

Nelson Electricity Limited

Default Price-Quality Path

Annual Compliance Statement

1 April 2020 – 31 March 2021 Assessment Period

21 June 2021

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1. Introduction

Nelson Electricity Limited is subject to price-quality regulation under Part 4 of the Commerce Act 1986. The Commerce Commission has set a Default Price-Quality Path (DPP) which applies to Nelson Electricity Limited from 1 April 2020.

This annual compliance statement is published in accordance with clause 11.4 of the 2020 DPP Determination, and applies to the first assessment period, commencing 1 April 2020 and ending 31 March 2021.

2. Date prepared

This statement was prepared on 21 June 2021.

3. Wash-up amount

3.1 Statement of compliance

As demonstrated in Table 1 in Section 3.2, and consistent with clause 8.6 of the 2020 DPP Determination Nelson Electricity Limited has complied with the wash-up amount calculation for the first assessment period.

3.2 Wash-up amount calculation

Table 1

Wash-up amount RY21		
Term	Description	Value (\$000)
Actual allowable revenue (AAR)	<i>Sum of actual net allowable revenue, actual pass-through and recoverable costs, pass-through balance and revenue wash-up draw down amount</i>	9,101
Actual revenue (AR)	<i>Sum of actual revenue from prices plus other regulated income</i>	8,976
Revenue foregone (RV)	<i>Actual net allowable revenue x (revenue reduction percentage - 20%) when revenue reduction percentage is greater than 20%, otherwise nil</i>	-
Wash-up amount	<i>AAR - AR - RV</i>	125

Further information supporting actual allowable revenue is included in Section 3.2.1.

Further information supporting actual revenue is included in Section 3.2.2.

Further information supporting revenue foregone is included in Section 3.3.3.

3.2.1 Actual allowable revenue

Table 2 below shows the actual allowable revenue for the assessment period consistent with Schedule 1.6 of the 2020 DPP Determination.

Table 2

Actual allowable revenue RY21		
Term	Description	Value (\$000)
Actual net allowable revenue (ANAR)	<i>Amount specified as forecast net allowable revenue for the first assessment period</i>	5,502
Actual pass-through costs	<i>Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period</i>	92
Actual recoverable costs	<i>Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period</i>	3,461
Pass-through balance	<i>The amount calculated for the assessment period ending 31 March 2020 under clause 8.6 of the 2015 DPP Determination</i>	(43)
Total actual allowable revenue (AAR)	<i>Actual net allowable revenue + actual pass-through costs and actual recoverable costs – (pass-through balance x (1 + 67th percentile estimate of post-tax WACC))</i>	9,101

Further information supporting actual pass-through costs, actual recoverable costs and the pass-through balance is included in Appendix A.

3.2.2 Actual revenue

Table 3 below shows actual revenue for the assessment period consistent with clause 4.2 of the 2020 DPP Determination.

Table 3

Actual revenue RY21		
Term	Description	Value (\$000)
Actual revenue from prices	<i>Actual prices between 1 April 2020 and 31 March 2021 multiplied by actual quantities for the assessment period</i>	8,976
Other regulated income	<i>Other income associated with supply of electricity distribution services</i>	-
Total actual revenue (AR)	<i>Sum of actual revenue from prices plus other regulated income</i>	8,976

Further information supporting actual revenue from prices is included in Appendix B.

3.2.3 Revenue foregone

Table 4 below shows the revenue foregone consistent with clause 4.2 of the 2020 DPP Determination.

Table 4

Revenue foregone RY21		
Term	Description	Value (\$000)
Actual net allowable revenue (ANAR)	<i>Amount specified as forecast net allowable revenue for the first assessment period</i>	5,502
Revenue reduction percentage (RRP)	<i>1 - (actual revenue from prices / forecast revenue from prices)</i>	1.34%
Revenue foregone (RV)	<i>Actual net allowable revenue x (RRP - 20%) when RRP is greater than 20%, otherwise nil</i>	-

4. Quality standards

4.1 Statement of compliance with planned interruptions quality standards

Nelson Electricity Limited is subject to a planned accumulated SAIDI limit and a planned accumulated SAIFI limit which are assessed for the DPP regulatory period as stated in clause 9.2 of the 2020 DPP Determination.

Table 5 and Table 6 below show the planned accumulated SAIDI and SAIFI limits for Nelson Electricity Limited for the DPP regulatory period and the planned SAIDI and SAIFI assessed values for the first assessment period.

Table 5

Planned interruptions quality standard - SAIDI	
Sum of planned SAIDI assessed values ≤ Planned accumulated SAIDI limit	
Planned accumulated SAIDI limit	180.11
Planned SAIDI assessed value for the first assessment period	5.56
Compliance result	Compliant

Table 6

Planned interruptions quality standard - SAIFI	
Sum of planned SAIFI assessed values ≤ Planned accumulated SAIFI limit	
Planned accumulated SAIFI limit	2.3663
Planned SAIFI assessed value for the first assessment period	0.0331
Compliance result	Compliant

Further information supporting planned SAIDI and SAIFI assessed values is included in Section 4.1.1.

4.1.1 Planned SAIDI and SAIFI assessed values

Table 7 and Table 8 below show Nelson Electricity Limited's planned SAIDI and SAIFI assessed values for the assessment period.

Table 7

Planned SAIDI assessed value RY21		
Term	Description	Value
Class B non-notified interruptions		-
Class B notified interruptions falling outside window		0.04
$SAIDI_B$	<i>Sum of Class B non-notified interruptions</i>	0.04
Class B notified interruptions falling inside window		11.05
Class B intended interruptions cancelled without notice		
Class B intended interruptions cancelled with notice		
$SAIDI_N$	<i>Sum of Class B notified interruptions</i>	11.05
Planned SAIDI assessed value	$SAIDI_B + (SAIDI_N / 2)$	5.56

Table 8

Planned SAIFI assessed value RY21		
Term	Description	Value
Planned SAIFI assessed value	<i>Sum of Class B interruptions commencing within the assessment period</i>	0.0331

4.2 Statement of compliance with unplanned interruptions quality standards

As demonstrated in Table 9 and Table 10 below, and consistent with clause 9.7 of the 2020 DPP Determination, Nelson Electricity Limited has complied with the unplanned interruptions quality standard.

Table 9

Unplanned interruptions quality standard RY21 - SAIDI		
Unplanned SAIDI assessed value ≤ Unplanned SAIDI limit		
Unplanned SAIDI limit		19.60
Unplanned SAIDI assessed value	<i>Sum of normalised SAIDI values for Class C interruptions commencing within the assessment period</i>	-
Compliance result		Compliant

Table 10

Unplanned interruptions quality standard RY21 - SAIFI		
Unplanned SAIFI assessed value ≤ Unplanned SAIFI limit		
Unplanned SAIFI limit		0.4277
Unplanned SAIFI assessed value	<i>Sum of normalised SAIFI values for Class C interruptions commencing within the assessment period</i>	-
Compliance result		Compliant

Information about policies, procedures and calculations for measuring planned and unplanned interruptions during the assessment period is in Appendix C.

4.2.1 Major events

Table 11 and Table 12 below show the SAIDI and SAIFI values attributed to major events which occurred during the assessment period.

Further information about major events is included in Appendix D.

Table 11

Unplanned SAIDI major events RY21			
Start	End	Pre-normalised unplanned SAIDI	Normalised unplanned SAIDI
		-	-
		-	-

Table 12

Unplanned SAIFI major events RY21			
Start	End	Pre-normalised unplanned SAIFI	Normalised unplanned SAIFI
		-	-
		-	-

4.3 Statement of compliance with extreme event standard

As demonstrated in Table 13 below, and consistent with clause 9.9 of the 2020 DPP Determination Nelson Electricity Limited has complied with the extreme event standard.

Table 13

Extreme event standard RY21	
<i>Unplanned SAIDI value \leq 120 minutes, and customer interruption minutes \leq six million during any 24-hour period, excluding unplanned interruptions from major external factors</i>	
Number of extreme events	Compliance result
-	Compliant

4.4 Quality Incentive Adjustment

Table 14 below shows Nelson Electricity Limited’s quality incentive adjustment for the assessment period.

Table 14

Quality Incentive Adjustment RY21		
Term	Description	Value (\$000)
SAIDI planned adjustment	$(SAIDI_{planned, target} - SAIDI_{planned, assessed}) \times 0.5 \times IR$	5
SAIDI unplanned adjustment	$(SAIDI_{unplanned, target} - SAIDI_{unplanned, assessed}) \times IR$	14
Total adjustment	$SAIDI_{planned adjustment} + SAIDI_{unplanned adjustment}$	18
Revenue at risk	$0.02 * ANAR$	110.04
Total penalty/reward		18
67th percentile estimate of post-tax WACC		4.23%
Quality incentive adjustment		20

The Quality Incentive Adjustment in Table 14 will be recovered in the Nelson Electricity Limited Default Price-Quality Path Annual Compliance Statement for the 1 April 2022 – 31 March 2023 Assessment Period.

Table 15 below shows Nelson Electricity Limited’s quality incentive adjustment inputs consistent with Schedule 4 of the 2020 DPP Determination.

Table 15

Quality Incentive Adjustment Inputs RY21					
Term	Units	Value	Term	Units	Value
SAIDI planned interruption cap	minutes	36.02	SAIDI unplanned interruption cap	minutes	19.60
SAIDI planned interruption collar	minutes	-	SAIDI unplanned interruption collar	minutes	-
SAIDI planned interruption target	minutes	12.01	SAIDI unplanned interruption target	minutes	9.53
Planned SAIDI assessed value	minutes	5.56	Unplanned SAIDI assessed value	minutes	-
Incentive rate		1,417			
Actual net allowable revenue (ANAR)	\$000	5,502			
SAIDI planned interruption target	minutes	12	SAIDI unplanned interruption target	minutes	10
Minimum of the planned SAIDI cap and assessed value	minutes	6	Minimum of the unplanned SAIDI cap and assessed value	minutes	-
Planned SAIDI subject to incentive	minutes	6	Unplanned SAIDI subject to incentive	minutes	10
Adjustment (IR x 0.5)	\$	709	Adjustment (IR)	\$	1,417
SAIDI planned adjustment	\$000	5	SAIDI unplanned adjustment	\$000	14

5. Transactions

Nelson Electricity Limited has not entered into any agreements with another EDB or Transpower for an amalgamation, merger, major transaction or transfer in the assessment period.

6. Director’s certification

A Director’s certificate in the form set out in Schedule 7 of the 2020 DPP Determination is included as Appendix E.

7. Assurance report

An assurance report meeting the requirements of Schedule 8 of the 2020 DPP Determination is included in Appendix F.

Appendix A – Pass-through and recoverable costs

Pass-through costs

Table 16

Actual and forecast pass-through costs RY21				
Actual pass-through costs	Actual (\$000)	Forecast (\$000)	Forecast variance (\$000)	Explanation for variances
Rates on system fixed assets	34	34	0	
Commerce Act levies	12	25	(13)	Forecast based on 2020 Actual.
Electricity Authority levies	40	40	0	
Utilities Disputes levies	5	5	0	
Total actual pass-through costs	92	104	(12)	

Recoverable costs

Table 17

Actual and forecast recoverable costs RY21				
Actual recoverable costs	Actual (\$000)	Forecast (\$000)	Forecast variance (\$000)	Explanation for variances
IRIS incentive adjustment	568	568	-	
Transmission charges	2,822	2,822	0	
New investment contract charges	-	-	-	
System operator services charges	-	-	-	
Avoided transmission charges	-	-	-	
Distributed generation allowance	-	-	-	
Claw-back	-	-	-	
Catastrophic event allowance	-	-	-	
Extended reserves allowance	-	-	-	
Quality incentive adjustment	40	40	-	
Capex wash-up adjustment	-	-	-	
Reconsideration event allowance	-	-	-	
Quality standard variation engineers fee	-	-	-	
Urgent project allowance	-	-	-	
Fire and Emergency NZ levies	31	32	(1)	
Innovation project allowance	-	-	-	
Total actual recoverable costs	3,461	3,462	(1)	

The Quality Incentive Adjustment recovered in Table 17 is the amount as determined in the Nelson Electricity Limited Default Price-Quality Path Compliance Statement for the Assessment Date 31 March 2019.

Pass-through balance

Table 18

Pass-through balance RY21		
Term	Description	Value (\$000)
Pass-through balance	<i>Pass-through balance for the assessment period ending 31 March 2020</i>	(43)
67th percentile estimate of post-tax WACC		4.23%
Pass-through balance	<i>Pass-through balance x (1 + 67th percentile post-tax WACC)</i>	(45)

Appendix B – Prices and quantities

Table 19 shows the actual prices and quantities for actual revenue from prices for the first assessment period.

Table 19. Total Revenue Table using 31 March 2021 Prices and 2020/2021 Quantities

Number of Days:		365									
Tariff or Fee	Number of ICPs at 31/03/2021	kWh at 31/3/2021	kVA at 31/3/2021	Days at 31/3/2021	Distribution Charges			Notional Distribution Revenue (\$)		Total Revenue (\$)	
					Fixed		Variable (c/kWh)	Fixed	Variable	P ₂₀₂₁	Q ₂₀₂₁
					\$/day	c/kVA/day					
Group 0											
Streetlights	1	458,915	-	425	244.00000			103,700		103,700	
Unmetered Fixed	37	-	-	3,365	0.07000			236		236	
Unmetered Capacity		-	13,340	-		102.00000		13,607		13,607	
Builders Temp	16	-	-	3,598	0.60000			2,159		2,159	
BT-kWh		3,662	-	-			8.22000	-	301	301	
Group 1											
Fixed	4,378	-	23,558,153.00	-		1.00000		235,582		235,582	
Anytime		16,005,810	-	-			8.22000	-	1,315,678	1,315,678	
Controlled		7,106,627	-	-			4.99000	-	354,621	354,621	
Nightrate		447,127	-	-			3.14000	-	14,040	14,040	
DG		130,798	-	-			0.50000	-	654	654	
Group 2											
Fixed	4,754	-	38,272,884	-		6.70000		2,564,283		2,564,283	
Anytime		47,934,737	-	-			3.63000	-	1,740,031	1,740,031	
Controlled		8,259,580	-	-			2.16000	-	178,407	178,407	
Nightrate		801,085	-	-			1.42000	-	11,375	11,375	
DG		237,609	-	-			0.50000	-	1,188	1,188	
Group 3 - Time of Use											
Metered Installation Charge	89	-	-	32,669	1.14000			37,243		37,243	
Energy		31,666,584	-	-			1.32000	-	417,999	417,999	
Winter Demand		-	3,783,255	-		19.00000		718,818		718,818	
Capacity Supply (Sum of kVA)		-	10,458,063	-		4.90000		512,445		512,445	
Power Factor (kVA)		-	3,431	-			6.50000	22,299		22,299	
DG		-	-	-			0.50000	-			
Group 4											
Fixed	1	14,244,524	-	-		411,000.00000		411,000		411,000	
Power Factor (kVA)		-	-	-		6.50000		-		-	
Group 3 - Direct Connection											
Energy		8,981,037	-	-			0.27800	-	24,967	24,967	
Installation	2	-	-	730	1.14000			832		832	
Winter Demand		-	702,625	-		11.50100		80,809		80,809	
Capacity Supplied		-	1,241,000	-		4.90000		60,809		60,809	
Power Factor (kVA)		-	264	-		6.50000		1,713		1,713	
Transpower Cold Storage		-	1	-		46,113.00000		46,113		46,113	
Transpower NMDHB		-	1	-		105,183.00000		105,183		105,183	
DG		-	-	-			0.50000	-		-	
Σ P₂₀₂₁ Q₂₀₂₁	9,278	135,909,688						4,916,829	4,059,261	8,976,090	

Table 20 shows the forecast revenue from prices for the first assessment period from the price setting compliance statement.

Table 20

Forecast revenue from prices RY21	
Total forecast revenue from prices	9,098

Appendix C – Policies and procedures for measuring planned and unplanned interruptions

Nelson Electricity Limited follows the procedure “NEL Network System Outage Statistics” to record SAIDI and SAIFI statistics. The procedure covers the collection of customer numbers, the assessments required to assess the numbers of customers affected, the times outages occur and where the data is to be stored.

Wherever possible outage times are collected from an accurate electronic source, the SCADA being the preferred source, other sources are from phone records from the Nelson Electricity call centre, fault forms received from the Nelson Electricity fault contractor or referring to written switching instructions.

Calculations of customer minutes are prepared on the switching record for each individual outage based on switching times and ICP records. The customer minutes for each event are then added to the SAIDI/SAIFI Spreadsheet which summarises all events for the year and is used to calculate the annual SAIDI and SAIFI. The number of outages on the Nelson Electricity network is low compared to other Electricity Line Companies and so it is a relatively easy task to manage these data requirements. A hard copy summary of each outage is held on file.

NEL Network System Outage Statistics Procedure

Background:

Nelson Electricity has to collect and record accurate information regarding all transmission, sub-transmission and 11kV outages. The methods and information used have to be robust as the information is used in the disclosure of both SAIDI and SAIFI statistics as part of the Quality Threshold disclosure.

Purpose:

To ensure all information used in the outage statistics information is as accurate as possible. Evidence of outage times and consumer numbers must also be collected.

Scope:

Applies to all outages both planned and unplanned regarding transmission, sub-transmission and 11kV.

Procedure:

The Asset Manager is responsible for the collection, assessment and reporting of all network outage statistics. The information used in the assessments can be from many sources:

- ICP Database
- New Connections
- SCADA system
- Fault forms
- Call Care (fault call reports)
- Control room switching instructions

These sources of information are all valid and defensible sources of information.

ICP Database and New Connections:

The ICP Database and New Connections are updated as ICPs are added and removed from the network. The Business Systems Administrator ensures that these databases are maintained and accurate.

8. SCADA System:

The SCADA System installed in 2004 has a detailed reporting function. All reports are time stamped. This gives accurate timings of any 33kV or 11kV feeder outages and restoration times.

9. Fault Forms:

Fault forms provided by the NEL fault provider contain times of fault and restoration times recorded from the contractors who were working on the fault. This source of information is used if there are no other sources.

10. Call Care:

All fault calls are initially answered by the NEL answer phone service provided by Call Care. All calls are logged and time stamped and all faults reported to NEL the next day. This source of information is used as NEL receives calls as soon as an outage occurs.

Control Room Switching Instructions:

The switching instructions are a valuable source of information. This is used mainly for the restoration times especially when backfeeding areas in the restoration phase.

The Network Manager uses all these sources to evaluate the outage statistics in the SAIDI Stats Spreadsheet.

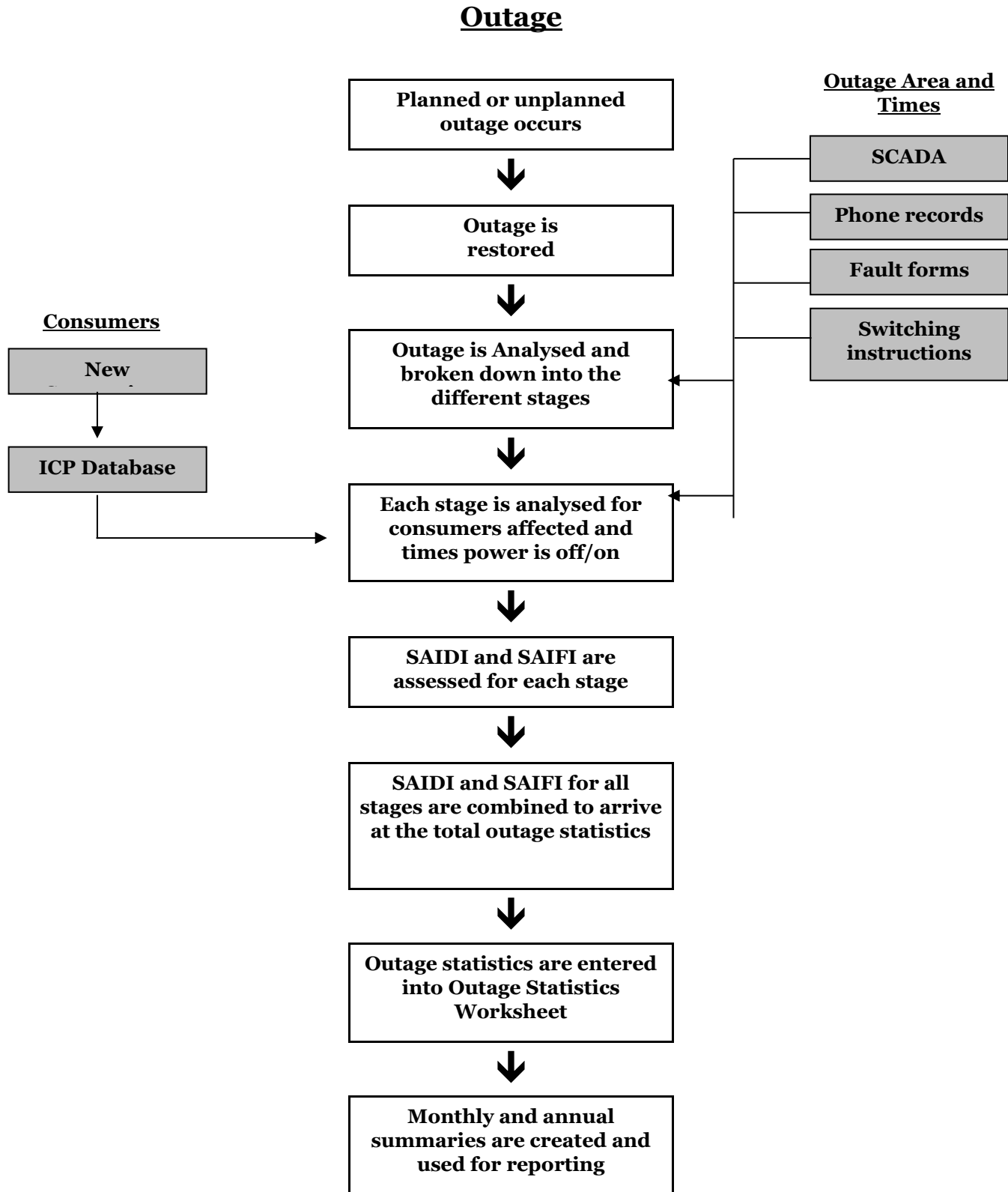
Calculations of customer minutes are prepared on the switching record for each individual outage based on switching times and ICP records. The customer minutes for each event are then added to the SAIDI/SAIFI Spreadsheet which summarises all events for the year and is used to calculate the annual SAIDI and SAIFI. The number of outages on the Nelson Electricity network is low compared to other Electricity Line Companies and so it is a relatively easy task to manage these data requirements. A hard copy summary of each outage is held on file.

The Network Manager reports to the General Manager all individual unplanned outage statistics and provides monthly summaries, which are used and reported to NEL Directors.

The outage statistics are also collected and accumulated for the year from 1 April – 31 March the following year. This accumulated result is used in all the information disclosures including the Quality Assessment disclosure.

The Business System Administrator audits the results to ensure the process and results are accurate.

Outage Statistics Reporting Flow Chart



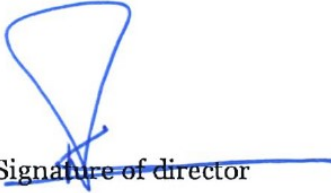
Appendix D – SAIDI and SAIFI major events

There were no SAIDI or SAIFI major events that took place during the assessment period, consistent with Schedule 3.2 of the 2020 DPP Determination.

Appendix E – Director’s certificate

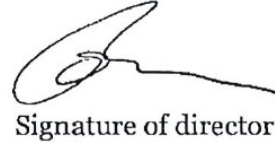
Form of director’s certificate for annual compliance statement

We, Philip Robson..... and Oliver Kearney....., being directors of Nelson Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached annual compliance statement of Nelson Electricity Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* has been prepared in accordance with all the relevant requirements.



Signature of director

21 June 2021



Signature of director

21 June 2021

**INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF NELSON ELECTRICITY LIMITED
ON THE ANNUAL COMPLIANCE STATEMENT
FOR THE ASSESSMENT PERIOD ENDED 31 MARCH 2021
AS REQUIRED BY THE ELECTRICITY DISTRIBUTION SERVICES DEFAULT PRICE-QUALITY PATH
DETERMINATION 2020**

The Auditor-General is the auditor of Nelson Electricity Limited (the 'Company'). The Auditor-General has appointed me, Nicole Dring, using the staff and resources of Deloitte Limited, to provide an opinion, on his behalf, on whether the Annual Compliance Statement for the year ended on 31 March 2021 on pages 4 to 23 has been prepared, in all material respects, in accordance with the Electricity Distribution Services Default Price-Quality Path Determination 2020 (the 'Determination').

Opinion

In our opinion:

- as far as appears from an examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the company's accounting and other records, and has been sourced, where appropriate, from its financial and non-financial systems; and
- the Company has complied with clauses 11.5 and 11.6 of the Determination in preparing the Annual Compliance Statement for the assessment period ended 31 March 2021.

Basis of opinion

We conducted our engagement in accordance with the Standard on Assurance Engagements (SAE) 3100 (Revised) *Assurance Engagements on Compliance*, issued by the New Zealand Auditing and Assurance Standards Board. An engagement conducted in accordance with SAE (NZ) 3100 (Revised) requires that we also comply with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

We have obtained sufficient recorded evidence and explanations that we required to provide a basis for our opinion.

Directors' responsibilities

The directors of the Company are responsible:

- For the preparation of the Annual Compliance Statement under clause 11.4 and in accordance with the requirements in clauses 11.5 and 11.6 of the Determination.
- For the identification of risks that may threaten compliance with the clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

Auditor's responsibilities

Our responsibility in terms of clause 11.5(e) and schedule 8(1)(b)(vi) and 8(1)(c) of the Determination, are to express an opinion on whether:

- As far as appears from our examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the Company's accounting and other records, sourced from its financial and non-financial systems; and

- The Annual Compliance Statement, for the assessment period ended 31 March 2021, has been prepared, in all material respects, in accordance with the requirements in clauses 11.5 and 11.6 of the Determination.

To meet these responsibilities, we planned and performed procedures in accordance with SAE 3100 (Revised), to obtain reasonable assurance about whether the Company has complied, in all material respects, with clauses 11.5 and 11.6 of the Determination.

In relation to the wash-up amount set out in clause 8.6 of the Determination, our procedures included recalculation of the wash-up amount in accordance with schedule 1.6 of the Determination and assessing it against the amounts and disclosures contained on pages 4 to 23 of the Annual Compliance Statement.

In relation to the quality standards in clause 9 of the Determination, our procedures included examination, on a test basis, of evidence relevant to the values and disclosures contained on pages 4 to 23 of the Annual Compliance Statement.

In relation to the quality incentive adjustment set out in Schedule 4 of the Determination, our procedures included recalculation of the quality incentive adjustment in accordance with Schedule 4 of the Determination and assessing it against the amounts and disclosures contained on pages 4 to 23 of the Annual Compliance Statement.

An assurance engagement to report on the Company's compliance with the Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the requirements. The procedures selected depend on our judgement, including the identification and assessment of the risks of material non-compliance with the requirements.

Inherent limitations

Because of the inherent limitations of a reasonable assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with clauses 11.5 and 11.6 of the Determination may occur and not be detected.

A reasonable assurance engagement throughout the assessment period does not provide assurance on whether compliance with clauses 11.5 and 11.6 of the Determination will continue in the future.

Restricted use

This report has been prepared solely for use by the directors of the Company and for the Commerce Commission in accordance with clause 11.5(e) of the Determination and is provided solely for the purpose of establishing whether the compliance requirements have been met. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the Company and the Commerce Commission, or for any other purpose than that for which it was prepared.

Independence and quality control

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.



The Auditor-General, and his employees, and Deloitte Limited and its partners and employees may deal with the Company on normal terms within the ordinary course of trading activities of the Company. Other than any dealings on normal terms within the ordinary course of trading activities of the Company, this engagement, the assurance engagement on the Information Disclosures and the annual audit of the Company's financial statements, we have no relationship with or interests in the Company.

A handwritten signature in blue ink, appearing to read "Dring".

Nicole Dring
Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand
21 June 2021