

Company Name	Unison Networks Limited
For Year Ended	31 March 2014

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.

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7 1(i): Expenditure metrics

	Expenditure per GWh energy delivered to ICPs (\$/GWh)	Expenditure per average no. of ICPs (\$/ICP)	Expenditure per MW maximum coincident system demand (\$/MW)	Expenditure per km circuit length (\$/km)	Expenditure per MVA of capacity from EDB-owned distribution transformers (\$/MVA)
Operational expenditure	22,483	317	104,981	3,917	32,449
Network	5,120	72	23,907	892	7,390
Non-network	17,363	245	81,074	3,025	25,060
Expenditure on assets	28,141	396	131,398	4,903	40,615
Network	20,532	289	95,870	3,577	29,633
Non-network	7,609	107	35,528	1,326	10,982

17 1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)
Total consumer line charge revenue	82,102	1,157
Standard consumer line charge revenue	84,759	1,135
Non-standard consumer line charge revenue	31,248	240,500

23 1(iii): Service intensity measures

Demand density	37	Maximum coincident system demand per km circuit length (for supply) (kW/km)
Volume density	174	Total energy delivered to ICPs per km circuit length (for supply) (MWh/km)
Connection point density	12	Average number of ICPs per km circuit length (for supply) (ICPs/km)
Energy intensity	14,089	Total energy delivered to ICPs per Average number of ICPs (kWh/ICP)

31 1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	34,854	28.09%
Pass-through and recoverable costs	36,519	29.43%
Total depreciation	21,312	17.17%
Total revaluation	7,425	5.98%
Regulatory tax allowance	7,507	6.05%
Regulatory profit/loss	31,323	25.24%
Total regulatory income	124,090	

41 1(v): Reliability

	Interruptions per 100 circuit km
Interruption rate	9.96

Company Name **Unison Networks Limited**For Year Ended **31 March 2014****SCHEDULE 2: REPORT ON RETURN ON INVESTMENT**

This schedule requires information on the Return on Investment (ROI) for the EDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. EDBs 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 an EDB makes this election, information supporting this calculation must be provided in 2(iii). EDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes).

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sch ref

		CY-2	CY-1	Current Year CY
		31 Mar 12	31 Mar 13	31 Mar 14
		%	%	%
7	2(i): Return on Investment			
8				
9	Post tax WACC			
10	ROI—comparable to a post tax WACC	5.57%	5.13%	5.32%
11				
12	Mid-point estimate of post tax WACC	6.40%	5.85%	5.43%
13	25th percentile estimate	5.68%	5.13%	4.71%
14	75th percentile estimate	7.11%	6.56%	6.14%
15				
16				
17	Vanilla WACC			
18	ROI—comparable to a vanilla WACC	6.39%	5.90%	6.00%
19				
20	Mid-point estimate of vanilla WACC	7.22%	6.62%	6.11%
21	25th percentile estimate	6.51%	5.91%	5.39%
22	75th percentile estimate	7.94%	7.34%	6.83%
23				
24	2(ii): Information Supporting the ROI			
25				
26	Total opening RAB value	491,718		
27	plus Opening deferred tax	(14,383)		
28	Opening RIV		477,335	
29				
30	Operating surplus / (deficit)	52,718		
31	less Regulatory tax allowance	7,507		
32	less Assets commissioned	48,677		
33	plus Asset disposals	5,461		
34	Notional net cash flows		1,994	
35				
36	Total closing RAB value	521,046		
37	less Adjustment resulting from asset allocation	(0)		
38	less Lost and found assets adjustment	-		
39	plus Closing deferred tax	(17,110)		
40	Closing RIV		503,937	
41				
42	ROI—comparable to a vanilla WACC		6.00%	
43				
44	Leverage (%)		44%	
45	Cost of debt assumption (%)		5.56%	
46	Corporate tax rate (%)		28%	
47				
48	ROI—comparable to a post tax WACC		5.32%	

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2(iii): Information Supporting the Monthly ROI

Cash flows	(\$000)					Notional net cash flows
	Total regulatory income	Expenses	Tax payments	Assets commissioned	Asset disposals	
April	10,419	5,364		52	41	5,043
May	11,670	5,703	1,478	811	(20)	3,658
June	11,980	5,877		638	(3)	5,462
July	12,444	5,771		-	-	6,673
August	12,229	5,872	2,396	-	48	4,008
September	11,026	6,031		6,493	597	(901)
October	10,884	5,787		2,363	-	2,733
November	9,723	5,600		4,048	-	74
December	9,613	6,014		1,288	2	2,313
January	9,027	5,934	2,396	5,078	608	(3,774)
February	8,838	5,611		8,288	188	(4,873)
March	6,238	7,807		18,435	4,002	(16,002)
Total	124,090	71,373	6,270	47,495	5,461	4,414

	Opening / closing RAB	Adjustment resulting from asset allocation	Lost and found assets adjustment	Opening / closing deferred tax	Revenue related working capital	Total
Monthly ROI - opening RIV	491,718			(14,383)	9,194	486,529
Monthly ROI -closing RIV	521,046	(0)	-	(17,110)	6,238	510,175
Monthly ROI -closing RIV less term credit spread differential allowance						510,174
Monthly ROI—comparable to a vanilla WACC						6.00%
Monthly ROI—comparable to a post-tax WACC						5.31%

2(iv): Year-End ROI Rates for Comparison Purposes

Year-end ROI—comparable to a vanilla WACC	6.24%
Year-end ROI—comparable to a post-tax WACC	5.56%

* these year-end ROI values are comparable to the ROI reported in pre 2012 disclosures by EDBs and do not represent the Commission's current view on ROI.

Company Name **Unison Networks Limited**
 For Year Ended **31 March 2014**

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the EDB for the disclosure year. All EDBs must complete 3(i), 3(iv) and 3(v) and must provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes).

Non-exempt EDBs must also complete sections 3(ii) and 3(iii).

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3(i): Regulatory Profit		(\$000)
7	Income	
8	Line charge revenue	127,275
10	<i>plus</i> Gains / (losses) on asset disposals	(3,861)
11	<i>plus</i> Other regulated income (other than gains / (losses) on asset disposals)	676
12		
13	Total regulatory income	124,090
14	Expenses	
15	<i>less</i> Operational expenditure	34,854
17	<i>less</i> Pass-through and recoverable costs	36,519
18		
19	Operating surplus / (deficit)	52,718
20		
21	<i>less</i> Total depreciation	21,312
22		
23	<i>plus</i> Total revaluation	7,425
24		
25	Regulatory profit / (loss) before tax & term credit spread differential allowance	38,830
26		
27	<i>less</i> Term credit spread differential allowance	0
28		
29	Regulatory profit / (loss) before tax	38,830
30		
31	<i>less</i> Regulatory tax allowance	7,507
32		
33	Regulatory profit / (loss)	31,323
34		
35	3(ii): Pass-Through and Recoverable Costs	(\$000)
36	Pass-through costs	
37	Rates	631
38	Commerce Act levies	227
	Electricity Authority levies	271
40	Other specified pass-through costs	-
41	Recoverable costs	
42	Net recoverable costs allowed under incremental rolling incentive scheme	-
43	Non-exempt EDB electricity lines service charge payable to Transpower	29,005
44	Transpower new investment contract charges	206
45	System operator services	-
46	Avoided transmission charge	6,178
47	Input Methodology claw-back	-
48	Recoverable customised price-quality path costs	-
49	Pass-through and recoverable costs	36,519

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		(\$000)	
		CY-1	CY
		31 March 2013	31 March 2014
57	3(iii): Incremental Rolling Incentive Scheme		
58			
59			
60	Allowed controllable opex		
61	Actual controllable opex		
62			
63	Incremental change in year		
64			
65		Previous years' incremental change	Previous years' incremental change adjusted for inflation
66	CY-5 31 Mar 09		
67	CY-4 31 Mar 10		
68	CY-3 31 Mar 11		
69	CY-2 31 Mar 12		
70	CY-1 31 Mar 13		
71	Net incremental rolling incentive scheme		
72			
73	Net recoverable costs allowed under incremental rolling incentive scheme		
74	3(iv): Merger and Acquisition Expenditure		
75	Merger and acquisition expenses		N/A
76			
77	Provide commentary on the benefits of merger and acquisition expenditure to the electricity distribution business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)		
78	3(v): Other Disclosures		
79	Self-insurance allowance		

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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). EDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.

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		(\$000)
7	5a(i): Regulatory Tax Allowance	
8	Regulatory profit / (loss) before tax	38,830
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	43
12	Amortisation of initial differences in asset values	5,742
13	Amortisation of revaluations	1,300
14		7,084
15		
16	<i>less</i> Income included in regulatory profit / (loss) before tax but not taxable	7,425
17	Discretionary discounts and consumer rebates	-
18	Expenditure or loss deductible but not in regulatory profit / (loss) before tax**	-
19	Notional deductible interest	11,678
20		19,103
21		
22	Regulatory taxable income	26,811
23		
24	<i>less</i> Utilised tax losses	-
25	Regulatory net taxable income	26,811
26		
27	Corporate tax rate (%)	28%
28	Regulatory tax allowance	7,507

* Workings to be provided in Schedule 14
 ** Excluding discretionary discounts and consumer rebates

5a(ii): Disclosure of Permanent Differences

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

		(\$000)
34	5a(iii): Amortisation of Initial Difference in Asset Values	
35		
36	Opening unamortised initial differences in asset values	146,108
37	Amortisation of initial differences in asset values	5,742
38	Adjustment for unamortised initial differences in assets acquired	-
39	Adjustment for unamortised initial differences in assets disposed	3,160
40	Closing unamortised initial differences in asset values	137,206
41		
42	Opening weighted average remaining asset life (years)	25.14

		(\$000)
43	5a(iv): Amortisation of Revaluations	
44		
45	Opening Sum of RAB values without revaluations	462,687
46		
47	Adjusted depreciation	20,012
48	Total depreciation	21,312
49	Amortisation of revaluations	1,300

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57	5a(v): Reconciliation of Tax Losses		(\$000)
58			
59	Opening tax losses	-	
60	plus Current period tax losses	-	
61	less Utilised tax losses	-	
62	Closing tax losses	-	
63	5a(vi): Calculation of Deferred Tax Balance		(\$000)
64			
65	Opening deferred tax	(14,383)	
66			
67	plus Tax effect of adjusted depreciation	5,603	
68			
69	less Tax effect of total tax depreciation	7,031	
70			
71	plus Tax effect of other temporary differences*	129	
72			
73	less Tax effect of amortisation of initial differences in asset values	1,608	
74			
75	plus Deferred tax balance relating to assets acquired in the disclosure year	-	
76			
77	less Deferred tax balance relating to assets disposed in the disclosure year	(179)	
78			
79	plus Deferred tax cost allocation adjustment	-	
80			
81	Closing deferred tax	(17,110)	
82			
83	5a(vii): Disclosure of Temporary Differences		
84	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).		
85			
86	5a(viii): Regulatory Tax Asset Base Roll-Forward		(\$000)
87			
88	Opening sum of regulatory tax asset values	266,952	
89	less Tax depreciation	25,109	
90	plus Regulatory tax asset value of assets commissioned	47,431	
91	less Regulatory tax asset value of asset disposals	2,044	
92	plus Lost and found assets adjustment	-	
93	plus Other adjustments to the RAB tax value	-	
94	Closing sum of regulatory tax asset values	287,230	