandatory—GDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 12 of this schedule is part of the audited disclosure information, and so is subject to the assurance requirements specified in section 2.8.
3. Schedule 15 (Voluntary Explanatory Notes to Schedules) provides for GDBs to give additional explanation of disclosed information should they elect to do so.

### *Return on Investment (Schedule 2)*

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

**Box 1: Explanatory comment on return on investment**

The ROI of 7.89% is above the mid-point estimate of post-tax WACC. This is primarily due to reduced capital expenditure undertaken during the acquisition and transition from Vector Limited to First Gas Limited.

All schedules and notes should be read in the context of the change in ownership during the regulatory period. Vector Limited owned the network for the period 1 July 2015 – 19 April 2016 and First Gas Limited owned the network for the period 20 April 2016 – 30 June 2016.

### *Regulatory Profit (Schedule 3)*

5. In the box below, comment on regulatory profit for the disclosure year as disclosed in Schedule 3. This comment must include-
  - 5.1 a description of material items included in other regulated income (other than gains / (losses) on asset disposals), as disclosed in 3(i) of Schedule 3
  - 5.2 information on reclassified items in accordance with subclause 2.7.1(2).



**Box 2: Explanatory comment on regulatory profit**

No material items have been included in other regulated income and there have been no reclassified items.

*Merger and acquisition expenses (3(iv) of Schedule 3)*

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

**Box 3: Explanatory comment on merger and acquisition expenditure**

No merger and acquisition expenditure has been included during the disclosure year.

*Value of the Regulatory Asset Base (Schedule 4)*

7. In the box below, comment on the value of the regulatory asset base (rolled forward) in Schedule 4. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

**Box 4: Explanatory comment on the value of the regulatory asset based (rolled forward)**

There has been no re-classification of items in the disclosure year.

The value of the regulatory asset base has been determined by rolling forward the initial regulatory asset base with allowance made for additions, disposals, depreciation and revaluation in accordance with the Input Methodologies.

As a result of the change in ownership during the year, an adjustment has been made to unallocated RAB to remove shared assets that had previously been allocated to the distribution network by the previous owners. This adjustment of \$30 million is shown as an adjustment resulting from asset allocation.

The 2015/16 opening RAB balance is for the non-Auckland gas distribution network acquired by First Gas Limited on 20 April 2016. RAB values for these assets prior to 2015/16 are incorporated into the historic disclosures made by Vector Limited for its GDB. The Commerce Commission has been informed of this approach.

The Commerce Commission has exempted First Gas from completing the first four columns in Schedule 4(i) (Regulatory Asset Base Value (Rolled Forward)).

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

8. In the box below, provide descriptions and workings of the material items recorded in the following asterisked categories of 5a(i) of Schedule 5a-
- 8.1 Income not included in regulatory profit / (loss) before tax but taxable
  - 8.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible
  - 8.3 Income included in regulatory profit / (loss) before tax but not taxable
  - 8.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax

**Box 5: Regulatory tax allowance: permanent differences**

There are no permanent differences.

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

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

**Box 6: Tax effect of other temporary differences (current disclosure year)**

There are no material items.

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

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

**Box 7: Related party transactions**

A description of all related party transactions has been disclosed in Schedule 5b for the period of ownership by Vector Limited (1 July 2015 – 19 April 2016) and First Gas Limited (20 April 2016 – 30 June 2016).

*Cost allocation (Schedule 5d)*

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

**Box 8: Cost allocation**

The amounts of non-gas distribution services recorded in Schedule 5d for both network support and business support relate to allocations of costs during the ownership periods of both Vector and First Gas.

ABAA (accounting-based allocation approach) has been applied in accordance with the IM determination, to allocate not directly attributable costs in the disclosure year.

There have been no re-classifications of items in the disclosure year.

The Commerce Commission has exempted First Gas from completing Schedule 5d(iii) (Changes in Cost Allocations).

*Asset allocation (Schedule 5e)*

12. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

As a result of the change in ownership during the period, non-network assets previously reported as part of Vector's regulated transmission and distribution businesses no longer form part of the RAB (these assets have been retained by Vector).

For the next disclosure year, we expect unallocated assets to be allocated across First Gas' regulated distribution and transmission business (including the Maui pipeline). At that time, transition and acquisition activities will be complete and First Gas will have a more accurate view of the use of resources by each regulated business.

The Commerce Commission has exempted First Gas from completing Schedule 5e(ii) (Changes in Asset Allocations).

*Capital Expenditure for the Disclosure Year (Schedule 6a)*

13. In the box below, comment on expenditure on assets for the disclosure year, as disclosed in Schedule 6a. This comment must include-
- 13.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;
  - 13.2 information on reclassified items in accordance with subclause 2.7.1(2).

**Box 10: Explanation of capital expenditure for the disclosure**

The materiality threshold applied to identify material projects and programmes for the period is \$1.0m, consistent with the approach taken prior to the sale by Vector Ltd.

There have been no reclassified items.

*Operational Expenditure for the Disclosure Year (Schedule 6b)*

14. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-
- 14.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b
  - 14.2 Information on reclassified items in accordance with subclause 2.7.1(2)
  - 14.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, including the value of the expenditure, the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

**Box 11: Explanation of operational expenditure for the disclosure year**

There have been no reclassified items.

There is no material atypical expenditure included in the schedule.

*Variance between forecast and actual expenditure (Schedule 7)*

15. In the box below, comment on variance in actual to forecast expenditure for the disclosure year, as reported in Schedule 7. This comment must include information on reclassified items in accordance with subclause 2.7.1(2).

**Box 12: Explanatory comment on variance in actual to forecast expenditure**

The forecast numbers reported in Schedule 7 are for the combined distribution network previously owned by Vector (i.e. Auckland and non-Auckland). First Gas only purchased the non-Auckland region of this network and as a result, the actual results are not comparable to the forecast numbers.

*Information relating to revenues and quantities for the disclosure year*

16. In the box below, please explain reasons for any material differences between target revenue disclosed before the start of the pricing year in accordance with clause 2.4.1 and subclause 2.4.3(3), and total billed line charge revenue for the disclosure year as disclosed in Schedule 8.

**Box 13: Explanatory comment relating to revenue for the disclosure year**

The total line charge revenue in Schedule 8 relates to the non-Auckland network only, and is therefore not comparable to the target revenue in Schedule 7.

17. If price category codes or consumer groups (as applicable) have been changed in a disclosure year, please explain in the box below the effect of this on the allocation of ICPs, quantities and revenues between consumer groups disclosed in Schedule 8.

**Box 14: Explanatory comment relating to changed price category codes or consumer groups**

The disclosure year referred to is the year ending 30 June 2016. During this period, prices changed on 1 October 2015. This price change included the introduction of a new price category: 'GN05'.

This price category was made available to large industrial consumers on the GN04 price category and qualifying consumers with non-standard prices. Admission to this price category is on a voluntary opt-in basis. Quantities and revenues are as billed and no allocations were made to the billed data.

Price category prior to 1 October 2015	Price category post 1 October 2015	Number of ICPs
GN04	GN05	5
Non-standard	GN05	3

*Network Reliability for the Disclosure Year (Schedule 10a)*

18. In the box below, comment on network reliability for the disclosure year, as disclosed in Schedule 10a.

**Box 15: Commentary on network reliability for the disclosure year**

SAIDI and SAIFI planned for the North Island sub-network improved significantly compared to the previous year. This was due to the relatively high planned SAIDI and SAIFI levels that were recorded for the previous year; these were caused by the LP and MP1 steel pipeline replacement programme that was completed during that year.

Unplanned SAIFI not caused by third party damage improved when compared to the previous year, however unplanned SAIDI not caused by third party damage increased when compared to the previous year. The increase in unplanned SAIDI was due to 5 events in particular; 4 cases affected a single customer and one case affected 3 customers, which resulted in relatively long total outage times (e.g. greater than 18 hours) for each of the events; this accounted for approximately 60% of the yearly total unplanned SAIDI result.

Unplanned SAIDI caused by third party damage improved when compared to the previous year; this along with the improvement in planned SAIDI resulted in a significant overall improvement in the North Island sub-network SAIDI performance.

*Insurance cover*

19. In the box below, provide details of any insurance cover for the assets used to provide gas pipeline services, including-
- 19.1 The GDB'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.

**Box 16: Explanation of insurance cover**

First Gas Limited takes insurance cover for a large number of group assets. These policies cover material damage, business interruption and contract works insurance.

Insurance costs are allocated to the Distribution business based on the businesses share of total RAB forecasts.

*Amendments to previously disclosed information*

20. In the box below, provide information about amendments to previously disclosed information disclosed in accordance with clause 2.12.1 in the last 7 years, including:
- 20.1 a description of each error; and
  - 20.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

**Box 17: Disclosure of amendment to previously disclosed information**

No amendments are required.

Company Name	First Gas Limited
For Year Ended	30 June 2016

### **Schedule 15: Voluntary Explanatory Notes**

1. This schedule enable GDBs to provide, should they wish to:
  - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, and 2.5.2.
  - 1.2 information on any substantial changes to information disclosed in relation to a prior disclosure year, as a result of final wash-ups.
2. Information in this schedule is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.
3. Provide additional explanatory comment in the box below.

**Box 1: Voluntary explanatory comment on disclosed information**

The First Gas GDB was acquired from Vector Limited on 20 April 2016 as part of an acquisition of shares in Vector Gas Limited and a demerger that saw Vector retain the Auckland-based gas distribution operations and assets in its GDB.

The demerger and acquisition of our GDB has required a special process for completing information disclosures for the 2015/16 disclosure year. Vector has prepared the information disclosures up to the transaction date, and those information disclosures have been independently audited. First Gas has then incorporated those disclosures into a full 12-month set of information disclosures, which have also been independently audited. We believe that this process safeguards the quality of information provided, and will enable interested parties (including the Commerce Commission) to appropriately interpret the information disclosed.

Completing the transaction during the disclosure year has also meant that exemptions are required from some aspects of the Information Disclosure Determination. The scope of required exemptions is relatively small, and we do not consider that the exemptions affect the ability for interested parties to evaluate the performance of our GDB against the purpose of Part 4 of the Commerce Act.

The certification in Schedule 19 amends the version contained within the ID determination. The Commerce Commission has approved the amended certification.

## Schedule 19 Certification for Year-end Disclosures

First Gas Limited  
Private Bag 2020  
New Plymouth 4342

We, Philippa Dunphy

and Richard Krogh

being directors of First Gas Limited certify that, having made all reasonable enquiry and incorporating information provided by Vector Limited for the period prior to the acquisition on 20 April 2016, to the best of our knowledge:

- a) the information prepared for the purposes of clauses 2.3.1, 2.3.2, 2.4.21, 2.4.22, 2.5.1, 2.5.2 and 2.7.1 of the Gas Distribution Information Disclosure Determination 2012 in all material respects complies with that determination; and
- b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 10a, 10b and 14 has been properly extracted from accounting and other records of Vector Limited and First Gas Limited sourced from the applicable financial and non-financial systems, and that sufficient appropriate records have been retained as appropriate by Vector Limited and First Gas Limited.

This certification does not extend to cost allocations, asset allocations and related party transactions made by Vector Limited during the period prior to the acquisition on 20 April 2016.



---

Philippa Dunphy  
Chairman

09/12/2019

---

Date



---

Richard Krogh  
Director

09/12/2019

---

Date





## **Independent reasonable assurance report**

### **To the Directors of First Gas Limited and to the New Zealand Commerce Commission**

#### **Report on the Gas Distribution Non-Auckland Information Disclosure requirements 2012 for the year ended 30 June 2016**

We were engaged by the board of directors of First Gas Limited to report on First Gas's Gas Distribution Non-Auckland Information Disclosure Requirements Information Templates comprising the following: Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10a(ii) and 14 (boxes 1-12) as at 30 June 2016 for the year then ended (the "schedules") in the form of an independent reasonable assurance opinion about whether the schedules are prepared, in all material respects, in compliance with the Commerce Commission Information Disclosure Determination 2012 (Consolidated in 2015) and the related Reasons Paper and Input Methodologies (together "the determination").

#### **First Gas Limited's responsibilities**

The directors of First Gas Limited are responsible for preparing schedules that are free from material misstatement in compliance with the determination and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of schedules that are free from material misstatement, whether due to fraud or error. It also includes ensuring that First Gas Limited complies with the determination; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the schedules.

The directors are also responsible for preventing and detecting fraud and for identifying and ensuring that First Gas Limited complies with laws and regulations applicable to its activities. The directors are responsible for ensuring that management and staff involved with the preparation of the schedules are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

#### **Our responsibility**

Our responsibility is to express an opinion to the directors and the New Zealand Commerce Commission on the preparation and presentation of the schedules in compliance with the determination.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) Assurance Engagements other than audits or reviews of historical financial information and Standard on Assurance Engagements (SAE) 3100 Compliance Engagements. Our engagement included such tests and procedures as we considered necessary in the circumstances. Our procedures included obtaining an understanding of the schedules and examination, on a test basis, of evidence supporting the schedules. These procedures have been undertaken to form an opinion whether, in all material respects, the schedules have been prepared in compliance with the determination for the year ended 30 June 2016.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our engagement is not designed to detect all weaknesses in the schedules, as the



engagement has not been performed continuously throughout the period and the procedures performed on the schedules were undertaken on a test basis.

Any projection of the evaluation of the operation of the schedule to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance may deteriorate.

Our firm has also provided audit, other assurance and non-audit services to First Gas Limited. Partners and employees of our firm may also deal with First Gas Limited on normal terms within the ordinary course of trading activities of the business of First Gas Limited. These matters have not impaired our independence as assurance practitioners for this assurance engagement. The firm has no other relationship with, or interest in, First Gas Limited.

### **Opinion**

Our opinion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10a(ii) and 14 (boxes 1-12) as at 30 June 2016 for the year then ended are prepared in compliance with the determination, in all material respects;

### **Other reporting responsibilities**

- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the schedules as at 30 June 2016 have been kept by Vector Gas Limited (a subsidiary of Vector Limited during the period 14 December 2004 to 19 April 2016, subsequently acquired by First Gas Limited on 20 April 2016 and renamed to First Gas Limited) and by First Gas Limited; and
- As far as appears from examination, the information used in the preparation of the schedules as at 30 June 2016 has been properly extracted from Vector Gas Limited (a subsidiary of Vector Limited during the period 14 December 2004 to 19 April 2016, subsequently acquired by First Gas Limited on 20 April 2016 and renamed to First Gas Limited) and First Gas Limited's accounting and other records and has been sourced, where appropriate, from Vector Gas Limited and First Gas Limited's financial and non-financial systems.

### **Restriction of distribution and use**

In accordance with the terms of our engagement, this independent reasonable assurance report on the schedules has been prepared for the directors of First Gas Limited and the New Zealand Commerce Commission solely in connection with the directors responsibilities under the determination and for no other purpose or in any other context.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than First Gas Limited and the New Zealand Commerce Commission in relation to section 2.8.1 of the Gas Distribution Information Disclosure Determination 2012 for any purpose or in any context. Any party other than First Gas Limited and the New Zealand Commerce Commission who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than First Gas Limited and the New Zealand Commerce Commission for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to First Gas Limited and the New Zealand Commerce Commission on the basis that it shall not be copied, referred to or disclosed, in whole (except for First Gas Limited's own internal purposes) or in part, without our prior written consent.