

**Electricity Distribution Information Disclosure Determination 2012  
Consolidated determination as of 18 May 2023**

**Schedules 1–10  
excluding 5f–5g**

<b>Company Name</b>	<a href="#">Marlborough Lines Limited</a>
<b>Disclosure Date</b>	<a href="#">23 August 2023</a>
<b>Disclosure Year (year ended)</b>	<a href="#">31 March 2023</a>

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## **Disclosure Template Instructions**

This document forms Schedules 1–10 to the Electricity Distribution Information Disclosure Determination 2012 (Consolidated determination as of 18 May 2023)

The Schedules take the form of templates for use by EDBs when making disclosures under clauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, and 2.5.2 of the Electricity Distribution Information Disclosure Determination 2012.

### ***Company Name and Dates***

To prepare the templates for disclosure, the supplier's company name should be entered in cell C8, the date of the last day of the current (disclosure) year should be entered in cell C12, and the date on which the information is disclosed should be entered in cell C10 of the CoverSheet worksheet.

The cell C12 entry (current year) is used to calculate disclosure years in the column headings that show above some of the tables and in labels adjacent to some entry cells. It is also used to calculate the 'For year ended' date in the template title blocks (the title blocks are the light green shaded areas at the top of each template).

The cell C8 entry (company name) is used in the template title blocks.

Dates should be entered in day/month/year order (Example -"1 April 2013").

### ***Data Entry Cells and Calculated Cells***

Data entered into this workbook may be entered only into the data entry cells. Data entry cells are the bordered, unshaded areas (white cells) in each template. Under no circumstances should data be entered into the workbook outside a data entry cell.

In some cases, where the information for disclosure is able to be ascertained from disclosures elsewhere in the workbook, such information is disclosed in a calculated cell.

### ***Validation Settings on Data Entry Cells***

To maintain a consistency of format and to help guard against errors in data entry, some data entry cells test keyboard entries for validity and accept only a limited range of values. For example, entries may be limited to a list of category names, to values between 0% and 100%, or either a numeric entry or the text entry "N/A". Where this occurs, a validation message will appear when data is being entered. These checks are applied to keyboard entries only and not, for example, to entries made using Excel's copy and paste facility.

### ***Conditional Formatting Settings on Data Entry Cells***

Schedule 2 cells G79 and I79:L79 will change colour if the total cashflows do not equal the corresponding values in table 2(ii).

Schedule 4 cells P99:P105 and P107 will change colour if the RAB values do not equal the corresponding values in table 4(ii).

Schedule 9b columns AA to AE (2013 to 2017) contain conditional formatting. The data entry cells for future years are hidden (are changed from white to yellow).

Schedule 9b cells AG10 to AG60 will change colour if the total assets at year end for each asset class does not equal the corresponding values in column I in Schedule 9a.

Schedule 9c cell G30 will change colour if G30 (overhead circuit length by terrain) does not equal G18 (overhead circuit length by operating voltage).

### ***Inserting Additional Rows and Columns***

The schedule 4, 5b, 5c, 5d, 5e, 6a, 8, 9d, and 9e templates may require additional rows to be inserted in tables marked 'include additional rows if needed' or similar. Column A schedule references should not be entered in additional rows, and should be deleted from additional rows that are created by copying and pasting rows that have schedule references.

Additional rows in the schedule 5c, 6a, and 9e templates must not be inserted directly above the first row or below the last row of a table. This is to ensure that entries made in the new row are included in the totals.

The schedule 5d and 5e templates may require new cost or asset category rows to be inserted in allocation change tables 5d(iii) and 5e(ii). Accordingly, cell protection has been removed from rows 77 and 78 of the respective templates to allow blocks of rows to be copied. The four steps to add new cost category rows to table 5d(iii) are: Select Excel rows 69:77, copy, select Excel row 78, insert copied cells. Similarly, for table 5e(ii): Select Excel rows 70:78, copy, select Excel row 79, then insert copied cells.

The template for schedule 8 may require additional columns to be inserted between column P and U. To avoid interfering with the title block entries, these should be inserted to the left of column S. If inserting additional columns, the formulas for standard consumers total, non-standard consumers totals and total for all consumers will need to be copied into the cells of the added columns. The formulas can be found in the equivalent cells of the existing columns.

***Disclosures by Sub-Network***

If the supplier has sub-networks, schedules 8, 9a, 9b, 9c, 9e, and 10 must be completed for the network and for each sub-network. A copy of the schedule worksheet(s) must be made for each sub-network and named accordingly.

***Description of Calculation References***

Calculation cell formulas contain links to other cells within the same template or elsewhere in the workbook. Key cell references are described in a column to the right of each template. These descriptions are provided to assist data entry. Cell references refer to the row of the template and not the schedule reference.

***Worksheet Completion Sequence***

Calculation cells may show an incorrect value until precedent cell entries have been completed. Data entry may be assisted by completing the schedules in the following order:

1. Coversheet
2. Schedules 5a–5e
3. Schedules 6a–6b
4. Schedule 8
5. Schedule 3
6. Schedule 4
7. Schedule 2
8. Schedule 7
9. Schedules 9a–9e
10. Schedule 10

***Changes Since Previous Version***

Refer to the Targeted Information Disclosure Review - Electricity Distribution Businesses Final reasons paper - Tranche 1, for the details of changes made. A summary is provided in Chapter 2.

## 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 this ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of this determination.

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

sch ref

### 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)
<b>Operational expenditure</b>	51,200	745	264,854	5,677	55,390
Network	25,078	365	129,729	2,781	27,131
Non-network	26,121	380	135,125	2,897	28,259
<b>Expenditure on assets</b>	31,252	455	161,665	3,465	33,809
Network	26,634	387	137,776	2,953	28,813
Non-network	4,618	67	23,888	512	4,996

### 17 1(ii): Revenue metrics

	Revenue per GWh energy delivered to ICPs (\$/GWh)	Revenue per average no. of ICPs (\$/ICP)
<b>Total consumer line charge revenue</b>	98,092	1,427
Standard consumer line charge revenue	97,892	1,424
Non-standard consumer line charge revenue	–	77,938

### 23 1(iii): Service intensity measures

Demand density	21	Maximum coincident system demand per km of circuit length (for supply) (kW/km)
Volume density	111	Total energy delivered to ICPs per km of circuit length (for supply) (MWh/km)
Connection point density	8	Average number of ICPs per km of circuit length (for supply) (ICPs/km)
Energy intensity	14,544	Total energy delivered to ICPs per average number of ICPs (kWh/ICP)

### 30 1(iv): Composition of regulatory income

	(\$000)	% of revenue
Operational expenditure	19,979	51.02%
Pass-through and recoverable costs excluding financial incentives and wash-ups	7,049	18.00%
Total depreciation	11,449	29.23%
Total revaluations	16,499	42.13%
Regulatory tax allowance	744	1.90%
Regulatory profit/(loss) including financial incentives and wash-ups	16,441	41.98%
<b>Total regulatory income</b>	<b>39,162</b>	

### 40 1(v): Reliability

Interruption rate	20.57	Interruptions per 100 circuit km
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Company Name

Marlborough Lines Limited

For Year Ended

31 March 2023

**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 this 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).

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

sch ref

	CY-2	CY-1	Current Year CY
<b>2(i): Return on Investment</b>			
	%	%	%
<b>ROI – comparable to a post tax WACC</b>			
Reflecting all revenue earned	3.31%	7.96%	6.14%
Excluding revenue earned from financial incentives	3.31%	7.96%	6.14%
Excluding revenue earned from financial incentives and wash-ups	3.31%	7.96%	6.14%
<b>Mid-point estimate of post tax WACC</b>	3.72%	3.52%	4.88%
25th percentile estimate	3.04%	2.84%	4.20%
75th percentile estimate	4.40%	4.20%	5.56%
<b>ROI – comparable to a vanilla WACC</b>			
Reflecting all revenue earned	3.64%	8.26%	6.66%
Excluding revenue earned from financial incentives	3.64%	8.26%	6.66%
Excluding revenue earned from financial incentives and wash-ups	3.64%	8.26%	6.66%
<b>WACC rate used to set regulatory price path</b>	n/a	n/a	n/a
<b>Mid-point estimate of vanilla WACC</b>	4.05%	3.82%	5.39%
25th percentile estimate	3.37%	3.14%	4.71%
75th percentile estimate	4.73%	4.50%	6.07%
<b>2(ii): Information Supporting the ROI</b>			
			(\$000)
Total opening RAB value	248,723		
plus Opening deferred tax	(4,672)		
<b>Opening RIV</b>		244,052	
<b>Line charge revenue</b>		38,277	
Expenses cash outflow	27,028		
add Assets commissioned	11,297		
less Asset disposals	839		
add Tax payments	348		
less Other regulated income	885		
<b>Mid-year net cash outflows</b>		36,948	
<b>Term credit spread differential allowance</b>		–	
Total closing RAB value	264,231		
less Adjustment resulting from asset allocation	(0)		
less Lost and found assets adjustment	–		
plus Closing deferred tax	(5,068)		
<b>Closing RIV</b>		259,164	
<b>ROI – comparable to a vanilla WACC</b>			6.66%
Leverage (%)			42%
Cost of debt assumption (%)			4.38%
Corporate tax rate (%)			28%
<b>ROI – comparable to a post tax WACC</b>			6.14%

Company Name  
For Year Ended

**Marlborough Lines Limited**  
**31 March 2023**

**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 this 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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**2(iii): Information Supporting the Monthly ROI**

61								
62								
63	Opening RIV							N/A
64								
65								
66		Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows	
67	April							-
68	May							-
69	June							-
70	July							-
71	August							-
72	September							-
73	October							-
74	November							-
75	December							-
76	January							-
77	February							-
78	March							-
79	<b>Total</b>	-	-	-	-	-	-	-
80								
81	Tax payments							N/A
82								
83	Term credit spread differential allowance							N/A
84								
85	Closing RIV							N/A
86								
87								
88	Monthly ROI – comparable to a vanilla WACC							N/A
89								
90	Monthly ROI – comparable to a post tax WACC							N/A
91								

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

92			
93			
94	Year-end ROI – comparable to a vanilla WACC		6.58%
95			
96	Year-end ROI – comparable to a post tax WACC		6.07%
97			
98	* 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.		
99			

**2(v): Financial Incentives and Wash-Ups**

101			
102	Net recoverable costs allowed under incremental rolling incentive scheme		-
103	Purchased assets – avoided transmission charge		
104	Energy efficiency and demand incentive allowance		
105	Quality incentive adjustment		
106	Other financial incentives		
107	<b>Financial incentives</b>		-
108			
109	<b>Impact of financial incentives on ROI</b>		-
110			
111	Input methodology claw-back		
112	CPP application recoverable costs		
113	Catastrophic event allowance		
114	Capex wash-up adjustment		
115	Transmission asset wash-up adjustment		
116	2013–15 NPV wash-up allowance		
117	Reconsideration event allowance		
118	Other wash-ups		
119	<b>Wash-up costs</b>		-
120			
121	<b>Impact of wash-up costs on ROI</b>		-

Company Name

Marlborough Lines Limited

For Year Ended

31 March 2023

**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 all sections and 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 this ID determination), and so is subject to the assurance report required by section 2.8.

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sch ref		(\$000)
7	<b>3(i): Regulatory Profit</b>	
8	<b>Income</b>	
9	Line charge revenue	38,277
10	plus Gains / (losses) on asset disposals	(745)
11	plus Other regulated income (other than gains / (losses) on asset disposals)	1,630
12		
13	<b>Total regulatory income</b>	<b>39,162</b>
14	<b>Expenses</b>	
15	less Operational expenditure	19,979
16		
17	less Pass-through and recoverable costs excluding financial incentives and wash-ups	7,049
18		
19	<b>Operating surplus / (deficit)</b>	<b>12,134</b>
20		
21	less Total depreciation	11,449
22		
23	plus Total revaluations	16,499
24		
25	<b>Regulatory profit / (loss) before tax</b>	<b>17,184</b>
26		
27	less Term credit spread differential allowance	-
28		
29	less Regulatory tax allowance	744
30		
31	<b>Regulatory profit/(loss) including financial incentives and wash-ups</b>	<b>16,441</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	88
36	Commerce Act levies	68
37	Industry levies	90
38	CPP specified pass through costs	-
39	<b>Recoverable costs excluding financial incentives and wash-ups</b>	
40	Electricity lines service charge payable to Transpower	6,495
41	Transpower new investment contract charges	308
42	System operator services	-
43	Distributed generation allowance	-
44	Extended reserves allowance	-
45	Other recoverable costs excluding financial incentives and wash-ups	-
46	<b>Pass-through and recoverable costs excluding financial incentives and wash-ups</b>	<b>7,049</b>
47		



### 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 all sections and 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 this ID determination), and so is subject to the assurance report required by section 2.8.

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		(\$000)	
		CY-1	CY 31 Mar 23
48	<b>3(iii): Incremental Rolling Incentive Scheme</b>		
49			
50			
51	Allowed controllable opex		
52	Actual controllable opex		
53			
54	Incremental change in year		
55			
		Previous years' incremental change	Previous years' incremental change adjusted for inflation
56			
57	CY-5 [year]		
58	CY-4 [year]		
59	CY-3 [year]		
60	CY-2 [year]		
61	CY-1 [year]		
62	<b>Net incremental rolling incentive scheme</b>		-
63			
64	<b>Net recoverable costs allowed under incremental rolling incentive scheme</b>		-
65	<b>3(iv): Merger and Acquisition Expenditure</b>		
70			(\$000)
66	Merger and acquisition expenditure		-
67			
68	<i>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)</i>		
69	<b>3(v): Other Disclosures</b>		
70			(\$000)
71	Self-insurance allowance		-

**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. EDBs 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 this ID determination), and so is subject to the assurance report required by section 2.8.

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	RAB CY-4 (\$000)	RAB CY-3 (\$000)	RAB CY-2 (\$000)	RAB CY-1 (\$000)	RAB CY (\$000)
<b>4(i): Regulatory Asset Base Value (Rolled Forward)</b>					
Total opening RAB value	222,453	224,288	235,986	234,860	248,723
less Total depreciation	9,932	10,098	9,757	10,431	11,449
plus Total revaluations	3,291	5,656	3,529	16,238	16,499
plus Assets commissioned	9,297	17,188	9,095	8,598	11,297
less Asset disposals	821	1,048	3,993	542	839
plus Lost and found assets adjustment	-	-	-	-	-
plus Adjustment resulting from asset allocation	-	-	-	-	(0)
Total closing RAB value	224,288	235,986	234,860	248,723	264,231

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
<b>4(ii): Unallocated Regulatory Asset Base</b>				
Total opening RAB value		248,723		248,723
less Total depreciation		11,449		11,449
plus Total revaluations		16,499		16,499
plus Assets commissioned (other than below)	11,297		11,297	
Assets acquired from a regulated supplier	-		-	
Assets acquired from a related party	-		-	
Assets commissioned		11,297		11,297
less Asset disposals (other than below)	839		839	
Asset disposals to a regulated supplier	-		-	
Asset disposals to a related party	-		-	
Asset disposals		839		839
plus Lost and found assets adjustment		-		-
plus Adjustment resulting from asset allocation				(0)
Total closing RAB value		264,231		264,231

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

**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. EDBs 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 this ID determination), and so is subject to the assurance report required by section 2.8.

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

CPI <sub>t</sub>	1,218
CPI <sub>t-4</sub>	1,142
Revaluation rate (%)	6.65%

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
Total opening RAB value	248,723		248,723	
less Opening value of fully depreciated, disposed and lost assets	802		802	
Total opening RAB value subject to revaluation	247,921		247,921	
<b>Total revaluations</b>		16,499		16,499

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

	Unallocated works under construction		Allocated works under construction	
<b>Works under construction—preceding disclosure year</b>		4,678		4,678
plus Capital expenditure	11,900		11,900	
less Assets commissioned	11,297		11,297	
plus Adjustment resulting from asset allocation			-	
<b>Works under construction - current disclosure year</b>		5,281		5,281
Highest rate of capitalised finance applied				-

**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. EDBs 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

76 **4(v): Regulatory Depreciation**

	Unallocated RAB *		RAB	
	(\$000)	(\$000)	(\$000)	(\$000)
79 Depreciation - standard	11,449		11,449	
80 Depreciation - no standard life assets	-		-	
81 Depreciation - modified life assets	-		-	
82 Depreciation - alternative depreciation in accordance with CPP	-		-	
83 <b>Total depreciation</b>		11,449		11,449

85 **4(vi): Disclosure of Changes to Depreciation Profiles**

(\$000 unless otherwise specified)

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

\* include additional rows if needed

96 **4(vii): Disclosure by Asset Category**

(\$000 unless otherwise specified)

	Subtransmission lines	Subtransmission cables	Zone substations	Distribution and LV lines	Distribution and LV cables	Distribution substations and transformers	Distribution switchgear	Other network assets	Non-network assets	Total
99 <b>Total opening RAB value</b>	26,580	10,821	47,807	53,653	46,532	20,786	16,907	7,242	18,396	248,723
100 <i>less</i> Total depreciation	908	310	1,482	2,256	1,757	1,123	1,056	610	1,947	11,449
101 <i>plus</i> Total revaluations	1,762	717	3,178	3,564	3,088	1,375	1,109	482	1,223	16,499
102 <i>plus</i> Assets commissioned	434	4,516	31	2,225	232	685	919	407	1,848	11,297
103 <i>less</i> Asset disposals	101	43	48	94	125	130	246	-	53	839
104 <i>plus</i> Lost and found assets adjustment	-	-	-	-	-	-	-	-	-	-
105 <i>plus</i> Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-	-	-
106 <i>plus</i> Asset category transfers	-	-	-	-	-	-	-	-	-	-
107 <b>Total closing RAB value</b>	27,767	15,701	49,487	57,092	47,970	21,593	17,632	7,521	19,467	264,231
109 <b>Asset Life</b>										
110 Weighted average remaining asset life	44.9	44.9	33.4	41.0	33.5	25.5	26.4	15.6	18.3	(years)
111 Weighted average expected total asset life	58.7	54.2	44.5	57.8	50.9	45.0	39.9	21.8	28.5	(years)

Company Name **Marlborough Lines Limited**For Year Ended **31 March 2023****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 this ID determination), and so is subject to the assurance report required by section

sch ref

		(\$000)	
7	<b>5a(i): Regulatory Tax Allowance</b>		
8	<b>Regulatory profit / (loss) before tax</b>		17,184
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	23	*
12	Amortisation of initial differences in asset values	3,387	
13	Amortisation of revaluations	2,955	
14			6,365
15			
16	<i>less</i> Total revaluations	16,499	
17	Income included in regulatory profit / (loss) before tax but not taxable	-	*
18	Discretionary discounts and customer rebates	-	*
19	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	-	*
20	Notional deductible interest	4,394	
21			20,894
22			
23	<b>Regulatory taxable income</b>		2,656
24			
25	<i>less</i> Utilised tax losses	-	
26	Regulatory net taxable income		2,656
27			
28	Corporate tax rate (%)	28%	
29	<b>Regulatory tax allowance</b>		744
30			
31	* Workings to be provided in Schedule 14		

**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	<b>5a(iii): Amortisation of Initial Difference in Asset Values</b>		
35			
36	Opening unamortised initial differences in asset values	84,003	
37	<i>less</i> Amortisation of initial differences in asset values	3,387	
38	<i>plus</i> Adjustment for unamortised initial differences in assets acquired	-	
39	<i>less</i> Adjustment for unamortised initial differences in assets disposed	443	
40	Closing unamortised initial differences in asset values		80,173
41			
42	Opening weighted average remaining useful life of relevant assets (years)		25
43			

**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 this ID determination), and so is subject to the assurance report required by section 1.4.

sch ref

44	<b>5a(iv): Amortisation of Revaluations</b>		(\$000)
45			
46	Opening sum of RAB values without revaluations	212,422	
47			
48	Adjusted depreciation	8,494	
49	Total depreciation	11,449	
50	Amortisation of revaluations		2,955
51			
52	<b>5a(v): Reconciliation of Tax Losses</b>		(\$000)
53			
54	Opening tax losses	-	
55	plus Current period tax losses	-	
56	less Utilised tax losses	-	
57	Closing tax losses		-
58	<b>5a(vi): Calculation of Deferred Tax Balance</b>		(\$000)
59			
60	Opening deferred tax	(4,672)	
61			
62	plus Tax effect of adjusted depreciation	2,378	
63			
64	less Tax effect of tax depreciation	2,139	
65			
66	plus Tax effect of other temporary differences*	95	
67			
68	less Tax effect of amortisation of initial differences in asset values	948	
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	(218)	
73			
74	plus Deferred tax cost allocation adjustment	0	
75			
76	Closing deferred tax		(5,068)
77			
78	<b>5a(vii): Disclosure of Temporary Differences</b>		
79	<i>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).</i>		
80			
81	<b>5a(viii): Regulatory Tax Asset Base Roll-Forward</b>		
82			(\$000)
83	Opening sum of regulatory tax asset values	89,954	
84	less Tax depreciation	7,640	
85	plus Regulatory tax asset value of assets commissioned	11,300	
86	less Regulatory tax asset value of asset disposals	60	
87	plus Lost and found assets adjustment	-	
88	plus Adjustment resulting from asset allocation	-	
89	plus Other adjustments to the RAB tax value	-	
90	Closing sum of regulatory tax asset values		93,554

Company Name

Marlborough Lines Limited

For Year Ended

31 March 2023

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

This schedule provides information on the valuation of related party transactions, in accordance with clause 2.3.6 of this ID determination.

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

sch ref

		(\$000)	(\$000)
7	<b>5b(i): Summary—Related Party Transactions</b>		
8	<b>Total regulatory income</b>		–
9			
10	<b>Market value of asset disposals</b>		–
11			
12	Service interruptions and emergencies	–	
13	Vegetation management	–	
14	Routine and corrective maintenance and inspection	13	
15	Asset replacement and renewal (opex)	–	
16	<b>Network opex</b>		13
17	Business support	2	
18	System operations and network support	–	
19	<b>Operational expenditure</b>		15
20	Consumer connection	–	
21	System growth	–	
22	Asset replacement and renewal (capex)	–	
23	Asset relocations	–	
24	Quality of supply	39	
25	Legislative and regulatory	–	
26	Other reliability, safety and environment	–	
27	<b>Expenditure on non-network assets</b>		–
28	<b>Expenditure on assets</b>		39
29	Cost of financing	–	
30	Value of capital contributions	–	
31	Value of vested assets	–	
32	<b>Capital Expenditure</b>		39
33	<b>Total expenditure</b>		54
34			
35	<b>Other related party transactions</b>		

**5b(iii): Total Opex and Capex Related Party Transactions**

	Name of related party	Nature of opex or capex service provided	Total value of transactions (\$000)
37			
38	Yealands Estate Wines Limited	Business support	2
39	Precast Systems Limited	Routine and corrective maintenance and inspection	13
40	Robinson Construction Limited	Quality of supply	39
41	We have not repeated the Key Management		
42	Personal disclosures from the 30 June		
43	financial statements in these disclosures.		
44			
45			
46			
47			
48			
49			
50			
51			
52			
53	<b>Total value of related party transactions</b>		54

\* include additional rows if needed





Company Name **Marlborough Lines Limited**

For Year Ended **31 March 2023**

### SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. EDBs 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

#### 7 5d(i): Operating Cost Allocations

		Value allocated (\$000s)				
		Arm's length deduction	Electricity distribution services	Non-electricity distribution services	Total	OVABAA allocation increase (\$000s)
10	<b>Service interruptions and emergencies</b>					
11	Directly attributable		1,744			
12	Not directly attributable		254		254	
13	<b>Total attributable to regulated service</b>		1,998			
14	<b>Vegetation management</b>					
15	Directly attributable		2,110			
16	Not directly attributable		507		507	
17	<b>Total attributable to regulated service</b>		2,617			
18	<b>Routine and corrective maintenance and inspection</b>					
19	Directly attributable		3,728			
20	Not directly attributable		501		501	
21	<b>Total attributable to regulated service</b>		4,229			
22	<b>Asset replacement and renewal</b>					
23	Directly attributable		790			
24	Not directly attributable		152		152	
25	<b>Total attributable to regulated service</b>		942			
26	<b>System operations and network support</b>					
27	Directly attributable		4,474			
28	Not directly attributable		263		263	
29	<b>Total attributable to regulated service</b>		4,737			
30	<b>Business support</b>					
31	Directly attributable		5,456			
32	Not directly attributable		-		-	
33	<b>Total attributable to regulated service</b>		5,456			
34						
35	<b>Operating costs directly attributable</b>		18,302			
36	<b>Operating costs not directly attributable</b>	-	1,677	-	1,677	-
37	<b>Operational expenditure</b>		19,979			

### SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. EDBs 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

39 **5d(ii): Other Cost Allocations**

	(\$000)
40 <b>Pass through and recoverable costs</b>	
41 <b>Pass through costs</b>	
42     Directly attributable	246
43     Not directly attributable	-
44 <b>Total attributable to regulated service</b>	246
45 <b>Recoverable costs</b>	
46     Directly attributable	6,803
47     Not directly attributable	-
48 <b>Total attributable to regulated service</b>	6,803

50 **5d(iii): Changes in Cost Allocations\* †**

		(\$000)	
		CY-1	Current Year (CY)
52 <b>Change in cost allocation 1</b>			
53     Cost category			
54     Original allocator or line items			
55     New allocator or line items			
		-	-
56			
57     Rationale for change			

		(\$000)	
		CY-1	Current Year (CY)
61 <b>Change in cost allocation 2</b>			
62     Cost category			
63     Original allocator or line items			
64     New allocator or line items			
		-	-
66			
67     Rationale for change			

		(\$000)	
		CY-1	Current Year (CY)
70 <b>Change in cost allocation 3</b>			
71     Cost category			
72     Original allocator or line items			
73     New allocator or line items			
		-	-
75			
76     Rationale for change			

78 \* 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.  
79 † include additional rows if needed

**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. EDBs 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 this 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) Electricity distribution services
<b>Subtransmission lines</b>	
Directly attributable	27,767
Not directly attributable	-
<b>Total attributable to regulated service</b>	27,767
<b>Subtransmission cables</b>	
Directly attributable	15,701
Not directly attributable	-
<b>Total attributable to regulated service</b>	15,701
<b>Zone substations</b>	
Directly attributable	49,487
Not directly attributable	-
<b>Total attributable to regulated service</b>	49,487
<b>Distribution and LV lines</b>	
Directly attributable	57,092
Not directly attributable	-
<b>Total attributable to regulated service</b>	57,092
<b>Distribution and LV cables</b>	
Directly attributable	47,970
Not directly attributable	-
<b>Total attributable to regulated service</b>	47,970
<b>Distribution substations and transformers</b>	
Directly attributable	21,593
Not directly attributable	-
<b>Total attributable to regulated service</b>	21,593
<b>Distribution switchgear</b>	
Directly attributable	17,632
Not directly attributable	-
<b>Total attributable to regulated service</b>	17,632
<b>Other network assets</b>	
Directly attributable	7,521
Not directly attributable	-
<b>Total attributable to regulated service</b>	7,521
<b>Non-network assets</b>	
Directly attributable	19,467
Not directly attributable	-
<b>Total attributable to regulated service</b>	19,467
<b>Regulated service asset value directly attributable</b>	264,231
<b>Regulated service asset value not directly attributable</b>	-
<b>Total closing RAB value</b>	264,231

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

		(\$000)	
		CY-1	Current Year (CY)
<b>Change in asset value allocation 1</b>			
Asset category			
Original allocator or line items			
New allocator or line items			
		-	-
Difference			
Rationale for change			
<b>Change in asset value allocation 2</b>			
Asset category			
Original allocator or line items			
New allocator or line items			
		-	-
Difference			
Rationale for change			
<b>Change in asset value allocation 3</b>			
Asset category			
Original allocator or line items			
New allocator or line items			
		-	-
Difference			
Rationale for change			

\* a change in asset allocation must be completed for each allocator or component change that has occurred in the disclosure year. A movement in an allocator metric is not a change in allocator or compone  
 † include additional rows if needed

**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. EDBs 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

	(\$000)	(\$000)
<b>6a(i): Expenditure on Assets</b>		
Consumer connection		425
System growth		530
Asset replacement and renewal		4,450
Asset relocations		481
Reliability, safety and environment:		
Quality of supply	4,070	
Legislative and regulatory	–	
Other reliability, safety and environment	437	
<b>Total reliability, safety and environment</b>		4,507
<b>Expenditure on network assets</b>		10,393
Expenditure on non-network assets		1,802
<b>Expenditure on assets</b>		12,195
plus Cost of financing		–
less Value of capital contributions		295
plus Value of vested assets		–
<b>Capital expenditure</b>		11,900
<b>6a(ii): Subcomponents of Expenditure on Assets (where known)</b>		(\$000)
Energy efficiency and demand side management, reduction of energy losses		–
Overhead to underground conversion		–
Research and development		–
Cybersecurity (Commission only)		–
<b>6a(iii): Consumer Connection</b>		
<i>Consumer types defined by EDB*</i>	(\$000)	(\$000)
Residential	169	
General (small business)	107	
Commercial and industrial	149	
Irrigation	–	
Other	–	
<i>* include additional rows if needed</i>		
<b>Consumer connection expenditure</b>		425
less Capital contributions funding consumer connection expenditure	–	
<b>Consumer connection less capital contributions</b>		425
<b>6a(iv): System Growth and Asset Replacement and Renewal</b>		
	System Growth	Asset Replacement and Renewal
	(\$000)	(\$000)
Subtransmission	120	637
Zone substations	231	1,036
Distribution and LV lines	–	1,883
Distribution and LV cables	14	89
Distribution substations and transformers	158	393
Distribution switchgear	–	398
Other network assets	7	14
<b>System growth and asset replacement and renewal expenditure</b>	530	4,450
less Capital contributions funding system growth and asset replacement and renewal	–	122
<b>System growth and asset replacement and renewal less capital contributions</b>	530	4,328
<b>6a(v): Asset Relocations</b>		
<i>Project or programme*</i>	(\$000)	(\$000)
Consumer Driven	481	
<i>* include additional rows if needed</i>		
All other projects or programmes - asset relocations	–	
<b>Asset relocations expenditure</b>		481
less Capital contributions funding asset relocations	173	
<b>Asset relocations less capital contributions</b>		308

**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. EDBs 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 this ID determination), and so is subject to the assurance report required by section 2.8.

sch ref

68				
69	<b>6a(vi): Quality of Supply</b>			
70	<i>Project or programme*</i>		(\$000)	(\$000)
71	SCADA		42	
72	33kV Network		3,810	
73	Network Automation		46	
74	Digital Radio Network		168	
75	Other		4	
76	<i>* include additional rows if needed</i>			
77	All other projects programmes - quality of supply		–	
78	<b>Quality of supply expenditure</b>			4,070
79	less Capital contributions funding quality of supply		–	
80	<b>Quality of supply less capital contributions</b>			4,070
81	<b>6a(vii): Legislative and Regulatory</b>			
82	<i>Project or programme*</i>		(\$000)	(\$000)
83				
84				
85				
86				
87				
88	<i>* include additional rows if needed</i>			
89	All other projects or programmes - legislative and regulatory		–	
90	<b>Legislative and regulatory expenditure</b>			–
91	less Capital contributions funding legislative and regulatory		–	
92	<b>Legislative and regulatory less capital contributions</b>			–
93	<b>6a(viii): Other Reliability, Safety and Environment</b>			
94	<i>Project or programme*</i>		(\$000)	(\$000)
95	Underground		106	
96	SCADA		9	
97	Other		322	
98				
99				
100	<i>* include additional rows if needed</i>			
101	All other projects or programmes - other reliability, safety and environment		–	
102	<b>Other reliability, safety and environment expenditure</b>			437
103	less Capital contributions funding other reliability, safety and environment		–	
104	<b>Other reliability, safety and environment less capital contributions</b>			437
105				
106	<b>6a(ix): Non-Network Assets</b>			
107	<b>Routine expenditure</b>			
108	<i>Project or programme*</i>		(\$000)	(\$000)
109	Test Equipment		59	
110	Plant and Tools		208	
111	Vehicles		1,179	
112	Radio Equipment		10	
	Office Furniture & Equipment		82	
	Land and Buildings		38	
113	IT Hardware and Software		160	
114	<i>* include additional rows if needed</i>			
115	All other projects or programmes - routine expenditure		–	
116	<b>Routine expenditure</b>			1,736
117	<b>Atypical expenditure</b>			
118	<i>Project or programme*</i>		(\$000)	(\$000)
119	New Building - Control Room		37	
120	Remote depot upgrade		29	
121				
122				
123				
124	<i>* include additional rows if needed</i>			
125	All other projects or programmes - atypical expenditure		–	
126	<b>Atypical expenditure</b>			66
127				
128	<b>Expenditure on non-network assets</b>			1,802

Company Name **Marlborough Lines Limited**

For Year Ended **31 March 2023**

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

This schedule requires a breakdown of operational expenditure incurred in the disclosure year.

EDBs 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 this 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 and emergencies	1,998	
9	Vegetation management	2,617	
10	Routine and corrective maintenance and inspection	4,229	
11	Asset replacement and renewal	942	
12	<b>Network opex</b>		9,786
13	System operations and network support	4,737	
14	Business support	5,456	
15	<b>Non-network opex</b>		10,193
16			
17	<b>Operational expenditure</b>		<b>19,979</b>
18	<b>6b(ii): Subcomponents of Operational Expenditure (where known)</b>		
19	<i>EDBs' must disclose both a public version of this Schedule (excluding cybersecurity cost data) and a confidential version of this Schedule (including cybersecurity costs)</i>		
20	Energy efficiency and demand side management, reduction of energy losses		-
21	Direct billing*		-
22	Research and development		-
23	Insurance		446
24	Cybersecurity (Commission only)		145
25	<i>* Direct billing expenditure by suppliers that directly bill the majority of their consumers</i>		

Company Name

Marlborough Lines Limited

For Year Ended

31 March 2023

**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.

EDBs 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 this 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>
7				
8	Line charge revenue	37,664	38,277	2%
<b>7(ii): Expenditure on Assets</b>		<b>Forecast (\$000) <sup>2</sup></b>	<b>Actual (\$000)</b>	<b>% variance</b>
9				
10	Consumer connection	206	425	106%
11	System growth	2,544	530	(79%)
12	Asset replacement and renewal	8,637	4,450	(48%)
13	Asset relocations	1,122	481	(57%)
14	Reliability, safety and environment:			
15	Quality of supply	2,224	4,070	83%
16	Legislative and regulatory	–	–	–
17	Other reliability, safety and environment	854	437	(49%)
18	<b>Total reliability, safety and environment</b>	<b>3,078</b>	<b>4,507</b>	<b>46%</b>
19	<b>Expenditure on network assets</b>	<b>15,587</b>	<b>10,393</b>	<b>(33%)</b>
20	Expenditure on non-network assets	2,242	1,802	(20%)
21	Expenditure on assets	17,829	12,195	(32%)
<b>7(iii): Operational Expenditure</b>				
22				
23	Service interruptions and emergencies	1,235	1,998	62%
24	Vegetation management	2,315	2,617	13%
25	Routine and corrective maintenance and inspection	4,106	4,229	3%
26	Asset replacement and renewal	720	942	31%
27	<b>Network opex</b>	<b>8,376</b>	<b>9,786</b>	<b>17%</b>
28	System operations and network support	4,538	4,737	4%
29	Business support	4,836	5,456	13%
30	<b>Non-network opex</b>	<b>9,374</b>	<b>10,193</b>	<b>9%</b>
31	<b>Operational expenditure</b>	<b>17,750</b>	<b>19,979</b>	<b>13%</b>
<b>7(iv): Subcomponents of Expenditure on Assets (where known)</b>				
32				
33	Energy efficiency and demand side management, reduction of energy losses	N/A	–	–
34	Overhead to underground conversion	N/A	–	–
35	Research and development	N/A	–	–
36				
<b>7(v): Subcomponents of Operational Expenditure (where known)</b>				
37				
38	Energy efficiency and demand side management, reduction of energy losses	N/A	–	–
39	Direct billing	N/A	–	–
40	Research and development	N/A	–	–
41	Insurance	420	446	6%
42				

<sup>1</sup> From the nominal dollar target revenue for the disclosure year disclosed under clause 2.4.3(3) of this determination

<sup>2</sup> 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)

**SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES**

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the EDB in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

sch ref  
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**8(i): Billed Quantities by Price Component**

Consumer group name or price category code	Consumer type or types (eg, residential, commercial etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Energy delivered to ICPs in disclosure year (MWh)
DTR, DR, TS	Residential	Standard	22,637	151,718
RV, RX	General	Standard	3,565	77,318
BF, BHM, BHC	Commercial and Industrial	Standard	135	143,509
PML, PMLJ, PK, PKU, PH	Irrigation	Standard	388	15,329
MDCFC, PMFC, RNZAF, PSLT, US	Streetlighting	Standard	49	1,391
MLL	Marlborough Lines	Standard	56	955
Wahopai	Generation	Non-standard	1	--

Add extra rows for additional consumer groups or price category codes as necessary

<b>Standard consumer totals</b>	26,829	390,219
<b>Non-standard consumer totals</b>	1	--
<b>Total for all consumers</b>	26,830	390,219

Price component	Billed quantities by price component										
	10,11,23,31,40,71 uncontrolled	12,16,22, 20 18hr controlled	17,18,28 8hr controlled	00 Embedded Generation	51,61 Day	50,62 Night	96 Irrigation	80 Streetlights	88 Unmetered	99 Ml Consumption	
	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	

Add extra columns for additional billed quantities by price component as necessary

114,559	34,427	2,732	3,221	--	--	--	--	--	--	--	--
74,846	2,350	120	4,861	--	--	--	--	--	--	--	--
--	--	--	890	102,606	40,902	--	--	--	--	--	--
--	--	--	--	--	--	15,329	--	--	--	--	--
--	--	--	--	--	--	--	1,317	73	--	--	--
--	--	--	86	--	--	--	--	--	955	--	--
--	--	--	8,438	--	--	--	--	--	--	--	--
189,405	36,778	2,852	9,019	102,606	40,902	15,329	1,317	73	955	--	--
			8,438	--	--	--	--	--	--	--	--
189,405	36,778	2,852	17,457	102,606	40,902	15,329	1,317	73	955	--	--



**SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES**

This schedule requires the billed quantities and associated line charge revenues for each price category code used by the ED8 in its pricing schedules. Information is also required on the number of ICPs that are included in each consumer group or price category code, and the energy delivered to these ICPs.

31 **8(ii): Line Charge Revenues (\$000) by Price Component**

Line charge revenues (\$000) by price component

Consumer group name or price category code	Consumer type or types (eg. residential, commercial etc.)	Standard or non-standard consumer group (specify)	Total line charge revenue in disclosure year	Notional revenue foregone from posted discounts (if applicable)	Total distribution line charge revenue	Total transmission line charge revenue (if available)	Rate (eg. \$ per day, \$ per kWh, etc.)	Price component											Add extra columns for additional line charge revenues by price component as necessary			
								10,11,23,31,40,71 uncontrolled	12,16,22, 20 18hr controlled	17,18,28 8hr controlled	00 Embedded generation	51,61 Day	50,62 Night	96 Irrigation	80 Streetlights	Fixed Charge	ALAM, AH Capacity	WL,WM,WH RFD				
								c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	S/kWh/day (S/kWh/day for PK and S/kVA/day for PH)	S/kVA/day	S/kVA/day			
DTR, DL, TS	Residential	Standard	\$17,989	\$3,819	\$17,989			\$7,179	\$1,389	\$80												
IKV, IK	General	Standard	\$8,808	\$2,001	\$8,808			\$3,040	\$40	\$2												
BF, BHM, BHC	Commercial	Standard	\$9,802	\$2,474	\$9,802									\$1,696	\$132					\$5,642	\$1,853	
PMI, PMU, PK, PKU, PH	Irrigation	Standard	\$1,380	\$322	\$1,380											\$287				\$1,093		
US	Streetlighting, unmetered, etc.	Standard	\$220	\$52	\$220												\$11			\$209		
Waihopai	Generation	Non-standard	\$78		\$78															\$78		
Add extra rows for additional consumer groups or price category codes as necessary																						
		Standard consumer totals	\$38,199	\$8,668	\$38,199			\$10,220	\$1,430	\$82				\$1,696	\$132	\$287	\$11		\$16,846	\$5,642	\$1,853	
		Non-standard consumer totals	\$78		\$78													\$78				
		<b>Total for all consumers</b>	\$38,277	\$8,668	\$38,277			\$10,220	\$1,430	\$82				\$1,696	\$132	\$287	\$11		\$16,924	\$5,642	\$1,853	

33 **8(iii): Number of ICPs directly billed**

Check  OK

51 Number of directly billed ICPs at year end

Company Name **Marlborough Lines Limited**

For Year Ended **31 March 2023**

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. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

					Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
8	Voltage	Asset category	Asset class	Units				
9	All	Overhead Line	Concrete poles / steel structure	No.	20,079	20,260	181	3
10	All	Overhead Line	Wood poles	No.	10,448	10,351	(97)	3
11	All	Overhead Line	Other pole types	No.	77	35	(42)	3
12	HV	Subtransmission Line	Subtransmission OH up to 66kV conductor	km	274	277	3	3
13	HV	Subtransmission Line	Subtransmission OH 110kV+ conductor	km	-	-	-	N/A
14	HV	Subtransmission Cable	Subtransmission UG up to 66kV (XLPE)	km	26	31	5	3
15	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Oil pressurised)	km	-	-	-	N/A
16	HV	Subtransmission Cable	Subtransmission UG up to 66kV (Gas pressurised)	km	-	-	-	N/A
17	HV	Subtransmission Cable	Subtransmission UG up to 66kV (PILC)	km	0	0	-	3
18	HV	Subtransmission Cable	Subtransmission UG 110kV+ (XLPE)	km	-	-	-	N/A
19	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Oil pressurised)	km	-	-	-	N/A
20	HV	Subtransmission Cable	Subtransmission UG 110kV+ (Gas Pressurised)	km	-	-	-	N/A
21	HV	Subtransmission Cable	Subtransmission UG 110kV+ (PILC)	km	-	-	-	N/A
22	HV	Subtransmission Cable	Subtransmission submarine cable	km	-	-	-	N/A
23	HV	Zone substation Buildings	Zone substations up to 66kV	No.	16	16	-	4
24	HV	Zone substation Buildings	Zone substations 110kV+	No.	-	-	-	N/A
25	HV	Zone substation switchgear	50/66/110kV CB (Indoor)	No.	-	-	-	N/A
26	HV	Zone substation switchgear	50/66/110kV CB (Outdoor)	No.	-	-	-	N/A
27	HV	Zone substation switchgear	33kV Switch (Ground Mounted)	No.	-	-	-	N/A
28	HV	Zone substation switchgear	33kV Switch (Pole Mounted)	No.	54	49	(5)	3
29	HV	Zone substation switchgear	33kV RMU	No.	1	1	-	3
30	HV	Zone substation switchgear	22/33kV CB (Indoor)	No.	94	95	1	3
31	HV	Zone substation switchgear	22/33kV CB (Outdoor)	No.	14	14	-	3
32	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (ground mounted)	No.	107	107	-	3
33	HV	Zone substation switchgear	3.3/6.6/11/22kV CB (pole mounted)	No.	12	12	-	3
34	HV	Zone Substation Transformer	Zone Substation Transformers	No.	31	31	-	3
35	HV	Distribution Line	Distribution OH Open Wire Conductor	km	1,592	1,595	3	3
36	HV	Distribution Line	Distribution OH Aerial Cable Conductor	km	2	2	-	3
37	HV	Distribution Line	SWER conductor	km	540	537	(3)	3
38	HV	Distribution Cable	Distribution UG XLPE or PVC	km	189	191	2	3
39	HV	Distribution Cable	Distribution UG PILC	km	10	12	2	3
40	HV	Distribution Cable	Distribution Submarine Cable	km	-	-	-	N/A
41	HV	Distribution switchgear	3.3/6.6/11/22kV CB (pole mounted) - reclosers and sectionalisers	No.	105	102	(3)	3
42	HV	Distribution switchgear	3.3/6.6/11/22kV CB (Indoor)	No.	23	23	-	3
43	HV	Distribution switchgear	3.3/6.6/11/22kV Switches and fuses (pole mounted)	No.	2,472	2,524	52	3
44	HV	Distribution switchgear	3.3/6.6/11/22kV Switch (ground mounted) - except RMU	No.	55	55	-	3
45	HV	Distribution switchgear	3.3/6.6/11/22kV RMU	No.	174	218	44	3
46	HV	Distribution Transformer	Pole Mounted Transformer	No.	3,522	3,452	(70)	3
47	HV	Distribution Transformer	Ground Mounted Transformer	No.	533	536	3	3
48	HV	Distribution Transformer	Voltage regulators	No.	30	31	1	3
49	HV	Distribution Substations	Ground Mounted Substation Housing	No.	-	-	-	N/A
50	LV	LV Line	LV OH Conductor	km	411	409	(2)	2
51	LV	LV Cable	LV UG Cable	km	357	390	33	3
52	LV	LV Street lighting	LV OH/UG Streetlight circuit	km	68	71	3	3
53	LV	Connections	OH/UG consumer service connections	No.	26,732	26,925	193	3
54	All	Protection	Protection relays (electromechanical, solid state and numeric)	No.	193	220	27	3
55	All	SCADA and communications	SCADA and communications equipment operating as a single system	Lot	1	1	-	4
56	All	Capacitor Banks	Capacitors including controls	No.	-	-	-	N/A
57	All	Load Control	Centralised plant	Lot	3	3	-	3
58	All	Load Control	Relays	No.	-	-	-	N/A
59	All	Civils	Cable Tunnels	km	-	-	-	N/A



Company Name **Marlborough Lines Limited**

For Year Ended **31 March 2023**

Network / Sub-network Name

**SCHEDULE 9c: REPORT ON OVERHEAD LINES AND UNDERGROUND CABLES**

This schedule requires a summary of the key characteristics of the overhead line and underground cable network. All units relating to cable and line assets, that are expressed in km, refer to circuit lengths.

sch ref

9			
10	<b>Circuit length by operating voltage (at year end)</b>	<b>Overhead (km)</b>	<b>Underground (km)</b>
11	> 66kV	-	-
12	50kV & 66kV	-	-
13	33kV	277	31
14	SWER (all SWER voltages)	536	-
15	22kV (other than SWER)	-	-
16	6.6kV to 11kV (inclusive—other than SWER)	1,596	208
17	Low voltage (< 1kV)	409	462
18	<b>Total circuit length (for supply)</b>	<b>2,818</b>	<b>701</b>
19			
20	Dedicated street lighting circuit length (km)	-	71
21	Circuit in sensitive areas (conservation areas, iwi territory etc) (km)		-
22			
23	<b>Overhead circuit length by terrain (at year end)</b>	<b>(% of total circuit length)</b>	
24	Urban	326	12%
25	Rural	851	30%
26	Remote only	-	-
27	Rugged only	782	28%
28	Remote and rugged	846	30%
29	Unallocated overhead lines	13	0%
30	<b>Total overhead length</b>	<b>2,818</b>	<b>100%</b>
31			
32		<b>(% of total circuit length)</b>	
33	Length of circuit within 10km of coastline or geothermal areas (where known)	2,338	66%
34		<b>(% of total overhead length)</b>	
35	Overhead circuit requiring vegetation management	2,818	100%

Company Name  
For Year Ended

**Marlborough Lines Limited**  
**31 March 2023**

**SCHEDULE 9d: REPORT ON EMBEDDED NETWORKS**

This schedule requires information concerning embedded networks owned by an EDB that are embedded in another EDB's network or in another embedded network.

sch ref

	Location *	Average number of ICPs in disclosure year	Line charge revenue (\$000)
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	<i>* Extend embedded distribution networks table as necessary to disclose each embedded network owned by the EDB which is embedded in another EDB's network or in another embedded network</i>		

Company Name	Marlborough Lines Limited
For Year Ended	31 March 2023
Network / Sub-network Name	

### SCHEDULE 9e: REPORT ON NETWORK DEMAND

This schedule requires a summary of the key measures of network utilisation for the disclosure year (number of new connections including distributed generation, peak demand and electricity volumes conveyed).

sch ref

#### 9e(i): Consumer Connections and Decommissionings

Number of ICPs connected during year by consumer type

Consumer types defined by EDB\*

Residential
General (small business)
Commercial and Industrial
Irrigation
Other
MLL

Number of connections (ICPs)

197
58
7
4
1
1

\* include additional rows if needed

Connections total

268
-----

Number of ICPs decommissioned during year by consumer type

Consumer types defined by EDB\*

Residential
General (small business)
Commercial and Industrial
Irrigation
Other

Number of decommissionings

52
19
-
3
1

\* include additional rows if needed

Decommissionings total

75
----

#### Distributed generation

Number of connections made in year

Capacity of distributed generation installed in year

200	connections
3.98	MVA

#### 9e(ii): System Demand

##### Maximum coincident system demand

GXP demand  
plus Distributed generation output at HV and above

Maximum coincident system demand

less Net transfers to (from) other EDBs at HV and above

Demand on system for supply to consumers' connection points

Demand at time of maximum coincident demand (MW)

72.2
3.2
75
-
75

##### Electricity volumes carried

Electricity supplied from GXPs  
less Electricity exports to GXPs  
plus Electricity supplied from distributed generation  
less Net electricity supplied to (from) other EDBs

Electricity entering system for supply to consumers' connection points

less Total energy delivered to ICPs

Electricity losses (loss ratio)

Load factor

Energy (GWh)

393.3	
-	
17.4	
-	
411	
390	
21	5.0%

#### 9e(iii): Transformer Capacity

Distribution transformer capacity (EDB owned)  
Distribution transformer capacity (Non-EDB owned, estimated)

Total distribution transformer capacity

Zone substation transformer capacity

(MVA)

360.7
19.4
380
338.0

## SCHEDULE 10: REPORT ON NETWORK RELIABILITY

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

sch ref

### 8 10(i): Interruptions

#### 9 Interruptions by class

	Number of interruptions
10 Class A (planned interruptions by Transpower)	–
11 Class B (planned interruptions on the network)	282
12 Class C (unplanned interruptions on the network)	442
13 Class D (unplanned interruptions by Transpower)	–
14 Class E (unplanned interruptions of EDB owned generation)	–
15 Class F (unplanned interruptions of generation owned by others)	–
16 Class G (unplanned interruptions caused by another disclosing entity)	–
17 Class H (planned interruptions caused by another disclosing entity)	–
18 Class I (interruptions caused by parties not included above)	–
19 <b>Total</b>	724

#### 21 Interruption restoration

	≤3Hrs	>3hrs
22 Class C interruptions restored within	255	187

#### 24 SAIFI and SAIDI by class

	SAIFI	SAIDI
25 Class A (planned interruptions by Transpower)	–	–
26 Class B (planned interruptions on the network)	0.47	58.6
27 Class C (unplanned interruptions on the network)	1.64	256.9
28 Class D (unplanned interruptions by Transpower)	–	–
29 Class E (unplanned interruptions of EDB owned generation)	–	–
30 Class F (unplanned interruptions of generation owned by others)	–	–
31 Class G (unplanned interruptions caused by another disclosing entity)	–	–
32 Class H (planned interruptions caused by another disclosing entity)	–	–
33 Class I (interruptions caused by parties not included above)	–	–
34 <b>Total</b>	2.12	315.5

#### 36 Normalised SAIFI and SAIDI

	Normalised SAIFI	Normalised SAIDI
37 Classes B & C (interruptions on the network)	2.12	258.2

#### 39 Transitional SAIDI and SAIDI (previous method)

Where EDBs do not currently record their SAIFI and SAIDI values using the 'multi-count' approach, they shall continue to record their SAIFI and SAIDI values on the same basis that they employed as at 31 March 2023 as 'Transitional SAIFI' and 'Transitional SAIDI' values, in addition to their SAIFI and SAIDI values (Classes B & C) using the 'multi-count approach'. This is a transitional reporting requirement that shall be in place for the 2024, 2025, and 2026 disclosure years.

	SAIFI	SAIDI
40 Class B (planned interruptions on the network)	–	–
41 Class C (unplanned interruptions on the network)	–	–

43

Company Name

Marlborough Lines Limited

For Year Ended

31 March 2023

Network / Sub-network Name

**SCHEDULE 10: REPORT ON NETWORK RELIABILITY**

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

**10(ii): Class C Interruptions and Duration by Cause****Cause**

Lightning  
Vegetation  
Adverse weather  
Adverse environment  
Third party interference  
Wildlife  
Human error  
Defective equipment  
Cause unknown

## SAIFI

## SAIDI

SAIFI	SAIDI
0.02	6.4
0.14	11.5
0.11	54.4
0.24	113.4
0.22	19.0
0.25	13.6
0.20	2.7
0.31	28.6
0.16	7.3

**Breakdown of third party interference**

Dig-in  
Overhead contact  
Vandalism  
Vehicle damage  
Other

## SAIFI

## SAIDI

SAIFI	SAIDI
–	–
–	–
–	–
0.13	13.2
0.09	5.8

**10(iii): Class B Interruptions and Duration by Main Equipment Involved****Main equipment involved**

Subtransmission lines  
Subtransmission cables  
Subtransmission other  
Distribution lines (excluding LV)  
Distribution cables (excluding LV)  
Distribution other (excluding LV)

## SAIFI

## SAIDI

SAIFI	SAIDI
0.00	0.3
–	–
–	–
0.24	41.9
0.13	2.9
0.10	13.6

**10(iv): Class C Interruptions and Duration by Main Equipment Involved****Main equipment involved**

Subtransmission lines  
Subtransmission cables  
Subtransmission other  
Distribution lines (excluding LV)  
Distribution cables (excluding LV)  
Distribution other (excluding LV)

## SAIFI

## SAIDI

SAIFI	SAIDI
0.04	2.5
–	–
0.26	1.3
1.01	225.1
0.05	1.3
0.29	26.8

**10(v): Fault Rate****Main equipment involved**

Subtransmission lines  
Subtransmission cables  
Subtransmission other  
Distribution lines (excluding LV)  
Distribution cables (excluding LV)  
Distribution other (excluding LV)

## Number of Faults

Circuit length  
(km)Fault rate (faults  
per 100km)

Number of Faults	Circuit length (km)	Fault rate (faults per 100km)
2	277.0	0.72
–	31.0	–
6		
164	2,132.0	7.69
10	208.0	4.81
260		
442		

**Total**



Company Name	<u>Marlborough Lines Limited</u>
For Year Ended	<u>31 March 2023</u>

## Schedule 14      Mandatory Explanatory Notes

1. This schedule requires EDBs 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)(f), and 2.5.2(1)(e).
2. This schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 11 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 EDBs 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**

MLL achieved a post-tax return on investment (ROI) of 6.14% and an ROI comparable to the vanilla WACC of 6.66%. These are both higher than the mid-point regulated WACC of 4.88% and 5.39% respectively.

The main driver of the high reported ROI for the year was the high CPI rate of 6.65%, which is recorded in the regulatory profit statement as 'Total revaluations' and is treated as income. It is expected that all EDB's in New Zealand will be reporting higher ROI's in 2023 as a result of how CPI is treated in the regulatory calculations.

MLL typically reports a lower ROI than other EDB's partly due to the manner in which the ROI is calculated, which treats posted discounts (such as MLL's) as a deduction to revenue (line charge revenue is net of discounts) whereas if MLL's discount was discretionary (or not paid at all), then the discount is not included in the calculation. If MLL's discount was discretionary, rather than posted, then the ROI result would have been 9.79% (post tax) or 10.31% (vanilla).

Schedule 2 (iii) has not been completed as the value of assets commissioned for 2023 is less than 10% of our total opening RAB value (IDD 2.3.3).

No items were reclassified in the disclosure year.

*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**

The operating surplus for 2023 of \$12.134m is 22% below MLL's 2022 result of \$15.591m largely as a result of the change to discount timing and higher opex. Refer to Box 12 for an explanation of the impact of how changing the timing of MLL's discount payments has impacted line charge revenue.

The overall regulatory profit for 2023 of \$16.441m is down on last year's 2022 result of \$19.130m. Regulatory profit for 2023 includes \$16.499m of revaluation gains, which were \$16.238m in 2022.

Other regulated income includes:

- Capacity and development charges
- Recoveries from fault work
- Sales of scrap (relating to the disposal of assets from the RAB)

No items have been reclassified in the disclosure year.

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

6. If the EDB 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 EDB.

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

No merger and acquisition expenditure has been included in these information disclosure accounts.

*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)**

MLL's RAB has increased by \$15.508m during the disclosure year. This increase is above the previous year's increase, due to higher revaluation gains (\$16.499m) and higher commissioned assets (\$11.297m), offset in part by higher depreciation (11.449m).

Disposals are higher in 2023 due to the nature of the work undertaken, with a focus in 2023 on asset replacement and renewal projects.

No items were reclassified in the disclosure year.

*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**

- 8.1 Nil
- 8.2 Non-deductible expenditure of \$23k
- 8.3 Nil
- 8.4 Nil

*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)**

The tax effect of temporary differences includes the following:

Increase in employee provisions	\$31k
Decrease in bad debts provisions	\$4k
Amortisation of capital contributions	\$69k

*Cost allocation (Schedule 5d)*

10. 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 7: Cost allocation**

Cost allocation is based on MLL's Field Services business unit being fully absorbed into the regulatory business as a consolidated group entity.

Non-directly attributable cost from the contracting business unit has been allocated to the regulatory business based on the proportion of labour used for that category of work.

No items have been reclassified in the disclosure year.

*Asset allocation (Schedule 5e)*

11. 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).

**Box 8: Commentary on asset allocation**

All costs incurred are directly attributable. All costs (time, plant and materials) are directly coded to the particular asset capital project and no cost allocation has taken place.

No items were reclassified in the disclosure year.

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

12. In the box below, comment on expenditure on assets for the disclosure year, as disclosed in Schedule 6a. This comment must include-

- 12.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;

12.2 information on reclassified items in accordance with subclause 2.7.1(2).

**Box 9: Explanation of capital expenditure for the disclosure year**

No general threshold has been applied to identify which programme a capital job has been placed in, however each job has been looked at and placed in the programme or project that was the main driver for that project.

There have been no reclassifications in accordance with clause 2.7.1(2).

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

13. In the box below, comment on operational expenditure for the disclosure year, as disclosed in Schedule 6b. This comment must include-

13.1 Commentary on assets replaced or renewed with asset replacement and renewal operational expenditure, as reported in 6b(i) of Schedule 6b;

13.2 Information on reclassified items in accordance with subclause 2.7.1(2);

13.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

**Box 10: Explanation of operational expenditure for the disclosure year**

Asset replacement and renewal opex relates to where assets are replaced as part of a larger line asset, where the service potential is not improved. For example this may include items where crossarms are replaced but the pole is not.

There have been no reclassifications in accordance with clause 2.7.1(2).

There have been no items of atypical expenditure.

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

14. 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 11: Explanatory comment on variance in actual to forecast expenditure**

Expenditure on assets in 2023 was 32% below forecast. The August 2022 storm and flooding event in the Marlborough region meant that resources were deployed to help restore supply in that area, and the capital works programme was put on hold, resulting in lower capital expenditure.

Operating expenditure in 2023 was 13% higher than that forecast, with Service Interruptions and emergencies operating expenditure being 62% above target, related to the August 2022 storm response, discussed above. Business support costs were 13% above forecast as the company faced increasing cost pressure, including insurance costs and invested more in cyber security operations.

No items have been reclassified in the disclosure year.

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

15. In the box below provide-

- 15.1 a comparison of the target revenue disclosed before the start of the disclosure year, in accordance with clause 2.4.1 and subclause 2.4.3(3) to total billed line charge revenue for the disclosure year, as disclosed in Schedule 8; and
- 15.2 explanatory comment on reasons for any material differences between target revenue and total billed line charge revenue.

**Box 12: Explanatory comment relating to revenue for the disclosure year**

MLL changed the timing of its discount payment in 2021, moving from paying a discount to consumers via their retailer in March to paying a discount to consumers, via their retailer in May. As MLL transitioned between the different discount periods, it paid a discount for an eight-month period in May 2021, which was the only discount payment in the 2022 disclosure year. This had the impact of increasing net line charge revenue reported in 2022. In 2023, a full 12 months of discount was paid and therefore the offset to line charge revenue is \$3.028m higher in 2023.

Line charge revenue for 2023 of \$38.277m (net of the paid posted discount of \$8.668m) is 2% above target revenue of \$37.664m.

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

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

**Box 13: Commentary on network reliability for the disclosure year**

Unadjusted SAIDI for the year of 315.5 minutes was above last year's result of 243.3 minutes. 160.9 of these minutes relate to the August 2022 storm event that impacted the Marlborough Sounds area. As the storm event lasted multiple days, with separate outage events occurring over a ten-day period the Major Event Day adjustment was limited in effect.

Normalised SAIDI for the year was 258.2 minutes, above last year's result of 195.5 minutes. The result was above MLL's forecast total SAIDI of 150 minutes from MLL's 2022 Asset Management Plan, primarily as a result of the August 2022 storm as mentioned above. If the full impact of the storm was able to be removed, then MLL's SAIDI would have been 154.6 minutes.

Normalised SAIFI of 2.12 is 40% above MLL's five-year average SAIFI of 1.52.

*Insurance cover*

17. In the box below, provide details of any insurance cover for the assets used to provide electricity distribution services, including-
  - 17.1 The EDB's approaches and practices in regard to the insurance of assets used to provide electricity distribution services, including the level of insurance;
  - 17.2 In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

**Box 14: Explanation of insurance cover**

The property insurance programme does not include cover for subtransmission and distribution lines. In the prevailing insurance market conditions, coverage for subtransmission and distribution lines is difficult to obtain and very expensive.

MLL insures zone substation buildings, but not the equipment inside (33kV/11kV transformers, switchgear).

*Amendments to previously disclosed information*

18. 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:
  - 18.1 a description of each error; and
  - 18.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

**Box 15: Disclosure of amendment to previously disclosed information**

There have been no amendments to previously disclosed information.



Company Name Marlborough Lines Limited

For Year Ended 31 March 2023

## **Schedule 14a Mandatory Explanatory Notes on Forecast Information**

1. This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.
2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

### *Commentary on difference between nominal and constant price capital expenditure forecasts (Schedule 11a)*

3. In the box below, comment on the difference between nominal and constant price capital expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11a.

#### **Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts**

As further explained in section 11.1.1 of MLL's 2023 Asset Management Plan, MLL adjusts its constant price capital expenditure forecast using an index based on the RBNZ forecast of CPI and its long run mid-point target CPI rate of 2%.

### *Commentary on difference between nominal and constant price operational expenditure forecasts (Schedule 11b)*

4. In the box below, comment on the difference between nominal and constant price operational expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11b.

#### **Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts**

As further explained in section 11.1.1 of the 2023 Asset Management Plan, MLL adjusts its constant price operational expenditure forecast using an index based on the RBNZ forecast of CPI and its long run mid-point target CPI rate of 2%.

Company Name Marlborough Lines Limited

For Year Ended 31 March 2023

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

1. This schedule enables EDBs 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, 2.5.2, and 2.6.6;
  - 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****Line charge revenue**

Schedule 3: Line charge revenue has been calculated post discount. The discount amount is specified in Schedule 8(ii) at \$8.668m.

**Weighted average remaining lives**

Schedule 4(vii) provides weighted average remaining lives as well as average expected total life. The required method of calculation weights the lives using the opening RAB value of the asset. As this value is a depreciated value, it skews the weighted average remaining useful life towards the newer assets providing an indication that the overall network is much younger than it actually is. It is therefore not a good indicator of the average life of our network. Further information on the age of our assets is available in our published Asset Management Plan.

**Reliability information**

In accordance with the notification issued by the Commerce Commission on 22 August 2019 MLL discloses the following:

- The reliability information disclosed in Schedule 10 has been prepared on a basis consistent with the previous year's disclosure.
- MLL's outage recording software recognises successive interruptions following an initial outage by recording separate interruptions due to restoration and isolation of the initial outage, with the SAIFI value higher as a result.

**Related party information**

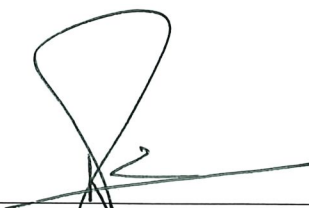
For the year ended 31 March 2023, MLL has determined that its Field Services business unit is not a related party. MLL has determined this on the basis that the Field Services business unit does not fall within the definition of a related party because it (a) does not meet the definition of a 'related party' in NZ IAS 24, and (b) is deemed to not be a 'part' of the EDB that supplies electricity distribution services, as its activity is closely associated with that of the regulated company and its external sales do not exceed the level of internal sales.

## Schedule 18 Certification for Year-end Disclosures

Clause 2.9.2 and 2.9.5

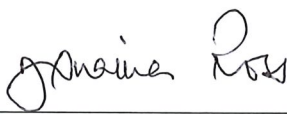
We, Philip Ian Robinson and Christopher Jonathan Ross, being Directors of Marlborough Lines Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- 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 Electricity 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, 9e, 10 and 14 has been properly extracted from Marlborough Lines Limited's accounting and other records sourced from its financial and non-financial systems, and that sufficient appropriate records have been retained; and
- c) In respect of information concerning assets, costs and revenues valued or disclosed in accordance with clause 2.3.6 of the Electricity Distribution Information Disclosure Determination 2012 and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012, we are satisfied that
  - i. the costs and values of assets or goods or services acquired from a related party comply, in all material respects, with clauses 2.3.6(1) and 2.3.6(3) of the Electricity Distribution Information Disclosure Determination 2012 and clauses 2.2.11(1)(g) and 2.2.11(5)(a)-2.2.11(5)(b) of the Electricity Distribution Services Input Methodologies Determination 2012; and
  - ii. the value of assets or goods or services sold or supplied to a related parted comply, in all material respects, with clause 2.3.6(2) of the Electricity Distribution Information Disclosure Determination 2012.



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Philip Ian Robinson



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Christopher Jonathan Ross

23 August 2023



## INDEPENDENT ASSURANCE REPORT

### TO THE DIRECTORS OF MARLBOROUGH LINES LIMITED AND TO THE COMMERCE COMMISSION ON THE DISCLOSURE INFORMATION FOR THE DISCLOSURE YEAR ENDED 31 MARCH 2023

#### AS REQUIRED BY THE ELECTRICITY DISTRIBUTION INFORMATION DISCLOSURE DETERMINATION 2012 (CONSOLIDATED 6 JULY 2023)

Marlborough Lines Limited (the company) is required to disclose certain information under the Electricity Distribution Information Disclosure Determination 2012 (consolidated 6 July 2023) (the Determination) and to procure an assurance report by an independent auditor in terms of section 2.8.1 of the Determination.

The Auditor-General is the auditor of the company.

The Auditor-General has appointed me, Nicole Dring, using the staff and resources of Deloitte Limited, to undertake a reasonable assurance engagement, on his behalf, on whether the information prepared by the company for the disclosure year ended 31 March 2023 (the Disclosure Information) complies, in all material respects, with the Determination.

The Disclosure Information that falls within the scope of the assurance engagement are:

- Schedules 1 to 4, 5a to 5g, 6a and 6b, 7, 10 and 14 (limited to the explanatory notes in boxes 1 to 11) of the Determination.
- Clause 2.3.6 of the Determination and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated 20 May 2020) (the IM Determination), in respect of the basis for valuation of related party transactions (the Related Party Transaction Information).

This assurance report should be read in conjunction with the Commerce Commission's Information Disclosure exemption, issued to all electricity distribution businesses on 9 June 2023 under clause 2.11.1 of the Determination. The Commerce Commission granted an exemption from the requirement that the assurance report, in respect of the information in Schedule 10 of the Determination, must take into account any issues arising out of the company's recording of SAIDI, SAIFI, and number of interruptions due to successive interruptions.

#### Opinion

In our opinion, in all material respects:

- as far as appears from an examination, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the company;
- as far as appears from an examination, the information used in the preparation of the Disclosure Information has been properly extracted from the company's accounting and other records, sourced from the company's financial and non-financial systems;
- the Disclosure Information complies, in all material respects, with the Determination; and
- the basis for valuation of related party transactions complies with the Determination and the IM Determination.

#### Basis for opinion

We conducted our engagement in accordance with the Standard on Assurance Engagements (SAE) 3100 (Revised) *Compliance Engagements* ("SAE 3100 (Revised)"), issued by the New Zealand Auditing and Assurance Standards Board. An engagement conducted in accordance with SAE 3100 (Revised) requires that we 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.

## Key Assurance Matters

Key assurance matters are those matters that, in our professional judgement, required significant attention when carrying out the assurance engagement during the current disclosure year. These matters were addressed in the context of our compliance engagement, and in forming our opinion. We do not provide a separate opinion on these matters.

Key Assurance Matter	How our procedures addressed the key assurance matter
<p><b>Accuracy and completeness of the number and duration of electricity outages</b></p> <p>The Information Disclosure Determination defines certain quality measure in relation to the number of interruptions, faults, and causes of faults. These quality measures are expressed in the form of SAIDI and SAIFI values.</p> <p>The Company uses Supervisory Control &amp; Data Acquisition (SCADA) to automatically log outages in the faults database. However, there are still manual processes in place to ensure that all outages are correctly recorded. In particular, manual processes are used for identifying outages and for recording the duration of outages in some locations.</p> <p>When outages occur in these locations the Company is often dependent on customers advising it of the outage. The means by which the advice from customers is recorded by the Company could result in inaccuracies in the reported Disclosure Information.</p> <p>Data from SCADA is then ultimately stored in Milsoft, and it is from this system that the Raw Data report is generated.</p> <p>Accuracy is a key audit matter because information on the frequency and duration of outages is an important measure about the reliability of electricity supply.</p> <p>Completeness is a key audit matter because the fault data is handled manually.</p> <p>The Company has disclosed the SAIDI and SAIFI values on the same basis as the prior year.</p>	<p>We have obtained an understanding of the Company's methods by which electricity outages and their duration are recorded (). Our procedures to assess the adequacy of the Company's methods to identify and record electricity outages and their duration included:</p> <ul style="list-style-type: none"> <li>• testing the design and implementation of key controls related to the recording and review of outage data ();</li> <li>• testing a sample of outage events from the Raw Data report used to prepare the schedules to ensure the metrics surrounding the events such as start time, number of customers affected and end time were consistent with the fault log sheet and responding technicians records;</li> <li>• assessing the reasonableness of why certain events have not been reported as an outage event;</li> <li>• testing a sample of outage sheets prepared by network engineers and independent call centre to ensure the outage event has been accurately recorded in the Raw Data report and to ensure this report is complete;</li> <li>• confirming whether major storm and outage events recorded in the media were appropriately recorded in the Raw Data report;</li> <li>• testing a sample of outage events to ensure the classification of the type of event is reasonable;</li> <li>• performing analytical procedures on the outage data, including analysing actual outages compared with prior year outages;</li> <li>• recalculating normalised SAIDI and SAIFI using the predetermined boundary limits; and</li> <li>• reviewing the disclosure in Schedule 14 in respect of the treatment of successive interruptions.</li> </ul>

## Directors' responsibilities

The directors of the company are responsible in accordance with the Determination for:

- the preparation of the Disclosure Information; and
- the Related Party Transaction Information.

The directors of the company are also responsible for the identification of risks that may threaten compliance with the schedules and clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

## Auditor's responsibilities

Our responsibilities in terms of clauses 2.8.1(1)(b)(vi) and (vii), 2.8.1(1)(c) and 2.8.1(1)(d) are to express an opinion on whether:

- as far as appears from an examination, the information used in the preparation of the audited Disclosure Information has been properly extracted from the company's accounting and other records, sourced from its financial and non-financial systems;
- as far as appears from an examination, proper records to enable the complete and accurate compilation of the audited Disclosure Information required by the Determination have been kept by the company and, if not, the records not so kept;



- the company complied, in all material respects, with the Determination in preparing the audited Disclosure Information; and
- the company's basis for valuation of related party transactions in the disclosure year has complied, in all material respects, with clause 2.3.6 of the Determination and clauses 2.2.11(1)(g) and 2.2.11(5) of the IM 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 the Disclosure Information (which includes the Related Party Transaction Information) required to be audited by the Determination.

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 the Determination may occur and not be detected.

A reasonable assurance engagement throughout the disclosure year does not provide assurance on whether compliance with 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 2.8.1(1)(a) 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 requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board; and
- quality management requirements, which incorporate Professional and Ethical Standard 3 *Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3)* issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 Default Price-Quality Path and the annual audit of the company's financial statements and performance information, we have no relationship with, or interests in, the company.

*Deloitte Limited*

Nicole Dring  
For Deloitte Limited  
On behalf of the Auditor-General  
Christchurch, New Zealand  
23 August 2023