



DS5001

Unison's Default Price-Quality Path

Annual Compliance Statement

2021-22

For the assessment period ended 31 March 2022

Pursuant to
Electricity Distribution Services Default Price-Quality Path Determination 2020

Data Classification: Public
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DS5001 Unison's Default Price Quality-Path Annual Compliance Statement 2021-22

Overview

Document status
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Document purpose

This annual compliance statement is published in accordance with clause 11.4 of the 2020 Default Price-Quality Path Determination. It applies to the second assessment period commencing 1 April 2021 and ending 31 March 2022.

Intended audience

Publicly disclosed.

Document contributors

Contributors	Name and Position Title	Approval Date
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Key dates
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Disclaimer

The information presented in this Annual Compliance Statement has been prepared solely for the purpose of complying with the requirements of the Electricity Distribution Services Default Price-Quality Path Determination 2020. This statement has not been prepared for any other purpose. Unison Networks Limited expressly disclaims any liability to any other party who may rely on this statement for any other purpose.

**Certification
of Annual
Compliance
Statement**



DIRECTORS' CERTIFICATE ON ANNUAL COMPLIANCE STATEMENT

We, Philip Hocquard and Robert Wheeler, being directors of Unison Networks Limited certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached Annual Compliance Statement of Unison Networks Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* are true and accurate.

Philip Hocquard, Chair

Date: 24 August, 2022

Robert Wheeler, Director

Date: 24 August, 2022

Related references

Legislation

Electricity Distribution Services Default Price-Quality Path Determination 2020 (the Determination)

Clarification

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1. Wash-up Amount

1.1 Statement of Compliance As demonstrated in *point 1.2*, Table 1 and consistent with clause 8.6 of the Determination, Unison has complied with the wash-up amount calculation for the second assessment period.

1.2 Wash-up amount calculation

Wash-up Amount RY22		
Term	Description	Value (\$000)
Actual allowable revenue (AAR)	<i>Actual net allowable revenue Plus: actual pass-through costs Plus: actual recoverable costs</i>	147,583
Actual revenue (AR)	<i>Sum of actual revenue from prices plus other regulated income</i>	140,322
Revenue foregone (RV)	<i>Actual net allowable revenue x (revenue reduction percentage – 20%) when revenue reduction percentage is greater than 20%, otherwise nil</i>	0
Wash-up amount	<i>AAR - AR - RV</i>	7,262

Table 1 – Wash-up Amount Calculation

1.3 Actual allowable revenue (AAR)

Actual Allowable Revenue RY22		
Term	Description	Value (\$000)
Actual net allowable revenue (ANAR) RY22	<i>Actual net allowable revenue for the second assessment period</i>	106,094
Actual pass-through costs	<i>Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period</i>	1,541
Actual recoverable costs	<i>Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period</i>	39,949
Total actual allowable revenue (AAR)	<i>Actual net allowable revenue + actual pass-through costs and actual recoverable costs</i>	147,583

Table 2 – Actual Allowable Revenue

1.4 Actual net allowable revenue (ANAR)

Actual Net Allowable Revenue RY22		
Term	Description	Value (\$000)
Actual net allowable revenue RY21	<i>Actual net allowable revenue from previous assessment period</i>	100,756
Δ CPI ₂₀₂₂	<i>Change in Consumer Price Index</i>	5.3%
Annual rate of change	<i>The rate of change stipulated in Schedule 1.2</i>	0
Actual net allowable revenue RY22 (ANAR)	<i>Actual net allowable revenue for the second assessment period</i>	106,094

Table 3 Actual Net Allowable Revenue

Appendix B contains further information supporting actual revenue from prices.

1.5 Actual revenue (AR)

Actual Revenue RY22		
Term	Description	Value (\$000)
Actual revenue from prices	<i>Actual prices between 1 April 2021 and 31 March 2022 multiplied by actual quantities for the assessment period</i>	138,001
Other regulated income	<i>Other income associated with supply of electricity distribution services</i>	2,320
Total actual revenue (AR)	<i>Sum of actual revenue from prices plus other regulated income</i>	140,322

Table 4 Actual Revenue

Appendix B contains further information supporting actual revenue from prices.

1.6 Revenue foregone (RV)

Table 5 shows the revenue foregone consistent with clause 4.2 of the Determination.

Revenue Foregone RY22		
Term	Description	Value (\$000)
Actual net allowable revenue (ANAR)	<i>Amount specified as actual net allowable revenue from the previous assessment period</i>	106,094
Revenue reduction percentage (RRP)	<i>1 - (actual revenue from prices / forecast revenue from prices)</i>	-0.13%
Revenue foregone (RV)	<i>Actual net allowable revenue x (RRP - 20%) when RRP is greater than 20%, otherwise nil</i>	0

Table 5 – Revenue Foregone

1.7 Reconciliation of additional revenue and re-opener

Two separate matters have occurred during the year that have affected the level of wash-up that will be passed through to the 2022-23 period.

1.7.1 Unforeseen Major Capex Project

Unison applied for an amendment to the DPP Determination related to an unforeseeable major capex project. The Commission approved the amendment with the determination amendments affecting this disclosure period relating to the Forecast net allowable revenue (FNAR).

1.7.2 Additional Other Regulated Income

An error has been identified relating to the level of Other Regulated Income stated in the Default Price-Quality Path Annual Compliance Statement for the period ending 31 March 2021.

Other regulated income was reported as \$ 166k. In the process of completing the current compliance statement the correct amount of \$ 533k was confirmed, matching the amount disclosed in the Information Disclosure for the period ending 31 March 2021.

The effect of this additional regulated revenue is to reduce the wash-up that will be applied in the 2022-23 disclosure period.

**1.7
Reconciliation
of additional
revenue and
re-opener
(cont)**

1.7.3 Reconciliation of Opening Wash-up Account Balance RY23

A reconciliation of both the additional revenue gained through Other Regulated Income and the increased allowable revenue through the re-opener is included below.

The Amended Wash-up (1) shows the effect of the additional allowable revenue from the re-opener and the Amended Wash-up (2) also includes the additional other regulated income.

The Opening Wash-up Account Balance (OWAB) for RY23 is the amount of wash-up that will be applied to pricing for the 2022-23 revenue year.

Reconciliation of additional revenue		
Term	Description	Value (\$000)
These items were declared in the DPP21 compliance statement.		
	Forecast net allowable revenue (FNAR)	100,019
	Actual Allowable Revenue (AAR)	133,535
	Revenue from prices RY21	<i>137,106</i>
	Other Regulated Income	<i>166</i>
	Total Revenue RY21	137,271
	Wash-up DPP21	-3,736
Alterations due to Re-opener		
	Amended Forecast net allowable revenue (FNAR) RY20	100,756
	Additional allowable revenue	737
	Revised Actual Allowable Revenue (AAR)	134,272
	Amended wash-up (1)	-2,999
Alterations due to additional Other Regulated Income		
	Additional Other Regulated Income	368
	Amended total revenue	137,639
	Amended wash-up (2)	-3,367
	Opening Wash-up Account Balance RY23	-3,658

Table 6 – Revenue Reconciliation

2. Quality Standards

2.1 Compliance with planned interruptions quality standards

Unison is subject to a planned accumulated SAIDI limit and a planned accumulated SAIFI limit. These limits are assessed for the DPP regulatory period as stated in clause 9.2 of the Determination.

Tables 7 and 8 show the:

- planned accumulated SAIDI and SAIFI limits for Unison for the DPP regulatory period, and
- planned SAIDI and SAIFI assessed values for the second assessment period.

Planned Interruptions Quality Standard – SAIDI	
Sum of planned SAIDI assessed values ≤ Planned accumulated SAIDI limit	
Planned accumulated SAIDI limit	625.79
Planned SAIDI assessed value for the first two assessment periods	134.47
Compliance result	Compliant

Table 7 – SAIDI Planned Compliance

Planned Interruptions Quality Standard – SAIFI	
Sum of planned SAIFI assessed values ≤ Planned accumulated SAIFI limit	
Planned accumulated SAIFI limit	4.4649
Planned SAIFI assessed value for the first two assessment periods	1.0716
Compliance result	Compliant

Table 8 – SAIFI Planned Compliance

2.2 Planned SAIDI and SAIFI assessed values

Tables 9 and 10 show Unison's planned SAIDI and SAIFI assessed values for the assessment period.

Planned SAIDI Assessed Value RY22		
Term	Description	Value
Class B non-notified interruptions		11.36
Class B notified interruptions falling outside window		5.05
SAIDI _B	<i>Sum of Class B non-notified interruptions</i>	16.41
Class B notified interruptions falling inside window		100.65
Class B intended interruptions cancelled without notice		1.65
Class B intended interruptions cancelled with notice		0.00
SAIDI _N	<i>Sum of Class B notified interruptions</i>	102.30
Planned SAIDI assessed value	<i>SAIDI_B + (SAIDI_N/2)</i>	67.56

Table 9 – Planned SAIDI Assessment

Planned SAIFI Assessed Value RY22		
Term	Description	Value
Planned SAIFI assessed value	<i>Sum of Class B interruptions commencing within the assessment period</i>	0.5182

Table 10 – Planned SAIFI Assessment

**2.3
Compliance
with
unplanned
interruptions
quality
standards**

As demonstrated in Tables 11 and 12, and consistent with clause 9.7 of the Determination, Unison has complied with the unplanned interruptions quality standard.

Unplanned Interruptions Quality Standard RY22 – SAIDI		
Unplanned SAIDI assessed value ≤ Unplanned SAIDI limit		
Unplanned SAIDI limit		82.34
Unplanned SAIDI assessed value	<i>Sum of normalised SAIDI values for Class C interruptions commencing within the assessment period</i>	69.40
Compliance result		Compliant

Table 11 – SAIDI Unplanned Compliance

Unplanned Interruptions Quality Standard RY22 – SAIFI		
Unplanned SAIFI assessed value ≤ Unplanned SAIFI limit		
Unplanned SAIFI limit		1.8152
Unplanned SAIFI assessed value	<i>Sum of normalised SAIFI values for Class C interruptions commencing within the assessment period</i>	1.4540
Compliance result		Compliant

Table 12 – SAIFI Unplanned Compliance

Appendix C provides information about policies, procedures and calculations for measuring planned and unplanned interruptions during the assessment period.

2.4 Major events

Tables 13 and 14 show the SAIDI and SAIFI values attributed to major events which occurred during the assessment period. The unplanned SAIDI and unplanned SAIFI boundary values for these major events are 4.48 and 0.0735 respectively. These values are taken from the Determination, Schedule 3.2.

Unplanned SAIDI Major Events RY22			
Start	End	Pre-normalised Unplanned SAIDI	Normalised Unplanned SAIDI
16/07/2021 5:30 pm	18/07/2021 7:00 am	4.92	1.30
02/11/2021 8:00 pm	04/11/2021 7:00 pm	8.83	1.29
12/02/2022 1:30 pm	14/02/2022 12:30 pm	7.82	1.07

Table 13 – SAIDI Unplanned Major Events

Unplanned SAIFI Major Events RY22			
Start	End	Pre-normalised Unplanned SAIFI	Normalised Unplanned SAIFI
17/07/2021 2:00 am	18/07/2021 11:30 am	0.0840	0.0227

Table 14 – SAIFI Unplanned Major Events

Appendix D provides further information on major events.

2.5 Compliance with extreme event standards

As demonstrated in Table 15, and consistent with clause 9.9 of the 2020 DPP Determination, Unison has complied with the extreme event standard.

Extreme Event Standard RY22	
<i>Unplanned SAIDI value ≤ 120 minutes, and customer interruption minutes ≤ six million during any 24-hour period, excluding unplanned interruptions from major external factors</i>	
Number of Extreme Events	Compliance Result
0	Compliant

Table 15 – Extreme Event Compliance

2.6 Quality incentive adjustment

Table 16 shows Unison's quality incentive adjustment for the assessment period.

Quality Incentive Adjustment RY22		
Term	Description	Value (\$000)
SAIDI planned adjustment	$(SAIDI_{planned, target} - SAIDI_{planned, assessed}) \times 0.5 \times IR$	(209.08)
SAIDI unplanned adjustment	$(SAIDI_{unplanned, target} - SAIDI_{unplanned, assessed}) \times IR$	(25.73)
Total adjustment	<i>SAIDI planned adjustment + SAIDI unplanned adjustment</i>	(234.81)
Revenue at risk	$0.02 * ANAR$	2,121.88
Total penalty/reward		(234.81)
67th percentile estimate of post-tax WACC		4.23%
Quality incentive adjustment		(255.10)

Table 16 – Quality Incentive Adjustment

Table 17 shows Unison's quality incentive adjustment inputs consistent with Schedule 4 of the Determination.

Quality Incentive Adjustment Inputs RY22		
SAIDI	Planned	Unplanned
Interruption Cap	125.16	82.34
Interruption Collar	0.00	0.00
Interruption Target	41.72	67.81
Assessed Value	67.56	69.40
Incentive Rate		16,185
Actual Net Allowable Revenue (ANAR) \$000		106,094
Minimum of Cap and Assessed	67.56	69.40
SAIDI subject to incentive (target – assessed)	(25.84)	(1.59)
Adjustment rate \$	8,092.50	16,185
SAIDI adjustment \$000	(209.08)	(25.73)

Table 17 – Quality Incentive Inputs

3. Transactions

3.1 Statement of Compliance	Unison has not entered into any agreements with another EDB or Transpower for an amalgamation, merger, major transaction or transfer in the assessment period.
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Appendix A – Pass-through and Recoverable Costs

Actual and Forecast Pass-through Costs RY22				
Actual Pass-through Costs	Actual (\$000)	Forecast (\$000)	Forecast Variance (\$000)	Explanation for Variances
Local Body Rates on system fixed assets	822	683	139	Forecasts for each local body were based on past changes over the last four years. Napier City increases were less than forecast. Rotorua Lakes increased rates significantly on the network invoices.
Commerce Act levies	339	270	68	Forecasts were based on the last known invoice at the time of price setting.
Electricity Authority levies	313	374	(61)	Forecasts are set using forecast kWh and numbers of connections at the last known rates.
Utilities Disputes levies	66	64	2	
Total actual pass-through costs	1,541	1,392	148	

Table 18 – Total Actual Pass-through Costs

Appendix A – Pass-through and Recoverable Costs, Continued

Actual and Forecast Recoverable Costs RY22				
Actual Recoverable Costs	Actual (\$000)	Forecast (\$000)	Forecast Variance (\$000)	Explanation for Variances
IRIS incentive adjustment ¹	3,696	(873)	4,568	Corrections to Commerce Commission IRIS model in relation to weighted average remaining life of new commissioned assets.
Transmission charges	29,838	29,838	0	
New investment contract charges	1,127	1,127	0	
System operator services charges	11	0	11	
Avoided transmission charges	0	0	0	
Distributed generation allowance	4,525	4,486	40	
Catastrophic event allowance	0	0	0	
Extended reserves allowance	0	0	0	
Quality incentive adjustment	630	630	0	
Capex wash-up adjustment	22	22	0	
Reconsideration event allowance	0	0	0	
Quality standard variation engineers fee	0	0	0	
Urgent project allowance	0	0	0	
Fire and Emergency NZ levies	101	85	16	Forecasts were based on previous year's invoices.
Innovation project allowance	0	0	0	
Total actual recoverable costs	39,949	35,314	4,634	

Table 19 – Total Actual Recoverable Costs

¹ Capex IRIS calculation. Unison has relied on the model the Commerce Commission issued with the Electricity Distribution Services Default Price-Quality Path Determination 2020 to determine the Capex IRIS incentive for the assessment period (Calculations-of-IRIS-recoverable-costs-for-DPP3-EDB-DPP3-final-determination-27-November-2019.xls). In late July 2022, Unison became aware of an error in the Commission's CAPEX IRIS calculations, where incorrect cell references meant the calculation of depreciation referred to the incorrect year for weighted average life of assets. Unison has corrected the Commission's model, including by updating the weighted average life of assets commissioned in 2014/15 to ensure that depreciation is calculated correctly for all assets through the 2015-2020 regulatory period.

Appendix B – Prices and Quantities

Table 20 shows the actual prices and quantities for the actual revenue for the second assessment period.

Actual Revenue from Prices RY22

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
E-H-DNR-24UC	\$/kWh	0.0710	1,683,140.69	120
E-H-DNR-AICO	\$/kWh	0.0520	580,330.06	30
E-H-DNR-CTRL	\$/kWh	0.0240	165,502.55	4
E-H-DNR-CTUD	\$/kWh	0.0920	388.91	0
E-H-DNR-DGEN	\$/kWh	0.0000	6,714.52	0
E-H-DNR-NITE	\$/kWh	0.0210	1,030.29	0
E-H-DNR-PROJ	\$/kWh	0.0710	5,918.00	0
E-H-G11-24UC	\$/kWh	0.1410	1,543,994.36	218
E-H-G11-AICO	\$/kWh	0.1220	207,077.80	25
E-H-G11-CTRL	\$/kWh	0.0940	19,281.91	2
E-H-G11-CTUD	\$/kWh	0.1830	26,996.66	5
E-H-G11-DGEN	\$/kWh	0.0000	887,513.04	0
E-H-G11-NITE	\$/kWh	0.0420	14,125.62	1
E-H-G11-PROJ	\$/kWh	0.1410	294.00	0
E-H-G12-24UC	\$/kWh	0.0710	3,880,273.37	275
E-H-G12-AICO	\$/kWh	0.0520	395,905.39	21
E-H-G12-CTRL	\$/kWh	0.0240	29,531.42	1
E-H-G12-CTUD	\$/kWh	0.0920	52,680.55	5
E-H-G12-DGEN	\$/kWh	0.0000	1,334,023.90	0
E-H-G12-NITE	\$/kWh	0.0210	27,201.32	1
E-H-G12-PROJ	\$/kWh	0.0710	2,422.00	0
E-H-I60-DMND	\$/kW/mth	0.0000	460,054.64	0
E-H-I60-KVAR	\$/KVAR/mth	7.5500	33,105.43	250
E-H-I60-RKVAR	\$/KVAR/mth	-7.5500	2,657.22	-20
E-H-I60-TAIC	\$/kWh	0.0000	193,547,320.00	0
E-H-M11-24UC	\$/kWh	0.1165	79,907,956.42	9,309
E-H-M11-AICO	\$/kWh	0.0975	42,857,094.80	4,179
E-H-M11-CTRL	\$/kWh	0.0695	20,867,172.38	1,450
E-H-M11-CTUD	\$/kWh	0.1510	91,919.59	14
E-H-M11-DGEN	\$/kWh	0.0000	665,803.71	0
E-H-M11-NITE	\$/kWh	0.0350	211,011.45	7
E-H-M11-PROJ	\$/kWh	0.1165	404,346.26	47
E-H-M12-24UC	\$/kWh	0.0710	125,405,867.86	8,904
E-H-M12-AICO	\$/kWh	0.0520	63,401,681.36	3,297
E-H-M12-CTRL	\$/kWh	0.0240	24,424,789.26	586
E-H-M12-CTUD	\$/kWh	0.0920	128,390.98	12
E-H-M12-DGEN	\$/kWh	0.0000	498,475.23	0
E-H-M12-NITE	\$/kWh	0.0210	320,893.38	7
E-H-M12-PROJ	\$/kWh	0.0710	770,408.22	55
E-H-MC-24UC	\$/kWh	0.0465	113,150,194.89	5,261
E-H-MC-24UCHH	\$/kWh	0.0465	144,563.00	7
E-H-MC-CTRL	\$/kWh	0.0260	607,276.81	16
E-H-MC-CTUD	\$/kWh	0.0600	4,226,282.06	254
E-H-MC-DEFT	\$/kWh	0.0560	4,575,097.99	256

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
E-H-MC-DGEN	\$/kWh	0.0000	517,950.62	0
E-H-MC-DMND	\$/kW/mth	2.5500	723,950.98	1,846
E-H-MC-KVAR	\$/KVAR/mth	7.5500	52,845.31	399
E-H-MC-NITE	\$/kWh	0.0140	1,756,211.64	25
E-H-MC-PROJ	\$/kWh	0.0465	619,684.80	29
E-H-MC-SOPD	\$/kW/mth	3.5000	391,062.84	1,369
E-H-MC-TAIC	\$/kWh	0.0000	227,902,825.00	0
E-H-MC-WOPD	\$/kW/mth	7.0000	291,128.70	2,038
E-H-NDH-24UC	\$/kWh	0.0920	27,645,619.61	2,543
E-H-NDH-CTRL	\$/kWh	0.0510	558,192.53	28
E-H-NDH-CTUD	\$/kWh	0.1240	320,708.46	40
E-H-NDH-DGEN	\$/kWh	0.0000	32,342.76	0
E-H-NDH-NITE	\$/kWh	0.0320	137,168.51	4
E-H-NDH-PROJ	\$/kWh	0.0920	616,882.42	57
E-H-NDL-24UC	\$/kWh	0.0680	7,090,007.05	482
E-H-NDL-CTRL	\$/kWh	0.0370	126,172.15	5
E-H-NDL-CTUD	\$/kWh	0.0920	63,541.57	6
E-H-NDL-DGEN	\$/kWh	0.0000	8,764.74	0
E-H-NDL-NITE	\$/kWh	0.0240	30,402.67	1
E-H-NDL-PROJ	\$/kWh	0.0680	168,269.57	11
E-H-T1P-24UC	\$/kWh	0.1000	332,044.48	33
E-H-T1P-PROJ	\$/kWh	0.1000	9,118.00	1
E-H-T3P-24UC	\$/kWh	0.0530	321,645.71	17
E-H-TCU-CTRL	\$/kWh	0.0240	11,843.25	0
E-H-TCU-OFPK	\$/kWh	0.0210	131,377.30	3
E-H-TCU-ONPK	\$/kWh	0.1250	225,971.26	28
E-H-TCU-PROJ	\$/kWh	0.1250	1,411.49	0
E-H-TCU-SHDR	\$/kWh	0.0450	243,112.75	11
E-H-THU-CTRL	\$/kWh	0.0240	1,940,429.75	47
E-H-THU-DGEN	\$/kWh	0.0000	168,656.43	0
E-H-THU-NITE	\$/kWh	0.0210	684.64	0
E-H-THU-OFPK	\$/kWh	0.0210	2,914,680.32	61
E-H-THU-ONPK	\$/kWh	0.1250	4,803,125.39	600
E-H-THU-PROJ	\$/kWh	0.1250	37,166.30	5
E-H-THU-SHDR	\$/kWh	0.0450	3,581,889.78	161
E-H-TLU-CTRL	\$/kWh	0.0695	1,023,774.45	71
E-H-TLU-DGEN	\$/kWh	0.0000	274,966.02	0
E-H-TLU-NITE	\$/kWh	0.0350	1,648.54	0
E-H-TLU-OFPK	\$/kWh	0.0350	2,686,014.05	94
E-H-TLU-ONPK	\$/kWh	0.1710	4,382,784.04	749
E-H-TLU-PROJ	\$/kWh	0.1710	34,703.63	6
E-H-TLU-SHDR	\$/kWh	0.1120	3,270,105.02	366
E-H-U01-UNMT	\$/kWh	0.2000	475,200.48	95
E-H-U02-UNMT	\$/kWh	0.2000	531,282.77	106
E-H-U03-UNMT	\$/kWh	0.0150	5,061,085.00	76
F-H-DNR	\$/day	1.5000	224,469.00	337
F-H-G11	\$/day	0.1500	128,753.00	19
F-H-G12	\$/day	1.6980	157,703.00	268
F-H-I60-007	\$/day	452.3600	365.00	165

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
F-H-I60-008	\$/day	486.1600	365.00	177
F-H-I60-009	\$/day	488.0300	365.00	178
F-H-I60-010	\$/day	505.9800	365.00	185
F-H-I60-011	\$/day	414.4000	365.00	151
F-H-I60-012	\$/day	606.2600	365.00	221
F-H-I60-013	\$/day	1,617.7200	365.00	590
F-H-I60-014	\$/day	1,108.8000	365.00	405
F-H-I60-015	\$/day	532.7100	365.00	194
F-H-I60-016	\$/day	478.4100	365.00	175
F-H-I60-017	\$/day	1,442.6300	365.00	527
F-H-I60-021	\$/day	396.8500	365.00	145
F-H-I60-022	\$/day	342.9100	365.00	125
F-H-I60-023	\$/day	341.9000	365.00	125
F-H-I60-024	\$/day	354.7800	365.00	129
F-H-I60-025	\$/day	75.1700	365.00	27
F-H-I60-026	\$/day	186.5600	365.00	68
F-H-I60-028	\$/day	695.9000	0.00	0
F-H-I60-031	\$/day	6.0900	0.00	0
F-H-I60-033	\$/day	254.3400	365.00	93
F-H-I60-034	\$/day	121.2500	365.00	44
F-H-I60-035	\$/day	135.4500	365.00	49
F-H-I60-036	\$/day	145.4400	365.00	53
F-H-I60-037	\$/day	58.2400	365.00	21
F-H-I60-038	\$/day	155.1800	365.00	57
F-H-I60-039	\$/day	185.7800	365.00	68
F-H-I60-040	\$/day	150.1600	365.00	55
F-H-I60-041	\$/day	33.4400	365.00	12
F-H-I60-042	\$/day	238.2500	365.00	87
F-H-I60-043	\$/day	167.6400	365.00	61
F-H-I60-044	\$/day	89.8300	365.00	33
F-H-I60-045	\$/day	81.8600	365.00	30
F-H-I60-047	\$/day	85.2400	365.00	31
F-H-I60-048	\$/day	105.6400	365.00	39
F-H-I60-049	\$/day	142.5500	365.00	52
F-H-I60-050	\$/day	503.7300	365.00	184
F-H-I60-051	\$/day	503.7300	365.00	184
F-H-I60-052	\$/day	57.9400	365.00	21
F-H-I60-053	\$/day	48.1500	365.00	18
F-H-I60-054	\$/day	232.0500	365.00	85
F-H-I60-055	\$/day	148.5500	0.00	0
F-H-I60-056	\$/day	25.5600	365.00	9
F-H-I60-057	\$/day	24.4500	365.00	9
F-H-I60-058	\$/day	28.3200	365.00	10
F-H-I60-059	\$/day	75.2100	365.00	27
F-H-I60-060	\$/day	24.4500	365.00	9
F-H-I60-061	\$/day	87.9400	365.00	32
F-H-I60-062	\$/day	96.8200	365.00	35
F-H-I60-063	\$/day	50.3200	365.00	18
F-H-I60-064	\$/day	459.4800	365.00	168

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
F-H-I60-065	\$/day	219.9400	365.00	80
F-H-I60-066	\$/day	324.2400	365.00	118
F-H-I60-067	\$/day	75.3200	365.00	27
F-H-I60-068	\$/day	48.6600	365.00	18
F-H-I60-069	\$/day	34.9500	365.00	13
F-H-I60-070	\$/day	88.8600	365.00	32
F-H-I60-071	\$/day	187.0000	365.00	68
F-H-I60-072	\$/day	41.1700	365.00	15
F-H-I60-073	\$/day	170.3000	365.00	62
F-H-I60-074	\$/day	66.2100	365.00	24
F-H-I60-075	\$/day	16.9200	365.00	6
F-H-I60-076	\$/day	248.5900	365.00	91
F-H-I60-077	\$/day	17.7300	365.00	6
F-H-I60-078	\$/day	392.2600	365.00	143
F-H-I60-079	\$/day	264.1900	365.00	96
F-H-I60-080	\$/day	120.5400	365.00	44
F-H-I60-081	\$/day	42.8700	365.00	16
F-H-I60-082	\$/day	272.3900	134.00	37
F-H-I60-084	\$/day	156.8500	57.00	9
F-H-I60-085	\$/day	113.1200	57.00	6
F-H-I60-099	\$/day	0.0000	365.00	0
F-H-M11	\$/day	0.1500	10,186,317.00	1,528
F-H-M12	\$/day	1.1500	8,354,412.00	9,608
F-H-MC1	\$/day	5.5000	1,128,829.00	6,209
F-H-MC2	\$/day	11.0000	121,766.00	1,339
F-H-MC3	\$/day	22.0000	80,842.00	1,779
F-H-MC5	\$/day	28.0000	20,619.00	577
F-H-MC6	\$/day	33.0000	12,810.00	423
F-H-MC7	\$/day	38.0000	8,885.00	338
F-H-MC8	\$/day	43.0000	5,260.00	226
F-H-MC9	\$/day	50.0000	5,454.00	273
F-H-MC-COAD	\$/day	-1.9000	365.00	-1
F-H-MC-T020	\$/day	5.0000	20,399.00	102
F-H-MC-T030	\$/day	6.6000	17,155.00	113
F-H-MC-T050	\$/day	8.6500	18,674.00	162
F-H-MC-T075	\$/day	10.7500	12,985.00	140
F-H-MC-T100	\$/day	12.7500	6,720.00	86
F-H-MC-T150	\$/day	14.0000	1,095.00	15
F-H-NDH	\$/day	1.1500	746,824.00	859
F-H-NDL	\$/day	1.5500	1,204,748.00	1,867
F-H-T1P	\$/day	1.2700	95,138.00	121
F-H-T3P	\$/day	6.0500	5,290.00	32
F-H-TCU	\$/day	1.1500	15,695.00	18
F-H-THU	\$/day	1.1500	519,685.00	598
F-H-TLU	\$/day	0.1500	567,720.00	85
F-H-U03	\$/fitting	0.1750	6,260,109.00	1,096
E-R-DNR-24UC	\$/kWh	0.0610	5,774,500.20	352
E-R-DNR-AICO	\$/kWh	0.0440	3,932,455.02	173
E-R-DNR-CTRL	\$/kWh	0.0190	897,081.42	17

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
E-R-DNR-CTUD	\$/kWh	0.0800	338,705.03	27
E-R-DNR-DGEN	\$/kWh	0.0000	1,961.10	0
E-R-DNR-NITE	\$/kWh	0.0180	202,197.51	4
E-R-DNR-PROJ	\$/kWh	0.0610	17,382.95	1
E-R-G11-24UC	\$/kWh	0.1310	703,413.71	92
E-R-G11-AICO	\$/kWh	0.1140	154,919.67	18
E-R-G11-CTRL	\$/kWh	0.0890	7,833.99	1
E-R-G11-CTUD	\$/kWh	0.1700	6,062.04	1
E-R-G11-DGEN	\$/kWh	0.0000	374,519.11	0
E-R-G11-NITE	\$/kWh	0.0390	9,201.09	0
E-R-G11-PROJ	\$/kWh	0.1310	1,642.00	0
E-R-G12-24UC	\$/kWh	0.0610	1,135,792.34	69
E-R-G12-AICO	\$/kWh	0.0440	190,072.23	8
E-R-G12-CTRL	\$/kWh	0.0190	14,667.91	0
E-R-G12-CTUD	\$/kWh	0.0800	15,615.66	1
E-R-G12-DGEN	\$/kWh	0.0000	408,833.65	0
E-R-G12-NITE	\$/kWh	0.0180	9,294.14	0
E-R-I60-DMND	\$/kW/mth	0.0000	236,623.44	0
E-R-I60-KVAR	\$/KVAR/mth	7.5500	21,321.60	161
E-R-I60-RKVAR	\$/KVAR/mth	-7.5500	11,700.77	-88
E-R-I60-TAIC	\$/kWh	0.0000	88,325,615.00	0
E-R-M11-24UC	\$/kWh	0.1065	44,027,967.46	4,689
E-R-M11-AICO	\$/kWh	0.0895	51,712,403.37	4,628
E-R-M11-CTRL	\$/kWh	0.0645	7,185,167.88	463
E-R-M11-CTUD	\$/kWh	0.1390	1,346,865.17	187
E-R-M11-DGEN	\$/kWh	0.0000	223,974.50	0
E-R-M11-NITE	\$/kWh	0.0320	1,223,269.80	39
E-R-M11-PROJ	\$/kWh	0.1065	416,510.87	44
E-R-M12-24UC	\$/kWh	0.0610	67,421,400.63	4,113
E-R-M12-AICO	\$/kWh	0.0440	65,829,719.86	2,897
E-R-M12-CTRL	\$/kWh	0.0190	12,170,562.02	231
E-R-M12-CTUD	\$/kWh	0.0800	2,983,696.71	239
E-R-M12-DGEN	\$/kWh	0.0000	187,137.93	0
E-R-M12-NITE	\$/kWh	0.0180	2,118,663.87	38
E-R-M12-PROJ	\$/kWh	0.0610	558,106.01	34
E-R-MC-24UC	\$/kWh	0.0450	115,797,380.88	5,211
E-R-MC-24UCHH	\$/kWh	0.0450	252,056.00	11
E-R-MC-CTRL	\$/kWh	0.0250	1,560,506.42	39
E-R-MC-CTUD	\$/kWh	0.0580	14,119,345.16	819
E-R-MC-DEFT	\$/kWh	0.0540	5,863,173.36	317
E-R-MC-DGEN	\$/kWh	0.0000	192,880.84	0
E-R-MC-DMND	\$/kW/mth	2.5500	360,266.44	919
E-R-MC-KVAR	\$/KVAR/mth	7.5500	35,922.49	271
E-R-MC-NITE	\$/kWh	0.0140	5,801,581.28	81
E-R-MC-PROJ	\$/kWh	0.0450	87,354.44	4
E-R-MC-RKVAR	\$/KVAR/mth	-7.5500	0.00	0
E-R-MC-SOPD	\$/kW/mth	3.5000	193,271.06	676
E-R-MC-TAIC	\$/kWh	0.0000	117,524,465.00	0
E-R-MC-WOPD	\$/kW/mth	7.0000	145,503.88	1,019

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
E-R-NDH-24UC	\$/kWh	0.0830	14,703,865.02	1,220
E-R-NDH-CTRL	\$/kWh	0.0460	455,857.02	21
E-R-NDH-CTUD	\$/kWh	0.1140	499,847.30	57
E-R-NDH-DGEN	\$/kWh	0.0000	7,182.62	0
E-R-NDH-NITE	\$/kWh	0.0250	404,988.89	10
E-R-NDH-PROJ	\$/kWh	0.0830	101,468.98	8
E-R-NDL-24UC	\$/kWh	0.0576	3,665,727.33	211
E-R-NDL-CTRL	\$/kWh	0.0320	39,239.85	1
E-R-NDL-CTUD	\$/kWh	0.0780	12,498.06	1
E-R-NDL-DGEN	\$/kWh	0.0000	64.00	0
E-R-NDL-NITE	\$/kWh	0.0200	14,333.60	0
E-R-NDL-PROJ	\$/kWh	0.0576	11,946.81	1
E-R-T1P-24UC	\$/kWh	0.0670	281,359.22	19
E-R-T1P-PROJ	\$/kWh	0.0670	1,038.00	0
E-R-T3P-24UC	\$/kWh	0.0500	102,486.95	5
E-R-TCU-CTRL	\$/kWh	0.0190	15,630.40	0
E-R-TCU-OFPK	\$/kWh	0.0180	44,545.69	1
E-R-TCU-ONPK	\$/kWh	0.1100	106,309.65	12
E-R-TCU-PROJ	\$/kWh	0.1100	996.26	0
E-R-TCU-SHDR	\$/kWh	0.0360	126,561.89	5
E-R-THU-CTRL	\$/kWh	0.0190	1,176,547.56	22
E-R-THU-DGEN	\$/kWh	0.0000	115,227.06	0
E-R-THU-NITE	\$/kWh	0.0180	13,307.20	0
E-R-THU-OFPK	\$/kWh	0.0180	2,431,844.13	44
E-R-THU-ONPK	\$/kWh	0.1100	4,173,546.35	459
E-R-THU-PROJ	\$/kWh	0.1100	137,427.15	15
E-R-THU-SHDR	\$/kWh	0.0360	3,033,472.88	109
E-R-TLU-CTRL	\$/kWh	0.0645	447,160.79	29
E-R-TLU-DGEN	\$/kWh	0.0000	231,899.84	0
E-R-TLU-NITE	\$/kWh	0.0320	10,241.16	0
E-R-TLU-OFPK	\$/kWh	0.0320	2,363,164.46	76
E-R-TLU-ONPK	\$/kWh	0.1560	4,094,516.30	639
E-R-TLU-PROJ	\$/kWh	0.1560	37,096.44	6
E-R-TLU-SHDR	\$/kWh	0.1030	2,969,232.66	306
E-R-U01-UNMT	\$/kWh	0.2000	343,195.37	69
E-R-U02-UNMT	\$/kWh	0.2000	112,034.76	22
E-R-U03-UNMT	\$/kWh	0.0150	3,168,881.00	48
E-R-UNISON	\$/kWh	0.0000	155,309.72	0
F-R-DNR	\$/day	1.5000	1,098,938.00	1,648
F-R-G11	\$/day	0.1500	63,839.00	10
F-R-G12	\$/day	1.7000	53,944.00	92
F-R-I60-001	\$/day	855.7100	365.00	312
F-R-I60-002	\$/day	1,193.8900	365.00	436
F-R-I60-003	\$/day	677.7100	365.00	247
F-R-I60-005	\$/day	43.5100	0.00	0
F-R-I60-006	\$/day	98.1100	365.00	36
F-R-I60-007	\$/day	57.5500	365.00	21
F-R-I60-008	\$/day	154.9900	365.00	57
F-R-I60-009	\$/day	156.5300	365.00	57

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
F-R-I60-011	\$/day	254.6800	365.00	93
F-R-I60-012	\$/day	490.5800	365.00	179
F-R-I60-013	\$/day	393.9900	365.00	144
F-R-I60-014	\$/day	1.0000	365.00	0
F-R-I60-015	\$/day	213.5600	365.00	78
F-R-I60-016	\$/day	225.1300	0.00	0
F-R-I60-017	\$/day	169.8600	365.00	62
F-R-I60-018	\$/day	52.3100	365.00	19
F-R-I60-019	\$/day	22.2000	365.00	8
F-R-I60-020	\$/day	5.4700	365.00	2
F-R-I60-021	\$/day	6.0900	365.00	2
F-R-I60-026	\$/day	1,524.4900	365.00	556
F-R-I60-027	\$/day	133.3000	365.00	49
F-R-I60-028	\$/day	85.0300	365.00	31
F-R-I60-031	\$/day	0.0000	365.00	0
F-R-I60-034	\$/day	0.0000	365.00	0
F-R-I60-041	\$/day	121.2500	365.00	44
F-R-I60-042	\$/day	133.9500	365.00	49
F-R-I60-043	\$/day	135.9100	365.00	50
F-R-I60-044	\$/day	116.2000	365.00	42
F-R-I60-045	\$/day	131.2700	365.00	48
F-R-I60-046	\$/day	113.9700	365.00	42
F-R-I60-047	\$/day	121.2200	365.00	44
F-R-I60-048	\$/day	131.8400	365.00	48
F-R-I60-049	\$/day	132.1100	365.00	48
F-R-I60-050	\$/day	112.8300	365.00	41
F-R-I60-051	\$/day	132.2400	365.00	48
F-R-I60-052	\$/day	118.0000	365.00	43
F-R-I60-053	\$/day	129.7600	365.00	47
F-R-I60-054	\$/day	131.9600	365.00	48
F-R-I60-055	\$/day	115.5500	365.00	42
F-R-I60-056	\$/day	115.4000	365.00	42
F-R-I60-057	\$/day	114.2100	365.00	42
F-R-I60-058	\$/day	131.2500	365.00	48
F-R-I60-059	\$/day	157.8200	365.00	58
F-R-I60-060	\$/day	253.1700	365.00	92
F-R-I60-061	\$/day	32.9300	365.00	12
F-R-I60-062	\$/day	76.6000	365.00	28
F-R-I60-063	\$/day	665.3800	205.00	136
F-R-I60-064	\$/day	131.5200	205.00	27
F-R-I60-065	\$/day	30.9400	109.00	3
F-R-I60-098	\$/day	0.0000	730.00	0
F-R-I60-099	\$/day	0.0000	0.00	0
F-R-M11	\$/day	0.1500	7,181,164.00	1,077
F-R-M12	\$/day	1.1500	6,014,646.00	6,917
F-R-MC1	\$/day	4.9000	1,406,536.00	6,892
F-R-MC2	\$/day	10.5000	106,804.00	1,121
F-R-MC3	\$/day	21.0000	44,742.00	940
F-R-MC5	\$/day	27.0000	21,910.00	592

Price Code	Unit	Unit Price \$	Quantity	Revenue \$ (000)
F-R-MC6	\$/day	33.0000	6,205.00	205
F-R-MC7	\$/day	40.0000	1,784.00	71
F-R-MC8	\$/day	46.0000	3,650.00	168
F-R-MC9	\$/day	52.0000	1,825.00	95
F-R-MC-COAD	\$/day	-1.9000	365.00	-1
F-R-MC-T020	\$/day	5.0000	10,345.00	52
F-R-MC-T030	\$/day	6.6000	12,150.00	80
F-R-MC-T050	\$/day	8.6500	19,567.00	169
F-R-MC-T075	\$/day	10.7500	6,392.00	69
F-R-MC-T100	\$/day	12.7500	1,282.00	16
F-R-MC-T150	\$/day	14.0000	365.00	5
F-R-NDH	\$/day	1.1500	367,102.00	422
F-R-NDL	\$/day	1.5500	568,015.00	880
F-R-T1P	\$/day	1.3000	75,196.00	98
F-R-T3P	\$/day	5.3900	1,979.00	11
F-R-TCU	\$/day	1.1500	7,665.00	9
F-R-THU	\$/day	1.1500	429,215.00	494
F-R-TLU	\$/day	0.1500	512,664.00	77
F-R-U03	\$/fitting	0.1750	3,904,625.00	683

Total	1,708,718,696.35	138,001
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Table 20 – Actual revenue 2nd Assessment Period

Table 21 shows the forecast revenue from prices for the second assessment period from the price setting compliance statement.

Forecast revenue from prices RY22	137,827
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Table 21 – 2nd Assessment period Forecast Revenue

Appendix C – Policies and Procedures for Measuring Planned and Unplanned Interruptions

Unison systems for recording SAIDI and SAIFI

Unison uses ADMS SCADA for recording operations of network switches with time stamped data used for calculation of SAIDI and SAIFI. A detailed explanation of how the ADMS system is used to calculate SAIDI and SAIFI can be found in the 'ADMS – All interruptions' section in this appendix.

SCADA timing

Automatically recorded SCADA data is time stamped at the Remote Terminal Unit (RTU), and the data is time corrected to the master station each half hour.

Unison's SCADA: Remote devices in ADMS

Unison's ADMS SCADA system has been designed to capture real-time data.

In both the Hawke's Bay and Rotorua/Taupo network systems, all zone substations 33kV and 11kV circuit breakers are linked by Remote Terminal Units (RTUs). The RTUs report automatically and time stamp all changes of state of devices directly to the SCADA ADMS Event Summary.

The exception is Atiamuri zone substation which has no SCADA link to Unison. Interruptions to supply from Atiamuri are time stamped using information from downstream devices.

On the SCADA system, each zone substation and 11kV feeder is represented by a schematic picture and a SCADA tile.

Unison's SCADA: Non-remote devices in ADMS

Switching devices that have no SCADA link to Unison have a pseudo point defined in the SCADA database. Each point has an identifier name that relates to the real world switch number.

As Field Operators complete operational items, they report this to the System Control Operator. The System Control Operator then manually sets the field device's pseudo point on the appropriate SCADA tile. This action is automatically recorded and time stamped in the SCADA ADMS Event Summary.

Outage data sources

The capture of outage data uses the following data sources and utilities:

Data	Source
(1) Numbers of ICPs attached to 11kV/400v transformers.	GIS
(2) Transformers connected between isolation points.	GIS
(3) Real time data.	ADMS SCADA

ADMS – All interruptions

ADMS is updated with customer numbers and connectivity from GIS daily. Zone (33kV/11kV) substation connectivity is maintained manually by the SCADA team.

The SCADA tile is updated by either:

- an operation of a device that is linked via SCADA, or
- a manual update which is a switch status updated by the System Control Operator.

The software is updated to reflect the real-time physical state of the network, including energisation of customers.

If the switching operation de-energises customers, ADMS will create an 'incident' and 'SDP interruptions'.² The 'incident' has a unique identifier for the interruption and contains operational information, for example, the cause of the interruption. The 'SDP interruptions' are created in ADMS for each supply disruption to each customer affected. It records the start and end times of the interruption and contains a link to the parent 'incident'.

When all customers are restored, the System Control Operator updates the relevant general details on the incident and 'archives' it. This removes the incident from the list of current interruptions in ADMS and allows it to be viewed by other systems at Unison.

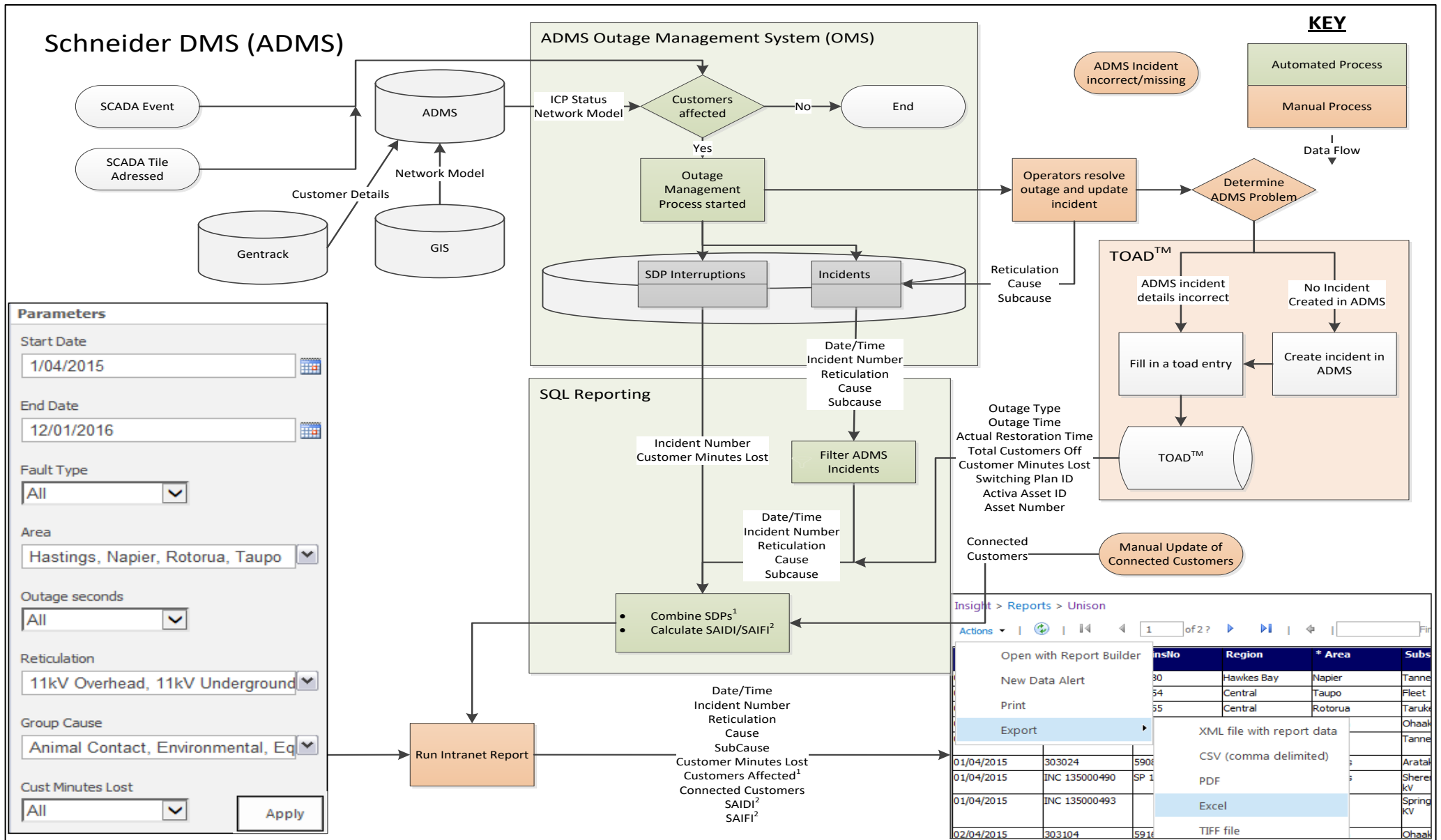
Customer Minutes Lost (CML) is calculated for each incident by adding all the minutes from the 'SDP interruptions' associated with that incident. CML is then divided by the number of connected customers to calculate SAIDI for the incident. This task is performed by a Unison database script.

SAIFI is calculated for the incident by dividing the number of customers affected by the number of connected customers (the average customers for the disclosure year).

TOAD

ADMS does not allow manual editing of SAIDI and SAIFI. If there is an error that results in incorrect SAIDI or SAIFI, they must be calculated manually and entered into TOAD. This is then used for reporting SAIDI and SAIFI.

² SDP – Service Delivery Point, the ADMS equivalent of an ICP.



Appendix D – SAIDI and SAIFI Major Events

**SAIDI and
SAIFI Major
Event**

**16/07/2021 –
18/07/2021**

High winds in the Central Region caused a number of outages, predominantly on 11kV distribution feeders.

Unison's regular weather monitoring pre-empted the poor weather prior to the event, resulting in more on call field staff being arranged for the relevant period. Response during the event followed internal processes to manage ongoing unplanned outages in a standardised manner. The impact of the event could have been minimised or prevented with a greater proportion of underground network assets but cost often prohibits this.

After carrying out a review for this major event, opportunities to increase visibility of network events were identified and have been implemented.

**SAIDI Major
Event**

**02/11/2021 –
04/11/2021**

Two outages triggered by fall distance zone trees in forestry blocks falling through overhead lines on the Taupo Plains and Rotoma feeders resulted in a SAIDI major event for the period. The main equipment involved in the Taupo Plains incident was a 33kV subtransmission line while for the Rotoma incident it was an 11kV distribution line.

Response to both incidents was hindered by the ability to safely access the fault sites, due to the continued high winds and the fall risk presented by other trees in the blocks. In both cases, temporary generation was deployed to minimize the impact on customers. The impact of this event could have been minimised or prevented if tree regulations allowed for greater control of trees within the fall distance zone of electrical assets.

To mitigate against the risk of reoccurrence, Unison continues to engage with the forestry industry to encourage responsible planting and continues to push for reviews of the tree regulations to ensure that fall distance trees can be better managed by lines companies.

**SAIDI Major
Event**

**12/02/2022 –
14/02/2022**

Strong winds and heavy rain resulting from the arrival of ex-cyclone Dovi resulted in a number of outages on Unison's network. These outages affected multiple overhead 11kV feeders but were concentrated in the Central Region.

Unison's regular weather monitoring pre-empted the poor weather prior to the event, resulting in more on call field staff being arranged for the relevant period. Response during the event followed internal processes to manage ongoing unplanned outages in a standardised manner. The impact of this event could have been minimised or prevented with significantly increased field staff resource, however an expansion solely for infrequent surge capacity is cost prohibitive.

After this event, Unison has increased its focus and training on response to critical network outage events and have introduced clearer definitions and response frameworks that align to the Coordinated Incident Management System (CIMS) to operational staff.

Appendix E – Independent Auditor’s Report



Independent Assurance Report

**To the directors of Unison Network Limited
on the Annual Compliance Statement
for the assessment period ended 31 March 2022
as required by the Electricity Distribution Services Default Price-Quality Path
Determination 2020**

The Auditor-General is the auditor of Unison Network Limited (the Company). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to undertake a reasonable assurance engagement, on his behalf, on whether the Annual Compliance Statement on pages 5 to 29 for the assessment period ended on 31 March 2022 has been prepared, in all material respects, in compliance with the Electricity Distribution Services Default Price-Quality Path Determination 2020 (the “Determination”).

Opinion

In our opinion, in all material respects:

- 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 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 2022.

Basis for 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 responsibilities 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 2022, 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 5 to 8 and pages 16 to 25 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 10 to 14 and page 29 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 page 14 of the Annual Compliance Statement.

In relation to transactions set out in clauses 10.1 to 10.18 of the Determination, our procedures included examination, on a test basis, of evidence relevant to the values and disclosures contained on page 15 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 an 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 for use by the directors of the Company and 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 Audit New Zealand and its 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 and performance information, we have no relationship with or interests in the Company.



Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
24 August 2022