



Information disclosure for the gas distribution business

Year ending 30 September 2025



Introduction

Firstgas is part of the Clarus group of companies which is one of New Zealand's largest energy groups with businesses that touch many aspects of the energy supply chain including Rockgas, Firstgas, Firstlight Network, First Renewables and Flexgas. Whether it's transmission, distribution, supply or storage of energy, the companies within the Clarus group service over half a million homes and businesses of all sizes around New Zealand.

Firstgas owns and operates more than 2,500 kms of high-pressure gas transmission pipelines and stations that supply natural gas from Taranaki to industrial consumers throughout the North Island. It also owns 5,000kms of gas distribution networks across parts of the North Island. Combined, Firstgas connects over 300,000 homes and businesses with natural gas through its gas transmission and distribution and high-pressure transmission systems. This essential infrastructure supports New Zealand's economy, so the group is committed to helping customers maximise value from it.

Flexgas provides energy storage services to electricity generators, offering an important source of flexibility to the electricity system and supporting high levels of intermittent wind, hydro and solar generation.

Rockgas is New Zealand's largest LPG retail supplier, providing fast and reliable service through a national network of branches and franchises.

Firstlight Network is the lines company supplying electricity to the Tairāwhiti and Wairoa region, responsible for keeping the lights on across 12,000 square kilometres of the East Coast.

We are also investing in innovative renewable energy solutions such as biomethane and hydrogen, to help New Zealand reach its net zero carbon goals by 2050. Our First Renewables business is leading this work, alongside other options that will bring renewable energy to New Zealand homes, businesses and energy-intensive industries in the future.

Clarus was previously known as Firstgas Group.

Information disclosure

This document contains Firstgas' annual information disclosure for the gas distribution business, for the year ending on 30 September 2025, as required by the *Gas Distribution Information Disclosure Determination 2012* consolidating all amendments as of 3 July 2025 ("the Determination") issued by the Commerce Commission.

The following documents are provided:

- Schedules 1-10: Financial and technical schedules
- Schedules 14-15: Mandatory and voluntary explanatory notes, including information on related party transactions
- Appendix A: Information disclosure for related parties
- PwC independent appraiser report
- PwC assurance report
- Schedule 19: Director Certification

This information disclosure was prepared on 26 February 2026.

Further information

For further information regarding this compliance statement, please contact:

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First Gas Limited
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Disclaimer

For presentation purposes, some numbers in the information disclosure schedules have been rounded. This may cause small discrepancies or rounding inconsistencies when aggregating some of the information presented in the information disclosure schedules. These discrepancies do not affect the overall compliance calculations which are based on the more detailed information.



GDB Information Disclosure Requirements Information Templates for Schedules 1–10

Company Name

First Gas Limited (Distribution)

Disclosure Date

31 March 2026

Disclosure Year (year ended)

30 September 2025

GDB Templates for Schedules 1–10 excluding 5f–5g
GDB Template Version 6. Prepared 3 July 2025

Table of Contents

Schedule	Schedule name	Sheetname	Description
1	ANALYTICAL RATIOS	S1.Analytical Ratios	This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
2	REPORT ON RETURN ON INVESTMENT	S2.Return on Investment	This schedule requires information on the Return on Investment (ROI) for the GDB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. GDBs must calculate their ROI based on a monthly basis if required by clause 2.3.3 of the ID Determination or if they elect to. If a GDB makes this election, information supporting this calculation must be provided in 2(iii). GDBs must provide explanatory comment on their ROI in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
3	REPORT ON REGULATORY PROFIT	S3.Regulatory Profit	This schedule requires information on the calculation of regulatory profit for the GDB for the disclosure year. GDBs must complete all sections and must provide explanatory comment on their regulatory profit in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
4	REPORT ON VALUE OF THE REGULATORY ASSET BASE (ROLLED FORWARD)	S4.RAB value (Rolled Forward)	This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the ROI calculation in Schedule 2. GDBs must provide explanatory comment on the value of their RAB in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
5a	REPORT ON REGULATORY TAX ALLOWANCE	S5a.Regulatory Tax Allowance	This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit). GDBs must provide explanatory commentary on the information disclosed in this schedule, in Schedule 14 (Mandatory Explanatory Notes). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
5b	REPORT ON RELATED PARTY TRANSACTIONS	S5b.Related Party Transactions	This schedule provides information on the valuation of related party transactions, in accordance with clause 2.3.6 of the ID determination. This information is part of audited disclosure information (as defined in clause 1.4 of the ID determination), and so is subject to the assurance report required by clause 2.8.
5c	REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE	S5c.TCSD Allowance	This schedule is only to be completed if, as at the date of the most recently published financial statements, the weighted average original tenor of the debt portfolio (both qualifying debt and non-qualifying debt) is greater than five years. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
5d	REPORT ON COST ALLOCATIONS	S5d.Cost Allocations	This schedule provides information on the allocation of operational costs. GDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any reclassifications. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
5e	REPORT ON ASSET ALLOCATIONS	S5e.Asset Allocations	This schedule requires information on the allocation of asset values. This information supports the calculation of the RAB value in Schedule 4. GDBs must provide explanatory comment on their cost allocation in Schedule 14 (Mandatory Explanatory Notes), including on the impact of any changes in asset allocations. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
6a	REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR	S6a.Actual Expenditure Capex	This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. GDBs must provide explanatory comment on their expenditure on assets in Schedule 14 (Explanatory notes to templates). This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
6b	REPORT ON OPERATIONAL EXPENDITURE FOR THE DISCLOSURE YEAR	S6b.Actual Expenditure Opex	This schedule requires a breakdown of operational expenditure incurred in the current disclosure year. GDBs must provide explanatory comment on their operational expenditure in Schedule 14 (Explanatory notes to templates). This includes explanatory comment on any atypical operational expenditure and assets replaced or renewed as part of asset replacement and renewal operational expenditure, and additional information on insurance. This information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
7	COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE	S7.Actual vs Forecast Exp	This schedule compares actual revenue and expenditure to the previous forecasts that were made for the disclosure year. Accordingly, this schedule requires the forecast revenue and expenditure information from previous disclosures to be inserted. GDBs must provide explanatory comment on the variance between actual and target revenue and forecast expenditure in Schedule 14 (Mandatory Explanatory Notes). This information is part of the audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8. For the purpose of this audit, target revenue and forecast expenditures only need to be verified back to previous disclosures.
8	REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES (BY PRICE COMPONENT)	S8.Billed Quantities + Revenues	This schedule requires the billed quantities and associated line charge revenues for the disclosure year for each consumer group or price category code used by the GDB 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.
9a	ASSET REGISTER	S9a.Asset Register	This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class.
9b	ASSET AGE PROFILE	S9b.Asset Age Profile	This schedule requires a summary of the age profile (based on year of installation) of the assets that make up the network, by asset category and asset class.
9c	REPORT ON PIPELINE DATA	S9c.Pipeline Data	This schedule requires a summary of the key characteristics of the pipeline network.
9d	REPORT ON DEMAND	S9d.Demand (All)	This schedule requires a summary of the key measures of network demand for the disclosure year (number of new connections including, maximum monthly loads and total gas conveyed)
10a	REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS	S10a.Reliability	This schedule requires a summary of the key measures of network reliability (interruptions, SAIDI, SAIFI and CAIDI) for the disclosure year. GDBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates). The SAIDI and SAIFI information is part of audited disclosure information (as defined in section 1.4 of the ID determination), and so is subject to the assurance report required by section 2.8.
10b	REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICES	S10b.Integrity	This schedule requires a summary of the key measures of network Integrity (gas escapes, response time to emergencies etc) for the disclosure year.

Disclosure Template Instructions

These templates have been prepared for use by GDBs when making disclosures under subclauses 2.3.1, 2.4.21, 2.4.22, 2.5.1, and 2.5.2 of the Gas Distribution Information Disclosure (amendments related to IM Review 2023) Amendment Determination 2024.

Company Name and Dates

To prepare the templates for disclosure, the suppliers 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.

Dates should be entered in day/month/year order (Example -"1 April 2024").

Data Entry Cells and Calculated Cells

Data entered into this workbook may be entered only into the data entry cells inside excel table objects. Data entry cells are the bordered, shaded areas (light yellow cells) in each Schedule. 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". 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 G63 and H63:K63 will change colour if the total cashflows do not equal the corresponding values in table 2(ii).

Schedule 4 cells O98:O104 and O106 will change colour if the RAB values do not equal the corresponding values in table 4(ii).

Schedule 9b cells AU4 to AU31 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 F17 will change colour if F17 (system length by operating pressure) does not equal F10 (system length by material).

Inserting Additional Rows and Columns

The templates for some Schedules may require additional rows to be inserted in tables marked 'include additional rows if needed' or similar. When inserting rows do so from within the table and the 'Row' column should prepopulate with the row number.

Additional rows 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.

Disclosures by Sub-Network

Schedules 8, 9a, 9b, 9c, 9d, 10a and 10b must be completed for the network and for each sub-network. A copy of the schedule worksheet(s) must be made for each subnetwork and named accordingly.

Schedule References

The column labelled "Row" of each table can be used to reference individual rows of the schedule. It may be useful to refer to this row number when writing explanatory notes about a specific data point.

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-9d
10. Schedules 10a and 10b

Cell colouring

1. Light yellow: Data entry
2. Dark yellow: Data entry - provided to Commission only
3. Light grey: Formula
4. Dark grey: Blank/ empty columns

SCHEDULE 1: ANALYTICAL RATIOS

1(i): Expenditure Metrics

Section	Row	Context	Category1	Category2	Expenditure per TJ energy delivered to ICPs (\$/TJ)	Expenditure per average no. of ICPs (\$/ICP)	Ratio of expenditure to maximum monthly load (\$ per GJ/month)	Expenditure per km of pipeline for supply (\$/km)
1(i): Expenditure Metrics	4		Operational expenditure		1,456	183	16	2,481
1(i): Expenditure Metrics	5		Operational expenditure	Network	683	86	7	1,164
1(i): Expenditure Metrics	6		Operational expenditure	Non-network	773	97	8	1,317
1(i): Expenditure Metrics	7		Expenditure on assets		909	114	10	1,549
1(i): Expenditure Metrics	8		Expenditure on assets	Network	888	112	9	1,513
1(i): Expenditure Metrics	9		Expenditure on assets	Non-network	21	3	0	36

1(ii): Revenue Metrics

Section	Row	Context	Category1	Category2	Revenue per TJ energy delivered to ICPs (\$/TJ)	Revenue per average no. of ICPs (\$/ICP)
1(ii): Revenue Metrics	14		Total line charge revenue		4,583	576
1(ii): Revenue Metrics	15		Standard consumer line charge revenue		9,010	551
1(ii): Revenue Metrics	16		Non-standard consumer line charge revenue		396	96,876

1(iii): Service Intensity Measures

Section	Row	Context	Category1	Category2	Service intensity measure
1(iii): Service Intensity Measures	21		Demand density		Maximum monthly load (GJ per month) per system length
1(iii): Service Intensity Measures	22		Volume density		Quantity of gas delivered per km of system length (TJ/km)
1(iii): Service Intensity Measures	23		Connection point density		Average number of ICPs in disclosure year per system length
1(iii): Service Intensity Measures	24		Energy intensity		Total GJ delivered to ICPs per average number of ICPs in disclosure year

1(iv): Composition of Revenue Requirement

Section	Row	Context	Category1	Category2	(\$000)	% of revenue
1(iv): Composition of Revenue Requirement	29		Operational expenditure		12,460	31.72%
1(iv): Composition of Revenue Requirement	30		Pass-through and recoverable costs excluding financial incentives and wash-ups		1,093	2.78%
1(iv): Composition of Revenue Requirement	31		Total depreciation		12,406	31.58%
1(iv): Composition of Revenue Requirement	32		Total revaluations		6,701	17.06%
1(iv): Composition of Revenue Requirement	33		Regulatory tax allowance		3,511	8.94%
1(iv): Composition of Revenue Requirement	34		Regulatory profit/(loss) including financial incentives and wash-ups		16,233	41.32%
1(iv): Composition of Revenue Requirement	35		Total regulatory income		39,286	

1(v): Reliability

Section	Row	Context	Category1	Category2	Interruptions per 100km of system length
1(v): Reliability	40		Interruption rate		5.12

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

2(i): Return on Investment

Section	Row	Context	Category1	Category2	CY-2 %	CY-1 %	Current year CY %
2(i): Return on Investment	4		ROI - comparable to a post tax WACC	Reflecting all revenue earned	7.25%	5.02%	7.31%
2(i): Return on Investment	5		ROI - comparable to a post tax WACC	Excluding revenue earned from financial incentives	7.25%	5.02%	7.31%
2(i): Return on Investment	6		ROI - comparable to a post tax WACC	Excluding revenue earned from financial incentives and wash-ups	7.25%	5.02%	7.31%
2(i): Return on Investment	7		Mid-point estimate of post tax WACC		6.19%	7.13%	6.35%
2(i): Return on Investment	8		Mid-point estimate of post tax WACC	25th percentile estimate	5.48%	6.42%	5.64%
2(i): Return on Investment	9		Mid-point estimate of post tax WACC	75th percentile estimate	6.90%	7.84%	7.06%
2(i): Return on Investment	10		ROI - comparable to a vanilla WACC	Reflecting all revenue earned	7.88%	5.81%	7.96%
2(i): Return on Investment	11		ROI - comparable to a vanilla WACC	Excluding revenue earned from financial incentives	7.88%	5.81%	7.96%
2(i): Return on Investment	12		ROI - comparable to a vanilla WACC	Excluding revenue earned from financial incentives and wash-ups	7.88%	5.81%	7.96%
2(i): Return on Investment	13		WACC rate used to set regulatory price path		6.14%	6.14%	6.14%
2(i): Return on Investment	14		Mid-point estimate of vanilla WACC		6.82%	7.91%	7.00%
2(i): Return on Investment	15		Mid-point estimate of vanilla WACC	25th percentile estimate	6.11%	7.21%	6.29%
2(i): Return on Investment	16		Mid-point estimate of vanilla WACC	75th percentile estimate	7.53%	8.62%	7.71%

2(ii): Information Supporting the ROI

Section	Row	Context	Category1	Category2	(\$000)
2(ii): Information Supporting the ROI	21		Total opening RAB value		220,056
2(ii): Information Supporting the ROI	22	plus	Opening deferred tax		(12,376)
2(ii): Information Supporting the ROI	23		Opening RIV		207,680
2(ii): Information Supporting the ROI	24		Line charge revenue		39,215
2(ii): Information Supporting the ROI	25		Mid-year net cash outflows	Expenses cash outflow	13,553
2(ii): Information Supporting the ROI	26	plus	Mid-year net cash outflows	Assets commissioned	7,244
2(ii): Information Supporting the ROI	27	less	Mid-year net cash outflows	Asset disposals	(1)
2(ii): Information Supporting the ROI	28	plus	Mid-year net cash outflows	Tax payments	3,375
2(ii): Information Supporting the ROI	29	less	Mid-year net cash outflows	Other regulated income	72
2(ii): Information Supporting the ROI	30		Mid-year net cash outflows		24,101
2(ii): Information Supporting the ROI	31		Term credit spread differential allowance		285
2(ii): Information Supporting the ROI	32		Closing RIV	Total closing RAB value	221,465
2(ii): Information Supporting the ROI	33	less	Closing RIV	Adjustment resulting from asset allocation	(132)
2(ii): Information Supporting the ROI	34	less	Closing RIV	Lost and found assets adjustment	-
2(ii): Information Supporting the ROI	35	plus	Closing RIV	Closing deferred tax	(12,513)
2(ii): Information Supporting the ROI	36		Closing RIV		209,084

2(ii): Information Supporting the ROI

Section	Row	Context	Category1	Category2	%
2(ii): Information Supporting the ROI	41		ROI - comparable to a vanilla WACC		7.96%
2(ii): Information Supporting the ROI	42		ROI - comparable to a post tax WACC	Leverage (%)	42%
2(ii): Information Supporting the ROI	43		ROI - comparable to a post tax WACC	Cost of debt assumption (%)	5.55%
2(ii): Information Supporting the ROI	44		ROI - comparable to a post tax WACC	Corporate tax rate (%)	28%
2(ii): Information Supporting the ROI	45		ROI - comparable to a post tax WACC		7.31%

2(iii): Information Supporting the Monthly ROI

Section	Row	Context	Category1	Category2	Opening RIV	Line charge revenue Expenses cash outflow (\$000) (\$000)	Assets commissioned (\$000)	Asset disposals (\$000)	Other regulated income (\$000)	Monthly net cash outflows (\$000)
2(iii): Information Supporting the monthly ROI	50		Opening RIV		N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	51		Opening RIV	Month 1	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	52		Opening RIV	Month 2	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	53		Opening RIV	Month 3	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	54		Opening RIV	Month 4	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	55		Opening RIV	Month 5	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	56		Opening RIV	Month 6	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	57		Opening RIV	Month 7	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	58		Opening RIV	Month 8	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	59		Opening RIV	Month 9	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	60		Opening RIV	Month 10	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	61		Opening RIV	Month 11	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	62		Opening RIV	Month 12	N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	63		Total		N/A	-	-	-	-	-
2(iii): Information Supporting the monthly ROI	64		Tax Payments		N/A	-	-	-	-	N/A
2(iii): Information Supporting the monthly ROI	65		Term credit spread differential allowance		N/A	-	-	-	-	N/A
2(iii): Information Supporting the monthly ROI	66		Closing RIV		N/A	-	-	-	-	N/A
2(iii): Information Supporting the monthly ROI	67		Monthly ROI - comparable to a vanilla WACC		N/A	-	-	-	-	N/A
2(iii): Information Supporting the monthly ROI	68		Monthly ROI - comparable to a post tax WACC		N/A	-	-	-	-	N/A

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

Section	Row	Context	Category1	Category2	%
2(iv): Year-end ROI rates for comparison purposes	73		Year-end ROI - comparable to a vanilla WACC		7.68%
2(iv): Year-end ROI rates for comparison purposes	74		Year-end ROI - comparable to a post tax WACC		7.03%

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

2(v): Financial Incentives and Wash-Ups

Section	Row	Context	Category1	Category2	(\$000)
2(v): Financial Incentives and Wash-Ups	79		Financial incentives		-
2(v): Financial Incentives and Wash-Ups	80		Input methodology claw-back		-
2(v): Financial Incentives and Wash-Ups	81		CPP application recoverable costs		-
2(v): Financial Incentives and Wash-Ups	82		Reopener event allowance		-
2(v): Financial Incentives and Wash-Ups	83		Capex wash-up adjustment		7
2(v): Financial Incentives and Wash-Ups	84		CPP Urgent project allowance		-
2(v): Financial Incentives and Wash-Ups	85		Other CPP wash-ups		-
2(v): Financial Incentives and Wash-Ups	86		Wash-up costs		7

2(v): Financial Incentives and Wash-Ups

Section	Row	Context	Category1	Category2	%
2(v): Financial Incentives and Wash-Ups	91		Impact of financial incentives on ROI		-
2(v): Financial Incentives and Wash-Ups	92		Impact of wash-up costs on ROI		0.00%

SCHEDULE 3: REPORT ON REGULATORY PROFIT

3(i): Regulatory Profit

Section	Row	Context	Category1	Category2	(\$000)
3(i): Regulatory Profit	4	Income		Line charge revenue	39,215
3(i): Regulatory Profit	5	<i>plus</i>	Income	Gains / (losses) on asset disposals	1
3(i): Regulatory Profit	6	<i>plus</i>	Income	Other regulated income (other than gains / (losses) on asset disposals)	70
3(i): Regulatory Profit	7	Total regulatory income			39,286
3(i): Regulatory Profit	8	<i>less</i>	Expenses	Operational expenditure	12,460
3(i): Regulatory Profit	9	<i>less</i>	Expenses	Pass-through and recoverable costs excluding financial incentives and wash-ups	1,093
3(i): Regulatory Profit	10	Operating surplus / (deficit)			25,734
3(i): Regulatory Profit	11	<i>less</i>	Operating surplus / (deficit)	Total depreciation	12,406
3(i): Regulatory Profit	12	<i>plus</i>	Operating surplus / (deficit)	Total revaluations	6,701
3(i): Regulatory Profit	13	Regulatory profit / (loss) before tax			20,029
3(i): Regulatory Profit	14	<i>less</i>	Regulatory profit / (loss) before tax	Term credit spread differential allowance	285
3(i): Regulatory Profit	15	<i>less</i>	Regulatory profit / (loss) before tax	Regulatory tax allowance	3,511
3(i): Regulatory Profit	16	Regulatory profit / (loss) including financial incentives and wash-ups			16,233

3(ii): Pass-through and recoverable costs excluding financial incentives and wash-ups

Section	Row	Context	Category1	Category2	(\$000)
3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	21	Pass through costs		Rates	833
3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	22	Pass through costs		Commerce Act levies	213
3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	23	Pass through costs		Industry Levies	47
3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	24	Pass through costs		CPP specified pass-through costs	
3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	25	Recoverable costs excluding financial incentives and wash-ups		FENZ levies	
3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	26	Recoverable costs excluding financial incentives and wash-ups		Other CPP recoverable costs excluding financial incentives and wash-ups	
3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups	27	Pass-through and recoverable costs excluding financial incentives and wash-ups			1,093

3(iv): Merger and Acquisition Expenditure

Section	Row	Context	Category1	Category2	(\$000)
3(iv): Merger and Acquisition Expenditure	32	Merger and acquisition expenditure			403

*Provide commentary on the benefits of merger and acquisition expenditure to the gas transmission business, including required disclosures in accordance with section 2.7, in Schedule 14 (Mandatory Explanatory Notes)

3(v): Other Disclosures

Section	Row	Context	Category1	Category2	(\$000)
3(v): Other Disclosures	37	Self-insurance allowance			

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

4(i): Regulatory Asset Base Value (Rolled Forward)

Section	Row	Context	Category1	Category2	RAB CY-4 (\$000)	RAB CY-3 (\$000)	RAB CY-2 (\$000)	RAB CY-1 (\$000)	RAB CY (\$000)
4(i): Regulatory Asset Base Value (Rolled Forward)	4				174,405	181,908	209,596	217,967	220,056
4(i): Regulatory Asset Base Value (Rolled Forward)	5	less			6,273	6,539	11,588	11,967	12,406
4(i): Regulatory Asset Base Value (Rolled Forward)	6	plus			8,590	13,153	11,839	4,692	6,701
4(i): Regulatory Asset Base Value (Rolled Forward)	7	plus			5,438	21,191	7,997	9,513	7,244
4(i): Regulatory Asset Base Value (Rolled Forward)	8	less			119	-	2	1	(1)
4(i): Regulatory Asset Base Value (Rolled Forward)	9	plus			-	-	-	-	-
4(i): Regulatory Asset Base Value (Rolled Forward)	10	plus			(133)	(117)	125	(148)	(132)
4(i): Regulatory Asset Base Value (Rolled Forward)	11				181,908	209,596	217,967	220,056	221,465

4(ii): Unallocated Regulatory Asset Base

Section	Row	Context	Category1	Category2	Unallocated RAB* (\$000)	RAB (\$000)
4(ii): Unallocated Regulatory Asset Base	16				232,215	220,056
4(ii): Unallocated Regulatory Asset Base	17	less			14,811	12,406
4(ii): Unallocated Regulatory Asset Base	18	plus			7,055	6,701
4(ii): Unallocated Regulatory Asset Base	19	Assets commissioned (other than below)		Not Required after DY2025	1,480	73
4(ii): Unallocated Regulatory Asset Base	20	Assets commissioned out of WUC		Not Required before DY2026	-	-
4(ii): Unallocated Regulatory Asset Base	21	Assets acquired (other than below)		Not Required before DY2026	-	-
4(ii): Unallocated Regulatory Asset Base	22	Assets acquired from a regulated supplier			-	-
4(ii): Unallocated Regulatory Asset Base	23	Assets acquired from a related party			7,171	7,171
4(ii): Unallocated Regulatory Asset Base	24	plus			8,652	7,244
4(ii): Unallocated Regulatory Asset Base	25	Asset disposals (other than below)			(28)	(1)
4(ii): Unallocated Regulatory Asset Base	26	Asset disposals to a regulated supplier			-	-
4(ii): Unallocated Regulatory Asset Base	27	Asset disposals to a related party			-	-
4(ii): Unallocated Regulatory Asset Base	28	less			(28)	(1)
4(ii): Unallocated Regulatory Asset Base	29	plus			-	-
4(ii): Unallocated Regulatory Asset Base	30	plus			-	(132)
4(ii): Unallocated Regulatory Asset Base	31				233,139	221,465

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

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

Section	Row	Context	Category1	Category2 Units	Revaluations
4(iii): Calculation of Revaluation Rate and Revaluation of Assets	37		CPI _h	index	1,319
4(iii): Calculation of Revaluation Rate and Revaluation of Assets	38		CPI _h ⁺	index	1,280
4(iii): Calculation of Revaluation Rate and Revaluation of Assets	39		Revaluation rate (%)	proportion	3.05%

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

Section	Row	Context	Category1	Category2	Unallocated RAB (\$000)	RAB (\$000)
4(iii): Calculation of Revaluation Rate and Revaluation of Assets	43				232,215	220,056
4(iii): Calculation of Revaluation Rate and Revaluation of Assets	44	less			664	116
4(iii): Calculation of Revaluation Rate and Revaluation of Assets	45				231,552	219,939
4(iii): Calculation of Revaluation Rate and Revaluation of Assets	46				7,055	6,701

4(iv): Roll Forward of Works Under Construction

Section	Row	Context	Category1	Category2	Category3	Unallocated works under construction	Allocated works under construction
4(iv): Roll Forward of Works Under Construction	51		Works under construction - preceding disclosure year				
4(iv): Roll Forward of Works Under Construction	52 plus		Works under construction - current disclosure year	Capital expenditure	Not Required after DY2025	1,367	1,043
4(iv): Roll Forward of Works Under Construction	53 less		Works under construction - current disclosure year	Assets commissioned	Not Required after DY2025	9,414	7,026
4(iv): Roll Forward of Works Under Construction	54 plus		Works under construction - current disclosure year	Adjustment resulting from asset allocation	Not Required after DY2025	8,652	7,244
4(iv): Roll Forward of Works Under Construction	55		Works under construction - current disclosure year			2,129	825
4(iv): Roll Forward of Works Under Construction	56		Works under construction - preceding disclosure year				
4(iv): Roll Forward of Works Under Construction	57		Works under construction - current disclosure year	WUC acquired from a regulated supplier	Not Required before DY2026		
4(iv): Roll Forward of Works Under Construction	58		Works under construction - current disclosure year	WUC acquired from a related party	Not Required before DY2026		
4(iv): Roll Forward of Works Under Construction	59		Works under construction - current disclosure year	WUC capital expenditure - other	Not Required before DY2026		
4(iv): Roll Forward of Works Under Construction	60 plus		Works under construction - current disclosure year	Total WUC capital expenditure	Not Required before DY2026	-	-
4(iv): Roll Forward of Works Under Construction	61 less		Works under construction - current disclosure year	WUC capital contributions	Not Required before DY2026		
4(iv): Roll Forward of Works Under Construction	62 less		Works under construction - current disclosure year	WUC other revenue	Not Required before DY2026		
4(iv): Roll Forward of Works Under Construction	63 less		Works under construction - current disclosure year	Assets commissioned out of WUC	Not Required before DY2026		
4(iv): Roll Forward of Works Under Construction	64 plus		Works under construction - current disclosure year	Adjustment resulting from asset allocation	Not Required before DY2026		
4(iv): Roll Forward of Works Under Construction	65		Works under construction - current disclosure year			-	-

4(iv): Roll Forward of Works Under Construction

Section	Row	Context	Category1	Category2	Unallocated works under construction	Allocated works under construction
4(iv): Roll Forward of Works Under Construction	70		Highest rate of capitalised finance applied			5.50%

4(v): Regulatory Depreciation

Section	Row	Context	Category1	Category2	Unallocated RAB (\$000)	RAB (\$000)
4(v): Regulatory Depreciation	75		Depreciation - standard		12,026	12,026
4(v): Regulatory Depreciation	76		Depreciation - no standard life assets		2,785	380
4(v): Regulatory Depreciation	77		Depreciation - modified life assets			
4(v): Regulatory Depreciation	78		Depreciation - alternative depreciation in accordance with CPP			
4(v): Regulatory Depreciation	79		Total depreciation		14,811	12,406

4(vi): Disclosure of Changes to Depreciation Profiles

Section	Row	Context	Category1 Asset or assets with changes to depreciation	Category2 Reason for non-standard depreciation (text entry)	Depreciation change for the period (RAB) (\$000 unless otherwise specified)	Closing RAB value under 'non-standard' depreciation (\$000 unless otherwise specified)	Closing RAB value under 'standard' depreciation (\$000 unless otherwise specified)
4(vi): Disclosure of Changes to Depreciation Profiles	84						
4(vi): Disclosure of Changes to Depreciation Profiles	85						
4(vi): Disclosure of Changes to Depreciation Profiles	86						
4(vi): Disclosure of Changes to Depreciation Profiles	87						
4(vi): Disclosure of Changes to Depreciation Profiles	88						
4(vi): Disclosure of Changes to Depreciation Profiles	89						
4(vi): Disclosure of Changes to Depreciation Profiles	90						
4(vi): Disclosure of Changes to Depreciation Profiles	91						

*Include additional rows if needed

4(vii): Disclosure by Asset Category

Section	Row	Context	Category1	Category2	Intermediate pressure main pipelines (\$000 unless otherwise specified)	Medium pressure main pipelines (\$000 unless otherwise specified)	Low pressure main pipelines (\$000 unless otherwise specified)	Service pipe (\$000 unless otherwise specified)	Stations (\$000 unless otherwise specified)	Line valve (\$000 unless otherwise specified)	Special crossings (\$000 unless otherwise specified)	Other network assets (\$000 unless otherwise specified)	Non-network assets (\$000 unless otherwise specified)	Total (\$000 unless otherwise specified)
4(vii): Disclosure by Asset Category	96		Total opening RAB value		22,804	121,160	2,166	55,367	7,141	2,622	3,126	4,803	1,368	220,056
4(vii): Disclosure by Asset Category	97 less		Total depreciation		1,131	6,748	89	2,889	469	90	278	502	209	12,406
4(vii): Disclosure by Asset Category	98 plus		Total revaluations		695	3,690	66	1,684	218	80	95	331	43	6,701
4(vii): Disclosure by Asset Category	99 plus		Assets commissioned		636	2,273	63	2,945	316	534	-	399	79	7,244
4(vii): Disclosure by Asset Category	100 less		Asset disposals											(1)
4(vii): Disclosure by Asset Category	101 plus		Lost and found assets adjustment											(1)
4(vii): Disclosure by Asset Category	102 plus		Adjustment resulting from asset allocation											(133)
4(vii): Disclosure by Asset Category	103 plus		Asset category transfers											-
4(vii): Disclosure by Asset Category	104		Total closing RAB value		23,003	120,374	2,206	57,106	7,205	3,146	2,943	4,331	1,150	221,464
4(vii): Disclosure by Asset Category	105 (years)		Asset Life		25.4	23.3	28.3	29.5	15.0	31.3	12.8	14.3	8.2	
4(vii): Disclosure by Asset Category	106 (years)		Weighted average expected total asset life		44.1	37.6	37.7	38.4	22.0	36.0	37.7	21.6	19.8	

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

5a(i): Regulatory Tax Allowance

Section	Row	Context	Category1	Category2	(\$000)
5a(i): Regulatory Tax Allowance	4		Regulatory profit / (loss) before tax		20,029
5a(i): Regulatory Tax Allowance	5	<i>plus</i>	Regulatory profit / (loss) before tax	Income not included in regulatory profit / (loss) before tax but taxable	-
5a(i): Regulatory Tax Allowance	6		Regulatory profit / (loss) before tax	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	38
5a(i): Regulatory Tax Allowance	7		Regulatory profit / (loss) before tax	Amortisation of initial differences in asset values	1,683
5a(i): Regulatory Tax Allowance	8		Regulatory profit / (loss) before tax	Amortisation of revaluations	2,259
5a(i): Regulatory Tax Allowance	9		Regulatory profit / (loss) before tax		3,979
5a(i): Regulatory Tax Allowance	10	<i>less</i>	Regulatory profit / (loss) before tax	Total revaluations	6,701
5a(i): Regulatory Tax Allowance	11		Regulatory profit / (loss) before tax	Income included in regulatory profit / (loss) before tax but not taxable	-
5a(i): Regulatory Tax Allowance	12		Regulatory profit / (loss) before tax	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	(223)
5a(i): Regulatory Tax Allowance	13		Regulatory profit / (loss) before tax	Notional deductible interest	4,989
5a(i): Regulatory Tax Allowance	14		Regulatory profit / (loss) before tax		11,468
5a(i): Regulatory Tax Allowance	15		Regulatory taxable income		12,541
5a(i): Regulatory Tax Allowance	16	<i>less</i>	Regulatory taxable income	Utilised tax losses	-
5a(i): Regulatory Tax Allowance	17		Regulatory taxable income	Regulatory net taxable income	12,541
5a(i): Regulatory Tax Allowance	18		Regulatory tax allowance		3,511

*Workings to be provided in Schedule 14

5a(i): Regulatory Tax Allowance

Section	Row	Context	Category1	Category2	%
5a(i): Regulatory Tax Allowance	23		Regulatory taxable income	Corporate tax rate (%)	28%

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).

5a(iii): Amortisation of Initial Difference in Asset Values

Section	Row	Context	Category1	Category2	(\$000)
5a(iii): Reconciliation of Tax Losses	32		Opening unamortised initial differences in asset values		47,114
5a(iii): Reconciliation of Tax Losses	33	<i>less</i>	Amortisation of initial differences in asset values		1,683
5a(iii): Reconciliation of Tax Losses	34	<i>plus</i>	Adjustment for unamortised initial differences in assets acquired		-
5a(iii): Reconciliation of Tax Losses	35	<i>less</i>	Adjustment for unamortised initial differences in assets disposed		-
5a(iii): Reconciliation of Tax Losses	36		Closing unamortised initial differences in asset values		45,431
5a(iii): Reconciliation of Tax Losses	37		Opening weighted average remaining useful life of relevant assets (years)		28

5a(iv): Amortisation of Revaluations

Section	Row	Context	Category1	Category2	(\$000)
5a(iv): Amortisation of Revaluations	42		Opening sum of RAB values without revaluations		172,530
5a(iv): Amortisation of Revaluations	43		Adjusted depreciation		10,147
5a(iv): Amortisation of Revaluations	44		Total depreciation		12,406
5a(iv): Amortisation of Revaluations	45		Amortisation of revaluations		2,259

5a(v): Reconciliation of Tax Losses

Section	Row	Context	Category1	Category2	(\$000)
5a(v): Reconciliation of Tax Losses	50		Opening tax losses		-
5a(v): Reconciliation of Tax Losses	51	<i>plus</i>	Current period tax losses		-
5a(v): Reconciliation of Tax Losses	52	<i>less</i>	Utilised tax losses		-
5a(v): Reconciliation of Tax Losses	53		Closing tax losses		0

5a(vi): Calculation of Deferred Tax Balance

Section	Row	Context	Category1	Category2	(\$000)
5a(vi): Calculation of Deferred Tax Balance	58		Opening deferred tax		(12,376)
5a(vi): Calculation of Deferred Tax Balance	59	<i>plus</i>	Tax effect of adjusted depreciation		2,841
5a(vi): Calculation of Deferred Tax Balance	60	<i>less</i>	Tax effect of tax depreciation		2,446
5a(vi): Calculation of Deferred Tax Balance	61	<i>plus</i>	Tax effect of other temporary differences*		(62)
5a(vi): Calculation of Deferred Tax Balance	62	<i>less</i>	Tax effect of amortisation of initial differences in asset values		471
5a(vi): Calculation of Deferred Tax Balance	63	<i>plus</i>	Deferred tax balance relating to assets acquired in the disclosure year		-
5a(vi): Calculation of Deferred Tax Balance	64	<i>less</i>	Deferred tax balance relating to assets disposed in the disclosure year		2
5a(vi): Calculation of Deferred Tax Balance	65	<i>plus</i>	Deferred tax cost allocation adjustment		4
5a(vi): Calculation of Deferred Tax Balance	66		Closing deferred tax		(12,513)

5a(vii): Disclosure of Temporary Differences

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

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

Section	Row	Context	Category1	Category2	(\$000)
5a(viii): Regulatory Tax Asset Base Roll-Forward	75		Opening sum of regulatory tax asset values		79,022
5a(viii): Regulatory Tax Asset Base Roll-Forward	76	<i>less</i>	Tax depreciation		8,737
5a(viii): Regulatory Tax Asset Base Roll-Forward	77	<i>plus</i>	Regulatory tax asset value of assets commissioned		7,260
5a(viii): Regulatory Tax Asset Base Roll-Forward	78	<i>less</i>	Regulatory tax asset value of asset disposals		7
5a(viii): Regulatory Tax Asset Base Roll-Forward	79	<i>plus</i>	Lost and found assets adjustment		-
5a(viii): Regulatory Tax Asset Base Roll-Forward	80	<i>plus</i>	Adjustments resulting from asset allocation		(117)
5a(viii): Regulatory Tax Asset Base Roll-Forward	81	<i>plus</i>	Other adjustments to the RAB tax value		(2)
5a(viii): Regulatory Tax Asset Base Roll-Forward	82		Closing sum of regulatory tax asset values		77,419

SCHEDULE 5b: REPORT ON RELATED PARTY TRANSACTIONS

5b(i): Summary—Related Party Transactions

Section	Row	Context	Category1	Category2	(\$000)
5b(i): Summary—Related Party Transactions	4		Total regulatory income		2,532
5b(i): Summary—Related Party Transactions	5		Market value of asset disposals		
5b(i): Summary—Related Party Transactions	6		Service interruptions, incidents and emergencies		1,587
5b(i): Summary—Related Party Transactions	7		Routine and corrective maintenance and inspection		4,260
5b(i): Summary—Related Party Transactions	8		Asset replacement and renewal (opex)		-
5b(i): Summary—Related Party Transactions	9		Network opex		5,847
5b(i): Summary—Related Party Transactions	10		Business support		47
5b(i): Summary—Related Party Transactions	11		System operations and network support		2,640
5b(i): Summary—Related Party Transactions	12		Operational expenditure		8,533
5b(i): Summary—Related Party Transactions	13		Consumer connection		2,624
5b(i): Summary—Related Party Transactions	14		System growth		1,313
5b(i): Summary—Related Party Transactions	15		Asset replacement and renewal (capex)		2,413
5b(i): Summary—Related Party Transactions	16		Asset relocations		206
5b(i): Summary—Related Party Transactions	17		Quality of supply		-
5b(i): Summary—Related Party Transactions	18		Legislative and regulatory		-
5b(i): Summary—Related Party Transactions	19		Other reliability, safety and environment		1,086
5b(i): Summary—Related Party Transactions	20		Expenditure on non-network assets		55
5b(i): Summary—Related Party Transactions	21		Expenditure on assets		7,697
5b(i): Summary—Related Party Transactions	22		Cost of financing		
5b(i): Summary—Related Party Transactions	23		Value of capital contributions		
5b(i): Summary—Related Party Transactions	24		Value of vested assets		
5b(i): Summary—Related Party Transactions	25		Capital expenditure		7,697
5b(i): Summary—Related Party Transactions	26		Total expenditure		16,230
5b(i): Summary—Related Party Transactions	27		Other related party transactions		

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

Section	Row	Context	Category1 Name of related party	Category2 Nature of opex or capex service provided	Total value of transactions (\$000)
5b(iii): Total Opex and Capex Related Party Transactions	32		Directors	Business support	47
5b(iii): Total Opex and Capex Related Party Transactions	33		First Gas Transmission	System operations and network support	568
5b(iii): Total Opex and Capex Related Party Transactions	34		Gas Services NZ	Service interruptions, incidents and emergencies	1,587
5b(iii): Total Opex and Capex Related Party Transactions	35		Gas Services NZ	Routine and corrective maintenance and inspection	4,260
5b(iii): Total Opex and Capex Related Party Transactions	36		Gas Services NZ	System operations and network support	2,072
5b(iii): Total Opex and Capex Related Party Transactions	37		Gas Services NZ	Consumer connection	2,624
5b(iii): Total Opex and Capex Related Party Transactions	38		Gas Services NZ	System growth	1,313
5b(iii): Total Opex and Capex Related Party Transactions	39		Gas Services NZ	Asset replacement and renewal (capex)	2,413
5b(iii): Total Opex and Capex Related Party Transactions	40		Gas Services NZ	Asset relocations	206
5b(iii): Total Opex and Capex Related Party Transactions	41		Gas Services NZ	Expenditure on non-network assets	55
5b(iii): Total Opex and Capex Related Party Transactions	42		Gas Services NZ	Other reliability, safety and environment	1,086
5b(iii): Total Opex and Capex Related Party Transactions	43				

5b(iii): Total Opex and Capex Related Party Transactions	44		
5b(iii): Total Opex and Capex Related Party Transactions	45		
5b(iii): Total Opex and Capex Related Party Transactions	46		
5b(iii): Total Opex and Capex Related Party Transactions	47	Total value of related party transactions	16,230

* include additional rows if needed

SCHEDULE 5c: REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE

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

Section	Row	Context	Category1 Issuing party	Category2 Issue date	Pricing date	Original tenor (in years)	Coupon rate (%)	Book value at issue date (NZD)	Book value at date of financial statements (NZD)	Term Credit Spread Difference	Debt issue cost readjustment
5c(i): Qualifying Debt (may be Commission only)	4		2021 USPP 7yr	23/03/2021	10/03/2021	7.0	2.32%	185,112	216,114	278	(106)
5c(i): Qualifying Debt (may be Commission only)	5		2021 USPP 9yr	23/03/2021	10/03/2021	9.0	2.59%	165,626	186,450	497	(147)
5c(i): Qualifying Debt (may be Commission only)	6		2021 USPP 10yr	23/03/2021	24/11/2020	10.0	2.32%	107,619	111,433	404	(108)
5c(i): Qualifying Debt (may be Commission only)	7		2021 USPP 12yr	23/03/2021	24/11/2020	12.0	2.42%	286,985	282,243	1,507	(335)
5c(i): Qualifying Debt (may be Commission only)	8		2021 USPP 15yr	23/03/2021	24/11/2020	15.0	BKBM +200bps	225,000	224,012	1,688	(300)
5c(i): Qualifying Debt (may be Commission only)	9								1,020,252	4,372	(995)

* include additional rows if needed

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

Section	Row	Context	Category1	Category2	%
5c(ii): Attribution of Term Credit Spread Differential	15		Gross term credit spread differential		3,377
5c(ii): Attribution of Term Credit Spread Differential	16		Total book value of interest bearing debt leverage		1,100,252
5c(ii): Attribution of Term Credit Spread Differential	17		Leverage		42%
5c(ii): Attribution of Term Credit Spread Differential	18		Average opening and closing RAB values		220,760
5c(ii): Attribution of Term Credit Spread Differential	19		Attribution Rate (%)		8%
5c(ii): Attribution of Term Credit Spread Differential	20		Term credit spread differential allowance		285

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

5d(i): Operating Cost Allocations

Section	Row	Context	Category1	Category2	Value allocated (\$000) Arm's length deduction	Value allocated (\$000) Gas distribution services	Value allocated (\$000) Non-gas distribution services	Value allocated (\$000) Total	Value allocated (\$000) OVABAA allocation increase
5d(i): Operating Cost Allocations	4		Service interruptions, incidents and emergencies	Directly attributable		1,587			
5d(i): Operating Cost Allocations	5		Service interruptions, incidents and emergencies	Not directly attributable				-	
5d(i): Operating Cost Allocations	6		Total attributable to regulated service			1,587			
5d(i): Operating Cost Allocations	7		Routine and corrective maintenance and inspection	Directly attributable		4,260			
5d(i): Operating Cost Allocations	8		Routine and corrective maintenance and inspection	Not directly attributable				-	
5d(i): Operating Cost Allocations	9		Total attributable to regulated service			4,260			
5d(i): Operating Cost Allocations	10		Asset replacement and renewal	Directly attributable					
5d(i): Operating Cost Allocations	11		Asset replacement and renewal	Not directly attributable				-	
5d(i): Operating Cost Allocations	12		Total attributable to regulated service						
5d(i): Operating Cost Allocations	13		System operations and network support	Directly attributable		2,714			
5d(i): Operating Cost Allocations	14		System operations and network support	Not directly attributable				-	
5d(i): Operating Cost Allocations	15		Total attributable to regulated service			2,714			
5d(i): Operating Cost Allocations	16		Business support	Directly attributable		667			
5d(i): Operating Cost Allocations	17		Business support	Not directly attributable	667	3,232	28,243	32,142	
5d(i): Operating Cost Allocations	18		Total attributable to regulated service			3,899			
5d(i): Operating Cost Allocations	19		Operating costs directly attributable			9,228			
5d(i): Operating Cost Allocations	20		Operating costs not directly attributable		667	3,232	28,243	32,142	
5d(i): Operating Cost Allocations	21		Operational expenditure			12,460			

5d(ii): Other Cost Allocations

Section	Row	Context	Category1	Category2	Value allocated (\$000s) Arm's length deduction	Value allocated (\$000s) Gas distribution services	Value allocated (\$000s) Non-gas distribution services	Value allocated (\$000s) Total	Value allocated (\$000s) OVABAA allocation increase
5d(ii): Other Cost Allocations	26	Pass through and recoverable costs	Pass through costs	Directly attributable	-	833	-	-	
5d(ii): Other Cost Allocations	27	Pass through and recoverable costs	Pass through costs	Not directly attributable	-	260	991	1,251	
5d(ii): Other Cost Allocations	28	Pass through and recoverable costs	Pass through costs	Total attributable to regulated service	-	1,093	-	-	
5d(ii): Other Cost Allocations	29	Pass through and recoverable costs	Recoverable costs	Directly attributable	-	-	-	-	
5d(ii): Other Cost Allocations	30	Pass through and recoverable costs	Recoverable costs	Not directly attributable	-	-	-	-	
5d(ii): Other Cost Allocations	31	Pass through and recoverable costs	Recoverable costs	Total attributable to regulated service	-	-	-	-	

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

Section	Row	Context	Category1	Category2	Cost category	Original allocator or line items	New allocator or line items	Rational for change	Original allocation CY-1 (\$000)	New allocation CY-1 (\$000)	Difference CY-1 (\$000)	Original allocation Current Year (CY) (\$000)	New allocation Current Year (CY) (\$000)	Difference Current Year (CY) (\$000)
5d(iii): Changes in Cost Allocations* †	36		Change in cost allocation 1								-			-
5d(iii): Changes in Cost Allocations* †	37		Change in cost allocation 2								-			-
5d(iii): Changes in Cost Allocations* †	38		Change in cost allocation 3								-			-

* a change in cost 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 component.

† include additional rows if needed

SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

5e(i): Regulated Service Asset Values

Section	Row	Context	Category1	Category2	Value allocated (\$000s) Gas Distribution services
5e(i): Regulated Service Asset Values	4	Main Pipes		Directly attributable	145,583
5e(i): Regulated Service Asset Values	5	Main Pipes		Not directly attributable	
5e(i): Regulated Service Asset Values	6	Main Pipes		Total attributable to regulated service	145,583
5e(i): Regulated Service Asset Values	7	Service pipe		Directly attributable	57,106
5e(i): Regulated Service Asset Values	8	Service pipe		Not directly attributable	
5e(i): Regulated Service Asset Values	9	Service pipe		Total attributable to regulated service	57,106
5e(i): Regulated Service Asset Values	10	Stations		Directly attributable	7,205
5e(i): Regulated Service Asset Values	11	Stations		Not directly attributable	
5e(i): Regulated Service Asset Values	12	Stations		Total attributable to regulated service	7,205
5e(i): Regulated Service Asset Values	13	Line valve		Directly attributable	3,146
5e(i): Regulated Service Asset Values	14	Line valve		Not directly attributable	
5e(i): Regulated Service Asset Values	15	Line valve		Total attributable to regulated service	3,146
5e(i): Regulated Service Asset Values	16	Special crossings		Directly attributable	2,943
5e(i): Regulated Service Asset Values	17	Special crossings		Not directly attributable	
5e(i): Regulated Service Asset Values	18	Special crossings		Total attributable to regulated service	2,943
5e(i): Regulated Service Asset Values	19	Other network assets		Directly attributable	4,331
5e(i): Regulated Service Asset Values	20	Other network assets		Not directly attributable	
5e(i): Regulated Service Asset Values	21	Other network assets		Total attributable to regulated service	4,331
5e(i): Regulated Service Asset Values	22	Non-network assets		Directly attributable	548
5e(i): Regulated Service Asset Values	23	Non-network assets		Not directly attributable	602
5e(i): Regulated Service Asset Values	24	Total attributable to regulated service			1,150
5e(i): Regulated Service Asset Values	25	Regulated service asset value directly attributable			220,863
5e(i): Regulated Service Asset Values	26	Regulated service asset value not directly attributable			602
5e(i): Regulated Service Asset Values	27	Total closing RAB value			221,465

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

Section	Row	Context	Category1	Category2	Asset category	Original allocator or line items	New allocator or line items	Rationale for change	Original allocation CY-1 (\$000)	New allocation CY-1 (\$000)	Difference CY-1 (\$000)	Original allocation Current Year (CY) (\$000)	New allocation Current Year (CY) (\$000)	Difference Current Year (CY) (\$000)
5e(ii): Changes in Asset Allocations* †	32	Change in cost allocation 1									-			-
5e(ii): Changes in Asset Allocations* †	33	Change in cost allocation 2									-			-
5e(ii): Changes in Asset Allocations* †	34	Change in cost allocation 3									-			-

* 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 component.

† include additional rows if needed

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

6a(i): Expenditure on Assets

Section	Row	Context	Category1	Category2	(\$000)
6a(i): Expenditure on Assets	4	Network asset		Consumer connection	2,624
6a(i): Expenditure on Assets	5	Network asset		System growth	1,302
6a(i): Expenditure on Assets	6	Network asset		Asset replacement and renewal	2,360
6a(i): Expenditure on Assets	7	Network asset		Asset relocations	206
6a(i): Expenditure on Assets	8	Reliability, safety and environment		Quality of supply	-
6a(i): Expenditure on Assets	9	Reliability, safety and environment		Legislative and regulatory	21
6a(i): Expenditure on Assets	10	Reliability, safety and environment		Other reliability, safety and environment	1,086
6a(i): Expenditure on Assets	11	Total reliability, safety and environment			1,106
6a(i): Expenditure on Assets	12	Expenditure on network assets			7,598
6a(i): Expenditure on Assets	13	Expenditure on non-network assets			181
6a(i): Expenditure on Assets	14	Expenditure on Assets			7,779
6a(i): Expenditure on Assets	15 <i>plus</i>	Capital expenditure		Cost of financing	6
6a(i): Expenditure on Assets	16 <i>less</i>	Capital expenditure		Value of capital contributions	759
6a(i): Expenditure on Assets	17 <i>plus</i>	Capital expenditure		Value of vested assets	-
6a(i): Expenditure on Assets	18	Capital expenditure			7,026

6a(ii): Subcomponents of Expenditure on Assets (where known)

Section	Row	Context	Category1	Category2	(\$000)
6a(ii): Subcomponents of Expenditure on Assets (where known)	23	Expenditure on subcomponents		Research and development	-

6a(iii): Consumer Connection

Section	Row	Context	Category1	Category2	(\$000)
6a(iii): Consumer Connection	28	<i>Consumer types defined by GDB*</i> Mains Extensions/Subdivisions			-
6a(iii): Consumer Connection	29	<i>Consumer types defined by GDB*</i> Service Connections - Residential			2,250
6a(iii): Consumer Connection	30	<i>Consumer types defined by GDB*</i> Service Connections - Commercial			374
6a(iii): Consumer Connection	31	<i>Consumer types defined by GDB*</i>			
6a(iii): Consumer Connection	32	<i>Consumer types defined by GDB*</i>			
6a(iii): Consumer Connection	33	Consumer connection expenditure			2,624
6a(iii): Consumer Connection	34	<i>less</i> Capital contributions funding consumer connection expenditure			244
6a(iii): Consumer Connection	35	Consumer connection less capital contributions			2,380

*include additional rows if needed

6a(iv): System Growth and Asset Replacement and Renewal

Section	Row	Context	Category1	Category2	System Growth (\$000)	Asset Replacement and Renewal (\$000)
6a(iv): System Growth and Asset Replacement and Renewal	41	Intermediate pressure		Main pipe	65	-
6a(iv): System Growth and Asset Replacement and Renewal	42	Intermediate pressure		Service pipe	-	-
6a(iv): System Growth and Asset Replacement and Renewal	43	Intermediate pressure		Stations	1	23
6a(iv): System Growth and Asset Replacement and Renewal	44	Intermediate pressure		Line valve	-	134
6a(iv): System Growth and Asset Replacement and Renewal	45	Intermediate pressure		Special crossings	-	69
6a(iv): System Growth and Asset Replacement and Renewal	46	Intermediate pressure - total			65	226
6a(iv): System Growth and Asset Replacement and Renewal	47	Medium pressure		Main pipe	1,236	873
6a(iv): System Growth and Asset Replacement and Renewal	48	Medium pressure		Service pipe	-	51
6a(iv): System Growth and Asset Replacement and Renewal	49	Medium pressure		Stations	-	144
6a(iv): System Growth and Asset Replacement and Renewal	50	Medium pressure		Line valve	-	144
6a(iv): System Growth and Asset Replacement and Renewal	51	Medium pressure		Special crossings	-	311
6a(iv): System Growth and Asset Replacement and Renewal	52	Medium pressure - total			1,236	1,523
6a(iv): System Growth and Asset Replacement and Renewal	53	Low pressure		Main pipe	-	102
6a(iv): System Growth and Asset Replacement and Renewal	54	Low pressure		Service pipe	-	-
6a(iv): System Growth and Asset Replacement and Renewal	55	Low pressure		Line valve	-	-
6a(iv): System Growth and Asset Replacement and Renewal	56	Low pressure		Special crossings	-	-
6a(iv): System Growth and Asset Replacement and Renewal	57	Low pressure - total			-	102
6a(iv): System Growth and Asset Replacement and Renewal	58	Other network assets		Monitoring and control systems	-	357
6a(iv): System Growth and Asset Replacement and Renewal	59	Other network assets		Cathodic protection systems	-	132
6a(iv): System Growth and Asset Replacement and Renewal	60	Other network assets		Other assets (other than above)	-	20
6a(iv): System Growth and Asset Replacement and Renewal	61	Other network assets - total			-	509
6a(iv): System Growth and Asset Replacement and Renewal	62	System growth and asset replacement and renewal expenditure			1,302	2,360
6a(iv): System Growth and Asset Replacement and Renewal	63	<i>less</i>	Capital contributions funding system growth and asset replacement and renewal		228	85
6a(iv): System Growth and Asset Replacement and Renewal	64		System growth and asset replacement and renewal less capital contributions		1,073	2,275

6a(v): Asset Relocations

Section	Row	Context	Category1	Category2	(\$000)
6a(v): Asset Relocations	69	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(v): Asset Relocations	70	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(v): Asset Relocations	71	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(v): Asset Relocations	72	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(v): Asset Relocations	73	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(v): Asset Relocations	74	All other projects or programmes - asset relocations			206
6a(v): Asset Relocations	75	Asset relocations expenditure			206
6a(v): Asset Relocations	76	<i>less</i>	Capital contributions funding asset relocations		202
6a(v): Asset Relocations	77		Asset relocations less capital contributions		4

*include additional rows if needed

6a(vi): Quality of Supply

Section	Row	Context	Category1	Category2	(\$000)
6a(vi): Quality of Supply	83	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(vi): Quality of Supply	84	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(vi): Quality of Supply	85	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(vi): Quality of Supply	86	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(vi): Quality of Supply	87	<i>Project or programme*</i>	[Description of material project or programme]		-
6a(vi): Quality of Supply	88	All other projects or programmes - Quality of supply			-
6a(vi): Quality of Supply	89	Quality of supply expenditure			-
6a(vi): Quality of Supply	90	<i>less</i>	Capital contributions funding quality of supply		-
6a(vi): Quality of Supply	91		Quality of supply less capital contributions		-

*include additional rows if needed

6a(vii): Legislative and Regulatory

Section	Row	Context	Category1	Category2	(\$000)
6a(vii): Legislative and Regulatory	97	Project or programme*	[Description of material project or programme]		-
6a(vii): Legislative and Regulatory	98	Project or programme*	[Description of material project or programme]		-
6a(vii): Legislative and Regulatory	99	Project or programme*	[Description of material project or programme]		-
6a(vii): Legislative and Regulatory	100	Project or programme*	[Description of material project or programme]		-
6a(vii): Legislative and Regulatory	101	Project or programme*	[Description of material project or programme]		-
6a(vii): Legislative and Regulatory	102		All other projects or programmes - legislative and regulatory		21
6a(vii): Legislative and Regulatory	103		Legislative and regulatory expenditure		21
6a(vii): Legislative and Regulatory	104	less	Capital contributions funding legislative and regulatory		
6a(vii): Legislative and Regulatory	105		Legislative and regulatory less capital contributions		21

*include additional rows if needed

6a(viii): Other Reliability, Safety and Environment

Section	Row	Context	Category1	Category2	(\$000)
6a(viii): Other Reliability, Safety and Environment	111	Project or programme*	[Description of material project or programme]		-
6a(viii): Other Reliability, Safety and Environment	112	Project or programme*	[Description of material project or programme]		-
6a(viii): Other Reliability, Safety and Environment	113	Project or programme*	[Description of material project or programme]		-
6a(viii): Other Reliability, Safety and Environment	114	Project or programme*	[Description of material project or programme]		-
6a(viii): Other Reliability, Safety and Environment	115	Project or programme*	[Description of material project or programme]		-
6a(viii): Other Reliability, Safety and Environment	116		All other projects or programmes - other reliability, safety and environment		1,086
6a(viii): Other Reliability, Safety and Environment	117		Other reliability, safety and environment expenditure		1,086
6a(viii): Other Reliability, Safety and Environment	118	less	Capital contributions funding other reliability, safety and environment		
6a(viii): Other Reliability, Safety and Environment	119		Other reliability, safety and environment less capital contributions		1,086

*include additional rows if needed

6a(ix): Non-Network Assets

Section	Row	Context	Category1 Routine expenditure	Category2	(\$000)
6a(ix): Non-Network Assets	125	Project or programme*	[Description of material project or programme]		-
6a(ix): Non-Network Assets	126	Project or programme*	[Description of material project or programme]		-
6a(ix): Non-Network Assets	127	Project or programme*	[Description of material project or programme]		-
6a(ix): Non-Network Assets	128	Project or programme*	[Description of material project or programme]		-
6a(ix): Non-Network Assets	129	Project or programme*	[Description of material project or programme]		-
6a(ix): Non-Network Assets	130		All other projects or programmes - routine expenditure		181
6a(ix): Non-Network Assets	131		Routine expenditure		181

*include additional rows if needed

6a(ix): Non-Network Assets

Section	Row	Context	Category1 Atypical expenditure	Category2	(\$000)
6a(ix): Non-Network Assets	136		[Description of material project or programme]		-
6a(ix): Non-Network Assets	137		[Description of material project or programme]		-
6a(ix): Non-Network Assets	138		[Description of material project or programme]		-
6a(ix): Non-Network Assets	139		[Description of material project or programme]		-
6a(ix): Non-Network Assets	140		[Description of material project or programme]		-
6a(ix): Non-Network Assets	141		All other projects or programmes - atypical expenditure		-
6a(ix): Non-Network Assets	142		Atypical expenditure		-
6a(ix): Non-Network Assets	143		Expenditure on non-network assets		181

*include additional rows if needed

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

6b(i): Operational Expenditure

Section	Row	Context	Category1	Category2	(\$000)
6b(i): Operational Expenditure	4	Network opex		Service interruptions, incidents and emergencies	1,587
6b(i): Operational Expenditure	5	Network opex		Routine and corrective maintenance and inspection	4,260
6b(i): Operational Expenditure	6	Network opex		Asset replacement and renewal	-
6b(i): Operational Expenditure	7		Network opex		5,847
6b(i): Operational Expenditure	8	Non-network opex		System operations and network support	2,714
6b(i): Operational Expenditure	9	Non-network opex		Business support	3,899
6b(i): Operational Expenditure	10		Non-network opex		6,613
6b(i): Operational Expenditure	11		Operational expenditure		12,460

6b(ii): Subcomponents of Operational Expenditure (where known)

Section	Row	Context	Category1	Category2	(\$000)
6b(ii): Subcomponents of Operational Expenditure (where known)	16	Expenditure on subcomponents		Research and development	374
6b(ii): Subcomponents of Operational Expenditure (where known)	17	Expenditure on subcomponents		Insurance	515

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

7(i): Revenue

Section	Row	Context	Category1	Category2	Target (\$000) ¹	Actual (\$000)	% variance
7(i): Revenue	4		Line charge revenue		40,392	39,215	(3%)

7(ii): Expenditure on Assets

Section	Row	Context	Category1	Category2	Forecast (\$000) ²	Actual (\$000)	% variance
7(ii): Expenditure on Assets	9		Network asset	Consumer connection	3,075	2,624	(15%)
7(ii): Expenditure on Assets	10		Network asset	System growth	1,042	1,302	25%
7(ii): Expenditure on Assets	11		Network asset	Asset replacement and renewal	2,739	2,360	(14%)
7(ii): Expenditure on Assets	12		Network asset	Asset relocations	209	206	(2%)
7(ii): Expenditure on Assets	13		Reliability, safety and environment	Quality of supply	-	-	-
7(ii): Expenditure on Assets	14		Reliability, safety and environment	Legislative and regulatory	-	21	-
7(ii): Expenditure on Assets	15		Reliability, safety and environment	Other reliability, safety and environment	727	1,086	49%
7(ii): Expenditure on Assets	16		Total reliability, safety and environment		727	1,106	52%
7(ii): Expenditure on Assets	17		Expenditure on network assets		7,792	7,598	(2%)
7(ii): Expenditure on Assets	18		Expenditure on non-network assets		309	181	(41%)
7(ii): Expenditure on Assets	19		Expenditure on assets		8,101	7,779	(4%)

7(iii): Operational Expenditure

Section	Row	Context	Category1	Category2	Forecast (\$000) ²	Actual (\$000)	% variance
7(iii): Operational Expenditure	24		Network opex	Service interruptions, incidents and emergencies	1,270	1,587	25%
7(iii): Operational Expenditure	25		Network opex	Routine and corrective maintenance and inspection	4,209	4,260	1%
7(iii): Operational Expenditure	26		Network opex	Asset replacement and renewal	-	-	-
7(iii): Operational Expenditure	27		Network opex		5,479	5,847	7%
7(iii): Operational Expenditure	28		Non-network opex	System operations and network support	2,523	2,714	8%
7(iii): Operational Expenditure	29		Non-network opex	Business support	3,963	3,899	(2%)
7(iii): Operational Expenditure	30		Non-network opex		6,486	6,613	2%
7(iii): Operational Expenditure	31		Operational expenditure		11,965	12,460	4%

7(iv): Subcomponents of Expenditure on Assets (where known)

Section	Row	Context	Category1	Category2	Forecast (\$000) ²	Actual (\$000)	% variance
7(iv): Subcomponents of Operational Expenditure (where known)	36		Expenditure on subcomponents	Research and development	-	-	-

7(v): Subcomponents of Operational Expenditure (where known)

Section	Row	Context	Category1	Category2	Forecast (\$000) ²	Actual (\$000)	% variance
7(v): Subcomponents of Operational Expenditure (where known)	41		Expenditure on subcomponents	Research and development	-	374	-
7(v): Subcomponents of Operational Expenditure (where known)	42		Expenditure on subcomponents	Insurance	-	515	-

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

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

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

Network/ Sub-Network Name

8(i): Billed quantities by price component

Section	Row	Context	Category1 Consumer group name or price category code	Category2 Consumer type or types (eg, residential, commercial, etc.)	Standard or non-standard consumer group (specify)	Average no. of ICPs in disclosure year	Quantity of gas delivered (TJ)	Billed quantities by price component	Billed quantities by price component2	Billed quantities by price component3	Billed quantities by price component4	Billed quantities by price component5
8(i): Billed quantities by price component	4		Billed quantities by price component	Price component				Fixed	Variable			
8(i): Billed quantities by price component	5		Billed quantities by price component	Unit Charging basis (eg, days, GJ, etc.)				Days	Kwh			
8(i): Billed quantities by price component	6			Residential	Standard	63,891	1,176	23,269,014	326,593,977			
8(i): Billed quantities by price component	7			Business/Commercial	Standard	1,984	173	722,396	48,123,622			
8(i): Billed quantities by price component	8			Commercial	Standard	1,549	452	564,352	125,686,594			
8(i): Billed quantities by price component	9			Commercial	Standard	523	872	190,640	242,150,370			
8(i): Billed quantities by price component	10			Commercial/Industrial	Standard	70	816	25,680	226,551,575			
8(i): Billed quantities by price component	11			Large Industrial	Standard	8	670	2,793	186,056,369			
8(i): Billed quantities by price component	12			Large Industrial	Non-standard	18	4,399	5,719	1,221,863,991			
8(i): Billed quantities by price component	13											
8(i): Billed quantities by price component	14											
8(i): Billed quantities by price component	15											
8(i): Billed quantities by price component	16											
8(i): Billed quantities by price component	17 *											
8(i): Billed quantities by price component	18		Standard consumer totals			68,025	4,159	24,774,875	1,155,162,507	-	-	-
8(i): Billed quantities by price component	19		Non-standard consumer totals			18	4,399	5,719	1,221,863,991	-	-	-
8(i): Billed quantities by price component	20		Total for all consumers			68,043	8,557	24,780,594	2,377,026,498	-	-	-

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

Add extra columns for additional billed quantities by price component as necessary. Please click inside the table when wanting to insert an extra column.

8(ii): Line charge revenues (\$000) by price component

Section	Row	Context	Category1 Consumer group name or price category code	Category2 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)	Line charge revenues (\$000) by price component	Line charge revenues (\$000) by price component2	Line charge revenues (\$000) by price component3	Line charge revenues (\$000) by price component4	Line charge revenues (\$000) by price component5
8(ii): Line charge revenues (\$000) by price component	25		Line charge revenues (\$000) by price component	Price component				Fixed	Variable			
8(ii): Line charge revenues (\$000) by price component	26		Line charge revenues (\$000) by price component	Rate (eg, \$ per day, \$ per GJ, etc.)				Days	Kwh			
8(ii): Line charge revenues (\$000) by price component	27		GNOR	Residential	Standard	\$24,336		\$13,405	\$10,931			
8(ii): Line charge revenues (\$000) by price component	28		GN01	Business/Commercial	Standard	\$1,412		\$790	\$622			
8(ii): Line charge revenues (\$000) by price component	29		GN02	Commercial	Standard	\$2,646		\$1,065	\$1,581			
8(ii): Line charge revenues (\$000) by price component	30		GN03	Commercial	Standard	\$4,378		\$1,579	\$2,799			
8(ii): Line charge revenues (\$000) by price component	31		GN04	Commercial/Industrial	Standard	\$3,097		\$616	\$2,481			
8(ii): Line charge revenues (\$000) by price component	32		GN05	Large Industrial	Standard	\$1,602		\$1,109	\$493			
8(ii): Line charge revenues (\$000) by price component	33		NG60	Large Industrial	Non-standard	\$1,744		\$1,541	\$203			
8(ii): Line charge revenues (\$000) by price component	34					-						
8(ii): Line charge revenues (\$000) by price component	35					-						
8(ii): Line charge revenues (\$000) by price component	36					-						
8(ii): Line charge revenues (\$000) by price component	37					-						
8(ii): Line charge revenues (\$000) by price component	38					-						
8(ii): Line charge revenues (\$000) by price component	39		Standard consumer totals			\$37,471	-	\$18,563	\$18,908	-	-	-
8(ii): Line charge revenues (\$000) by price component	40		Non-standard consumer totals			\$1,744	-	\$1,541	\$203	-	-	-
8(ii): Line charge revenues (\$000) by price component	41		Total for all consumers			\$39,215	-	\$20,104	\$19,110	-	-	-

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

Add extra columns for additional line charge revenues by price component as necessary. Please click inside the table when wanting to insert an extra column.

SCHEDULE 9a: ASSET REGISTER

Network / Sub-Network Name

9a: Asset Register

Section	Row	Context	Category1 Operating Pressure	Category2 Asset Category	Category3 Asset Class	Category4 Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
9a: Asset Register	4		Intermediate Pressure	Main pipe	IP PE main pipe	km	0	0	-	3
9a: Asset Register	5		Intermediate Pressure	Main pipe	IP steel main pipe	km	173	173	-	3
9a: Asset Register	6		Intermediate Pressure	Main pipe	IP other main pipe	km	-	-	-	N/A
9a: Asset Register	7		Intermediate Pressure	Service pipe	IP PE service pipe	km	-	-	-	N/A
9a: Asset Register	8		Intermediate Pressure	Service pipe	IP steel service pipe	km	1	1	(0)	3
9a: Asset Register	9		Intermediate Pressure	Service pipe	IP other service pipe	km	-	-	-	N/A
9a: Asset Register	10		Intermediate Pressure	Stations	Intermediate pressure DRS	No.	97	95	(2)	3
9a: Asset Register	11		Intermediate Pressure	Line valve	IP line valves	No.	235	230	(5)	3
9a: Asset Register	12		Intermediate Pressure	Special crossings	IP crossings	No.	17	17	-	3
9a: Asset Register	13		Medium Pressure	Main pipe	MP PE main pipe	km	3,222	3,245	23	3
9a: Asset Register	14		Medium Pressure	Main pipe	MP steel main pipe	km	125	125	-	3
9a: Asset Register	15		Medium Pressure	Main pipe	MP other main pipe	km	-	-	-	N/A
9a: Asset Register	16		Medium Pressure	Service pipe	MP PE service pipe	km	1,394	1,401	7	3
9a: Asset Register	17		Medium Pressure	Service pipe	MP steel service pipe	km	11	11	-	3
9a: Asset Register	18		Medium Pressure	Service pipe	MP other service pipe	km	-	-	-	3
9a: Asset Register	19		Medium Pressure	Stations	Medium pressure DRS	No.	26	26	-	3
9a: Asset Register	20		Medium Pressure	Line valve	MP line valves	No.	1,638	1,677	39	3
9a: Asset Register	21		Medium Pressure	Special crossings	MP special crossings	No.	75	75	-	3
9a: Asset Register	22		Low Pressure	Main pipe	LP PE main pipe	km	40	39	(1)	3
9a: Asset Register	23		Low Pressure	Main pipe	LP steel main pipe	km	0	0	(0)	3
9a: Asset Register	24		Low Pressure	Main pipe	LP other main pipe	km	-	-	-	N/A
9a: Asset Register	25		Low Pressure	Service pipe	LP PE service pipe	km	28	28	-	3
9a: Asset Register	26		Low Pressure	Service pipe	LP steel service pipe	km	0	0	(0)	3
9a: Asset Register	27		Low Pressure	Service pipe	LP other service pipe	km	-	-	-	N/A
9a: Asset Register	28		Low Pressure	Line valve	LP line valves	No.	31	33	2	3
9a: Asset Register	29		Low Pressure	Special crossings	LP special crossings	No.	-	-	-	N/A
9a: Asset Register	30		All	Monitoring and control systems	Remote terminal units	No.	-	-	-	N/A
9a: Asset Register	31		All	Cathodic protection systems	Cathodic protection	No.	70	75	5	3

SCHEDULE 9c: REPORT ON PIPELINE DATA

Network/ Sub-Network Name	
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9c: Pipeline Data

Section	Row	Context	Category1 Network Information (end of year)	Category2	Length (km)	%
9c: Pipeline Data	4		System length by material (defined by GDB)	Polyethylene (PE METRIC)	22	0.44%
9c: Pipeline Data	5		System length by material (defined by GDB)	Polyethylene (PE)	4,645	92.47%
9c: Pipeline Data	6		System length by material (defined by GDB)	Polyethylene (PE100)	44	0.88%
9c: Pipeline Data	7		System length by material (defined by GDB)	Carbon Steel	311	6.18%
9c: Pipeline Data	8		System length by material (defined by GDB)	Stainless Steel	1	0.02%
9c: Pipeline Data	9		System length by material (defined by GDB)	Steel Other	0	0.01%
9c: Pipeline Data	10		System length	0	5,023	100.00%

9c: Pipeline Data

Section	Row	Context	Category1 Network Information (end of year)	Category2	System length (km) (at year end)	Weighted average pipe diameter (mm)	Number of ICPs (at year end)	Gas conveyed for Persons not involved in the GDB (TJ)
9c: Pipeline Data	14		By operating pressure	Intermediate pressure	175	80	37	4,246
9c: Pipeline Data	15		By operating pressure	Medium pressure	4,781	28	66,219	3,797
9c: Pipeline Data	16		By operating pressure	Low pressure	68	37	1,468	30
9c: Pipeline Data	17		Total		5,023	30	67,724	8,073

SCHEDULE 9d: REPORT ON DEMAND

Network / Sub-Network Name	
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9d(i): Consumer Connections

Section	Row	Context	Category1	Category2	Number of connections (ICPs)
9d(i): Consumer Connections	4	Consumer types defined by GDB	Number of ICPs connected in year by consumer type	Residential	811
9d(i): Consumer Connections	5	Consumer types defined by GDB	Number of ICPs connected in year by consumer type	Commercial	59
9d(i): Consumer Connections	6	Consumer types defined by GDB	Number of ICPs connected in year by consumer type	Industrial	-
9d(i): Consumer Connections	7	Consumer types defined by GDB	Number of ICPs connected in year by consumer type		
9d(i): Consumer Connections	8	Consumer types defined by GDB	Number of ICPs connected in year by consumer type		
9d(i): Consumer Connections	9		Total		870

* include additional rows if needed

9d(ii): Gas Delivered

Section	Row	Context	Category1	Category2 Units	Gas delivered
9d(ii): Gas Delivered	15		Number of ICPs at year end	connections	67,726
9d(ii): Gas Delivered	16		Maximum daily load	GJ/day	30,709
9d(ii): Gas Delivered	17		Maximum monthly load	GJ/month	803,161
9d(ii): Gas Delivered	18		Number of directly billed ICPs	at year end	-
9d(ii): Gas Delivered	19		Total gas conveyed	GJ/annum	8,012,870
9d(ii): Gas Delivered	20		Average daily delivery	GJ/day	21,953
9d(ii): Gas Delivered	21		Load factor	proportion	83.14%

SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS

Network / Sub-Network Name

10a(i): Interruptions

Section	Row	Context	Category1	Category2	Actual
10a(i): Interruptions	4	Interruptions by class		Class A (planned interruptions by GTB)	-
10a(i): Interruptions	5	Interruptions by class		Class B (planned interruptions on the network)	85
10a(i): Interruptions	6	Interruptions by class		Class C (unplanned interruptions on the network)	103
10a(i): Interruptions	7	Interruptions by class		Class D (unplanned interruptions by GTB)	-
10a(i): Interruptions	8	Interruptions by class		Class I (unplanned interruptions caused by third party damage)	69
10a(i): Interruptions	9	Total			257
10a(i): Interruptions	10	Number of unplanned outage events (interruptions that affect more than 5 ICPs)		North Island regions	2
10a(i): Interruptions	11	Number of unplanned outage events (interruptions that affect more than 5 ICPs)			-
10a(i): Interruptions	12	Number of unplanned outage events (interruptions that affect more than 5 ICPs)			-
10a(i): Interruptions	13	Number of unplanned outage events (interruptions that affect more than 5 ICPs)			-
10a(i): Interruptions	14	Number of unplanned outage events (interruptions that affect more than 5 ICPs)			-
10a(i): Interruptions	15	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)		North Island regions	-
10a(i): Interruptions	16	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)			-
10a(i): Interruptions	17	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)			-
10a(i): Interruptions	18	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)			-
10a(i): Interruptions	19	Number of unplanned outage events caused by third party damage (interruptions that affect more than 5 ICPs)			-

10a(ii): Reliability

Section	Row	Context	Category1 Overall reliability	Category2	SAIDI	SAIFI	CAIDI	
10a(ii): Reliability	24	Based on the total number of interruptions			-	309.7	4.6	67.98
10a(ii): Reliability	25	Class I (unplanned interruptions caused by third party damage)			-	88.7	1.2	74.52
10a(ii): Reliability	26	Class B (planned interruptions on the network)		North Island regions		72.5	1.3	57.38
10a(ii): Reliability	27	Class B (planned interruptions on the network)			-	-	-	-
10a(ii): Reliability	28	Class B (planned interruptions on the network)			-	-	-	-
10a(ii): Reliability	29	Class B (planned interruptions on the network)			-	-	-	-
10a(ii): Reliability	30	Class B (planned interruptions on the network)			-	-	-	-
10a(ii): Reliability	31	Class C (unplanned interruptions on the network)		North Island regions		148.5	2.1	70.64
10a(ii): Reliability	32	Class C (unplanned interruptions on the network)			-	-	-	-
10a(ii): Reliability	33	Class C (unplanned interruptions on the network)			-	-	-	-
10a(ii): Reliability	34	Class C (unplanned interruptions on the network)			-	-	-	-
10a(ii): Reliability	35	Class C (unplanned interruptions on the network)			-	-	-	-

SCHEDULE 10b: REPORT ON NETWORK INTEGRITY AND CONSUMER SERVICE

Network / Sub-Network Name

10b(i): System Condition and Integrity

Section	Row	Context	Category1	Category2	Actual
10b(i): System Condition and Integrity	4		Number of confirmed public reported gas escapes per system length(escapes/1000 km)	North Island Network	28.044
10b(i): System Condition and Integrity	5		Number of confirmed public reported gas escapes per system length(escapes/1000 km)		-
10b(i): System Condition and Integrity	6		Number of confirmed public reported gas escapes per system length(escapes/1000 km)		-
10b(i): System Condition and Integrity	7		Number of confirmed public reported gas escapes per system length(escapes/1000 km)		-
10b(i): System Condition and Integrity	8		Number of confirmed public reported gas escapes per system length(escapes/1000 km)		-
10b(i): System Condition and Integrity	9		Number of leaks detected by routine survey per system length(leaks/1000 km)	North Island Network	16.906
10b(i): System Condition and Integrity	10		Number of leaks detected by routine survey per system length(leaks/1000 km)		-
10b(i): System Condition and Integrity	11		Number of leaks detected by routine survey per system length(leaks/1000 km)		-
10b(i): System Condition and Integrity	12		Number of leaks detected by routine survey per system length(leaks/1000 km)		-
10b(i): System Condition and Integrity	13		Number of leaks detected by routine survey per system length(leaks/1000 km)		-
10b(i): System Condition and Integrity	14		Number of third party damage events per system length(events/1000 km)	North Island Network	27.248
10b(i): System Condition and Integrity	15		Number of third party damage events per system length(events/1000 km)		-
10b(i): System Condition and Integrity	16		Number of third party damage events per system length(events/1000 km)		-
10b(i): System Condition and Integrity	17		Number of third party damage events per system length(events/1000 km)		-
10b(i): System Condition and Integrity	18		Number of third party damage events per system length(events/1000 km)		-
10b(i): System Condition and Integrity	19		Number of poor pressure events due to network causes	North Island Network	10.000
10b(i): System Condition and Integrity	20		Number of poor pressure events due to network causes		-
10b(i): System Condition and Integrity	21		Number of poor pressure events due to network causes		-
10b(i): System Condition and Integrity	22		Number of poor pressure events due to network causes		-
10b(i): System Condition and Integrity	23		Number of poor pressure events due to network causes		-
10b(i): System Condition and Integrity	24	Note: This entry may be excluded for sub-networks	Number of telephone calls to emergency numbers answered within 30 seconds per total number c	North Island Network	0.612
10b(i): System Condition and Integrity	25	Note: This entry may be excluded for sub-networks	Number of telephone calls to emergency numbers answered within 30 seconds per total number c		-
10b(i): System Condition and Integrity	26	Note: This entry may be excluded for sub-networks	Number of telephone calls to emergency numbers answered within 30 seconds per total number c		-
10b(i): System Condition and Integrity	27	Note: This entry may be excluded for sub-networks	Number of telephone calls to emergency numbers answered within 30 seconds per total number c		-
10b(i): System Condition and Integrity	28	Note: This entry may be excluded for sub-networks	Number of telephone calls to emergency numbers answered within 30 seconds per total number c		-
10b(i): System Condition and Integrity	29		Product control—safety of distribution gas	Number of non-compliant odour tests	14

10b(ii): Consumer Service

Section	Row	Context	Category1	Category2	Proportion of emergencies responded to within 1 hour (%)	Proportion of emergencies responded to within 3 hours (%)	Average call response time (hours)	Number of emergencies
10b(ii): Consumer Service			Response time to emergencies (RTE)	North Island Network	0.95	100%	0.46	56
10b(ii): Consumer Service			Response time to emergencies (RTE)		-	-	-	-
10b(ii): Consumer Service			Response time to emergencies (RTE)		-	-	-	-
10b(ii): Consumer Service			Response time to emergencies (RTE)		-	-	-	-
10b(ii): Consumer Service			Response time to emergencies (RTE)		-	-	-	-

10b(ii): Consumer Service

Section	Row	Context	Category1	Category2	Actual
10b(ii): Consumer Service			Number of complaints	Number of complaints per average total consumer numbers	0.00008859

Company Name	<u>First Gas Limited (Distribution)</u>
For Year Ended	<u>30 September 2025</u>

Schedule 14 Mandatory Explanatory Notes

(Guidance Note: This Microsoft Word version of Schedules 14, 14a and 15 is from the Gas Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018. Clause references in this template are to that determination)

1. This schedule requires GDBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.21, 2.4.22, and subclauses 2.5.1(1)(e) and 2.5.2(1)(e).
2. This schedule is mandatory—GDBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 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 GDBs to give additional explanation of disclosed information should they elect to do so.

Return on Investment (Schedule 2)

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

Box 1: Explanatory comment on return on investment

The vanilla return on investment (ROI) for our gas distribution business of 7.96% was higher than the RY2024 result of 5.81%. This increase in ROI is primarily due to an increase in line charge revenue consistent with the default price-quality path, higher CPI applied to revaluations during RY2025 compared to RY2024 and errors in our price setting resulting in notional revenue exceeding allowable notional revenue.¹

No items were reclassified.

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).

¹ Information on Firstgas compliance with the Default price-quality path in FY2025 can be found at [Firstgas Distribution](#)

Box 2: Explanatory comment on regulatory profit

There was no material items included in other regulated income in the disclosure year.

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

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

6. If the GDB incurred merger and acquisitions expenditure during the disclosure year, provide the following information in the box below:

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

6.2 any other commentary on the benefits of the merger and acquisition expenditure to the GDB.

Box 3: Explanatory comment on merger and acquisition expenditure

The benefits of the merger and acquisition expenditure incurred during the disclosure year and recognised in Schedule 3 include enhanced access to expertise and capital.

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

Value of the Regulatory Asset Base (Schedule 4)

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

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

The value of the regulated asset base (RAB) has been determined by rolling forward the initial RAB with adjustments made for additions, disposals, depreciation, and revaluation in accordance with the applicable Input Methodologies.

The Commerce Commission's May 2022 DPP Determination and associated Input Methodology amendments required depreciation to be accelerated and specified the amount of depreciation for existing assets over the DPP period. The DPP Determination also specified the weighted average life to be applied to existing assets. This results in a depreciation adjustment factor that is also applied to future additions.

The adjustment factor of 63% for distribution assets was calculated by taking the assets for RY2021 and rolling forward the depreciation until RY2026 to match the depreciation specified in the DPP Determination over the period. The adjustment factor was applied to asset categories that had a remaining life older than 20 years. The CPI factors used matched the actual for RY2022 and RY2023 and the remaining years used the rates modelled by Commerce Commission. Land and easements with no life were excluded from the calculation. This adjustment factor is then applied to the depreciation rates for additions from RY2022 onwards.

There has been no re-classification of items 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

Permanent differences consist of immaterial non-deductible professional and entertainment expenses.

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)

Temporary differences include immaterial movements in provisions and accruals.

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

There has been no reclassification of costs in the RY2025 disclosure period.

Approach to cost allocation

Firstgas (distribution) is part of Clarus. Business support functions are provided to other Clarus companies as well as to our regulated gas transmission business. Any shared costs are charged to the relevant related party on an arm's-length basis, as reported in schedule 5b. Further information on our related party transactions is included in the voluntary notes (Schedule 15) at the end of this disclosure.

Remaining shared costs within Firstgas are allocated applying the accounting-based allocation approach (ABAA). ABAA has been applied in accordance with the applicable Input Methodologies determination to allocate not-directly attributable costs (shared costs) between Firstgas' transmission and distribution businesses.

Causal cost allocators have been used where a cost driver has led to the cost being incurred.

Where a single causal allocator cannot be established for a shared cost, a proxy allocator has been used. The rationale behind the use of each proxy allocator is based on an analysis of the cost drivers for each cost item that is not directly attributable. The key allocator that can be used as a proxy allocator is determined by management based on management's experience and knowledge, and an analysis of each of the cost areas.

Only one allocation method is used for each cost area.

Treatment of costs

Business support costs that are not directly attributable arise in the areas of:

- Legal and consulting fees, which has a causal cost allocator of management's estimate of time spent for each regulated business
- Employee-related costs such as phones, stationery, travel, information technology hardware and software, and advertising for positions, which have a causal cost allocator of employee numbers
- General expenses such as sponsorship and professional fees for audit, tax, information and technology and treasury functions, Directors' fees and insurance costs which have a proxy cost allocator of the RAB
- Industry professional fees, which has a proxy cost allocator of Revenue
- Levies which have a proxy cost allocator of RAB

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

Approach to asset cost allocation

The accounting-based allocation approach (ABAA) has been applied in accordance with the applicable Input Methodologies determination to allocate not-directly attributable shared asset values between Firstgas' transmission and distribution businesses.

Non-network assets that are not directly attributable have been allocated across all Firstgas regulated businesses based on head count. These assets comprise:

- Software
- Computer equipment
- Building equipment and assets.

Headcount is considered an appropriate causal asset allocator as employee numbers tend to drive the need for building assets, computer and office equipment and software.

There has been no re-classification of items 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

A project or programme is considered material if the estimated total project cost is equal to or exceeds \$0.5 million.

Major works undertaken in RY2025 included:

- Pre 85 pipes program: our updated inspection based program begun in RY2025 to identify and replace pipes where previous squeeze offs increase the risk of leaks to atmosphere.
- Cello Replacement program: New Cello units were procured to replace the obsolete 2g cellular network units for monitoring network pressure.
- Pipe supports were replaced on special crossings in our Whangarei network,
- Upgrades to district regulating stations (DRS) and metering equipment: We have upgraded and replaced equipment that was no longer meeting our performance standards.
- Class 3 leaks: Program to replace sections of pipelines that have leaks that exceed our risk assessments.
- DRS Valve Replacement Program: This replacement program is to improve isolations on DRS and comply with NZ standard 4645 by replacing existing valves with fire rated isolation valves.
- System growth: Firstgas continues to develop and enhance our network to meet the present and future needs of customers, where it is economic. This year we have completed mains extension and subdivision projects across the greater Waikato region, as well as in Taupo, Tauranga, and the Kapiti Coast,
- Customer connections fell short of forecast, mostly led by reduced levels of construction activity in the market.

Further detail on our expenditure during this period, and our future work programme is available in our 2025 Asset Management Plan (AMP) published on the Firstgas website here: <http://firstgas.co.nz/about-us/regulatory/distribution/>

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

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, 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

There has been no asset replacement and renewal operational expenditure this year.

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

Firstgas has not incurred any atypical expenditure in RY2025.

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 (Capex)

Total capital expenditure is \$0.3 million (4%) below the expenditure forecast for RY2025 in our 2024 Asset Management Plan (AMP).

There were no material variances in capex categories from forecast for RY2025.

Operational expenditure

Total operating expenditure in RY2025 is \$0.5 million above the 2024 AMP forecast. The increase is mainly attributable to:

- an increase in service interruptions, incidents and emergencies because of enhanced leak detection methods, which have enabled us to identify and address more issues before they escalate

Further detail on our expenditure for this period, and future work programme is available in our 2025 AMP Update published on the Firstgas website here:

<https://firstgas.co.nz/aboutus/regulatory/distribution/>

Information relating to revenues and quantities for the disclosure year

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

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

Our line charge revenue of \$39.2 million was \$1.2m (3%) lower than target revenue. This revenue deficit was majority led by lower than forecast consumption across the residential market. This shortfall consumption trend was also evident to a lesser extent across four of six additional tariff groups.

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

Box 13: Explanatory comment relating to changed price category codes or consumer groups

No price category codes or consumer groups were changed in the RY2025 disclosure year.

Network Reliability for the Disclosure Year (Schedule 10a)

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

Box 14: Commentary on network reliability for the disclosure year

A total of 257 interruptions were experienced on the network in RY2025. This is a decrease from the 317 interruptions experienced in RY2024, and is mainly due to an decrease in planned interruptions for project work.

Insurance cover

18. In the box below, provide details of any insurance cover for the assets used to provide gas pipeline services, including-
- 18.1 The GDB's approaches and practices in regard to the insurance of assets, including the level of insurance;
- 18.2 In respect of any self insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

Box 15: Explanation of insurance cover

Insurance cover is in place for a large number of group assets, excluding distribution pipeline assets. These policies cover material damage, business interruption and contract works insurance.

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

Amendments to previously disclosed information

19. 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:
- 19.1 a description of each error; and
 - 19.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

<p>Box 16: Disclosure of amendment to previously disclosed information No amendments have been made to previously disclosed information.</p>

Company Name First Gas Limited (Distribution)

For Year Ended 30 September 2025

Schedule 15: Voluntary Explanatory Notes

(In this Schedule, clause references are to the Gas Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018.)

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

Box 1: Voluntary explanatory comment on disclosed information

Firstgas works closely with other Clarus companies. As required under the information disclosure determination, the following pages outline Firstgas' interactions and relationships with our related parties for the 2025 disclosure year.



REGULATORY DISCLOSURE

Gas distribution services:

Appendix A - Information disclosure for related parties

For the year ended 30 September 2025



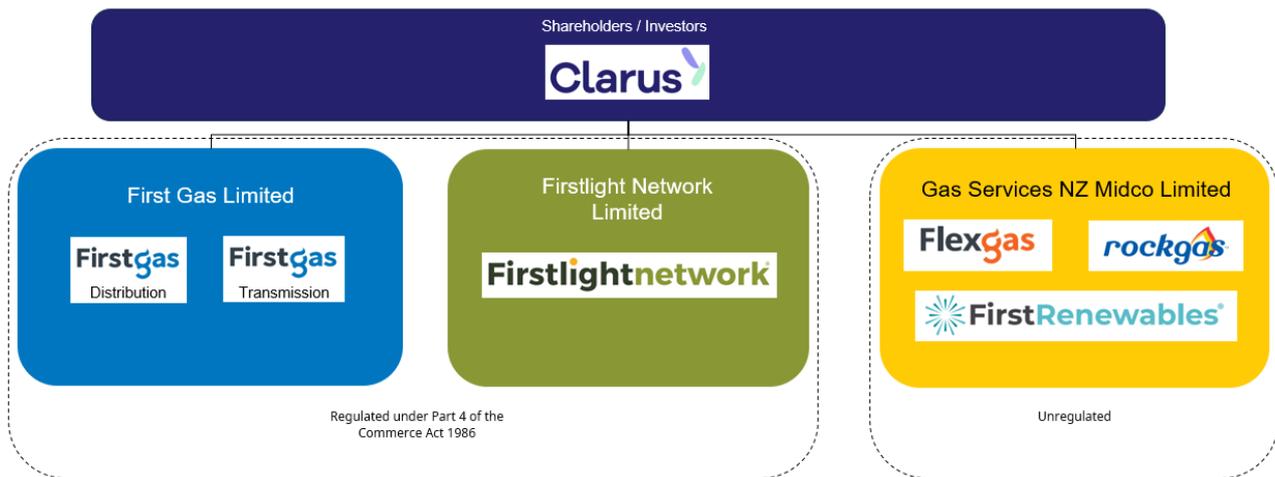
First Gas Limited
March 2026

Introduction

First Gas Limited (Firstgas) owns and operates more than 5,000 kilometres of gas distribution pipelines that service approximately 67,000 consumers across the regions of Northland, Waikato, Central Plateau, Bay of Plenty, Gisborne and Kāpiti Coast. Firstgas also owns and operates 2,500 kilometres of gas transmission pipelines. These pipelines transport around 20 percent of New Zealand’s primary energy supply from Taranaki across the North Island.

Firstgas is part of Clarus, owned by Igneo Infrastructure Partners (during the disclosure year 2025). Clarus is one of New Zealand’s largest energy groups, with brands that touch many parts of the energy supply chain – from energy transmission and distribution to retail supply and storage.

Figure 1: Structure of Clarus for disclosure year 2025¹



For further information on Firstgas, please visit our website www.firstgas.co.nz.

Information disclosure requirements

This disclosure is made on behalf of Firstgas’ distribution business. Firstgas (distribution) procures operations and maintenance (O&M) services from its related party, Gas Services New Zealand Midco Limited (GSNZ Midco). The extent of these and other purchases from the wider Clarus group mean that Firstgas (distribution) procures more that 65% of its operating expenditure (Opex) and capital expenditure (Capex) from a related party.

Given this use of related parties, Firstgas (distribution) is subject to the full disclosure requirements for related parties under the *Gas Distribution Services Information Disclosure Determination 2012* consolidating all amendments as of 3 July 2025 (ID Determination) issued by the Commerce Commission.

¹ The structure of the Clarus and companies has been truncated to facilitate understanding of the related party relationship.

The related party information disclosed on the following pages has been prepared in accordance with sections 2.3.8, 2.3.10, 2.3.12 and 2.3.13 of the ID Determination. It:

- Provides a summary of related party relationships and transactions
- Provides a summary of the Clarus procurement policy and describes how this policy is applied in practice by Firstgas (distribution)
- Describes policies and procedures that require consumers to purchase goods or services from related parties
- Provides representative examples of how the procurement policy has been applied for related party purchases and how arm's length terms were tested
- Provides a map of anticipated network expenditure and constraints.

This disclosure where required has been audited as part of the annual information disclosure process.

A copy of the full procurement policy and associated guidelines has been provided to the Commerce Commission as required under section 2.3.11 of the ID Determination.

Further information

For further information regarding this disclosure, please contact:

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1. Summary of Firstgas’ related party relationships and transactions

Clause 2.3.8 of the ID Determination requires that:

“if a GDB has had related party transactions involving a procurement from a related party during that disclosure year, the GDB must publicly disclose a diagram or a description that shows the connection between the GDB and the related parties with which it has had related party transactions in the disclosure year, including for each of those related parties:

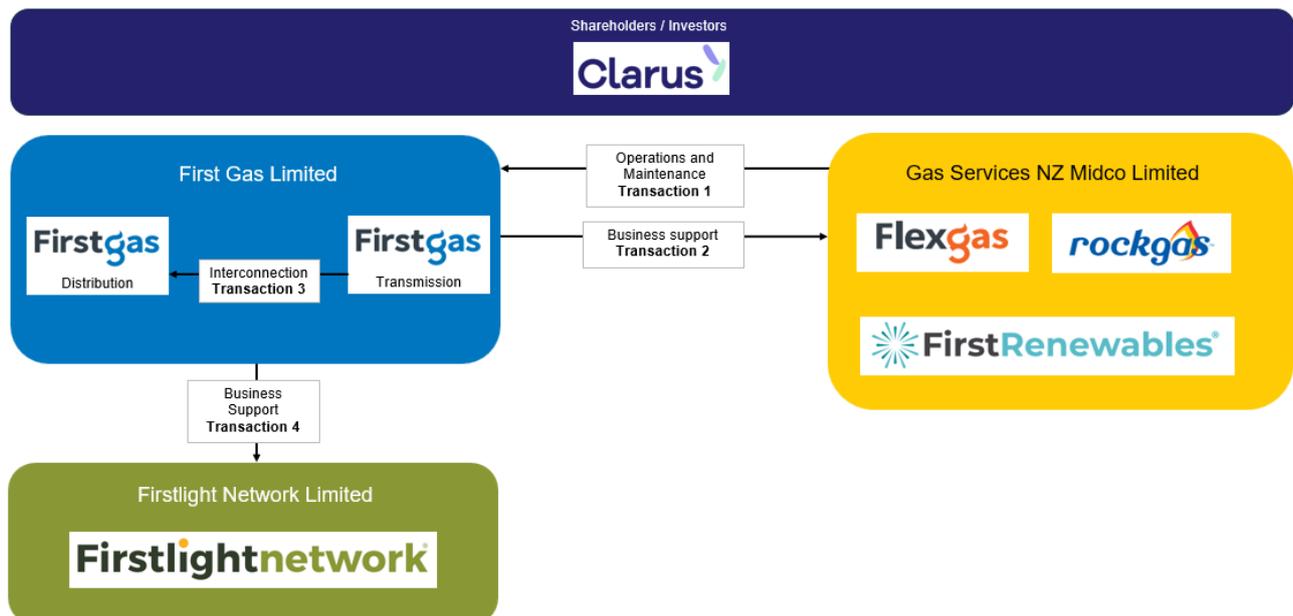
- (1) *the relationship between the GDB and the related party*
- (2) *the principal activities of the related party and*
- (3) *the total annual expenditure incurred by the GDB with the related party.*

In FY2025 Firstgas (distribution):

- procured operations and maintenance (O&M) services from its related party, GSNZ Midco
- procured interconnection services from Firstgas (transmission)²
- provided business support services and seconded staff with GSNZ Midco and Firstlight under a Corporate Functions and Secondment Services Agreement (CFSA). The supply of these unregulated services was valued on an arm’s length basis
- paid Director fees³

These transactions are illustrated in Figure 2.

Figure 2: Related party transactions in disclosure year 2025



² The Firstgas transmission business and Firstgas distribution business are considered related parties for regulatory reporting purposes.

³ For simplicity, Director fees are not disclosed in Figure 2.

The following table describes the connection between Firstgas (distribution) and its related parties with which it has had transactions with during the 2025 disclosure year. A breakdown of these transactions is also provided in Schedule 5b of our Information Disclosure schedules.

Table 1: The nature and extent of related party transactions in disclosure year 2025

Related Party	Nature of relationship	Principle activities of the related party	FY2025 expenditure/revenue between Firstgas (distribution) and its related party ⁴
GSNZ Midco Transaction 1	Firstgas (distribution) and GSNZ Midco have the same ultimate shareholders	GSNZ Midco supplies operations and maintenance (O&M) services to Firstgas (distribution). Services are provided principally to Firstgas under an O&M agreement between Firstgas and GSNZ Midco. Costs are directly attributable to Firstgas (distribution).	Network Capex \$7.6 million Non-network Capex \$0.06 million Network Opex \$5.8 million System operations and network support Opex \$2.1 million
GSNZ Midco Transaction 2	First Gas Limited and GSNZ Midco have the same ultimate shareholders	Firstgas supplies corporate function services to Rockgas and Flexgas and corporate function services and seconds staff to Gas Services under a Corporate Functions and Secondment Services Agreement (the CFSA).	Unregulated income of \$2.4 million is included in Schedule 5b for the provision of corporate function services. This unregulated income is included in total regulatory income in schedule 5b. This unregulated income is not included in Schedule 2 or Schedule 3.
Firstgas (transmission) Transaction 3	Firstgas (transmission) and Firstgas (distribution) are regulated businesses and have the same ultimate shareholder	Firstgas (transmission) provides transmission services across the North Island, including interconnection services to Firstgas (distribution) and other gas distribution businesses.	System operations and network support Opex of \$0.6 million for interconnection fees to connect Firstgas (distribution) assets to the gas transmission network.
Firstlight Transaction 4	Firstgas and Firstlight have the same ultimate shareholders	Firstlight Network (Firstlight) is the electricity lines company for Tairāwhiti and Wairoa.	Unregulated income of \$0.1 million is included in Schedule 5b for the provision of corporate function services. This unregulated income is included in total regulatory income in schedule 5b. This unregulated income is not included in Schedule 2 or Schedule 3.
Firstgas Directors	Directors of Firstgas	Governance of Firstgas	Director fees of \$0.05m is recognised as business support costs

⁴ Costs directly attributable to the provision of the unregulated services are removed from the Firstgas regulated accounts. This reduces the level of business support costs remaining that are subsequently allocated to the regulated transmission and distribution businesses.

Gas Services (Midco) New Zealand Limited

GSNZ Midco and Firstgas are part of the wider Clarus and have the same ultimate shareholders. GSNZ Midco owns Gas Services, a contracting company providing operations and maintenance services. GSNZ Midco also owns

- Flexgas which operates the gas storage facility at Ahuroa;
- Rockgas a supplier of LPG; and
- First renewables a supplier of renewable gas

In the 2025 disclosure year, GSNZ Midco provided 100% of the Firstgas (distribution) total Capex⁵ and 64% of all Opex under an Operations and Maintenance agreement (O&M agreement).

Services provided under the O&M agreement include:

- Management of the gas distribution business operations
- Asset management
- Health, safety and environment management
- Land and planning management
- Design and engineering services
- Scheduling and completing field works
- Incident and emergency response
- Provision of non-network assets such as plant and equipment (if required).

Firstgas provides business support services (executive management, finance, HR, IT and procurement services) to GSNZ Midco under the CFSA.

Operations and Maintenance (O&M) Agreement

Firstgas procures almost all its network Capex, most of its network Opex, and almost all its system operations and network support (SONS) expenditure from GSNZ Midco. These services are provided by Gas Services in accordance with the terms and conditions of the O&M agreement between Firstgas and GSNZ Midco.

While Firstgas owns the network and non-network assets and provides the gas distribution services across the North Island, under the O&M agreement GSNZ Midco manages the operation of the assets, carries out an agreed Capital and Maintenance works programme, responds to incidents and emergencies and provides system operations and network support services to Firstgas.

When Firstgas' shareholders purchased the gas transmission and distribution businesses in 2016, they wanted to blend specific gas pipeline expertise within the company with fresh thinking from other organisations. The goal was to ensure a continuing development of best practice, efficiency improvements and cost control. A Joint Venture (JV) structure was adopted between GSNZ Midco⁶ and Australian gas pipeline services provider OSD (the Gas Services JV) to provide O&M services to Firstgas under an O&M agreement.

The O&M agreement was negotiated an arm's length basis with an independent party (OSD). While the Gas Services JV was still considered a related party (due to the involvement of GSNZ Midco), the role of OSD as third-party operator of the Gas Services JV overcame many of the usual concerns about the discipline on related parties to negotiate balanced arrangements.

⁵ GSNZ Midco provides 99% of expenditure on all assets commissioned. The provision of customer contributions by third parties means that total Capex incurred by our regulated business reduces, and the proportion of Capex provided by GSNZ Midco increases to 100%.

⁶ Gas Services New Zealand Limited is the owner of Gas Services New Zealand (Midco) Limited

The O&M agreement has allowed Firstgas to access a broader range of experience and capability for operating our gas pipeline businesses, drawing on the expertise of staff within Firstgas with the international expertise of OSD (particularly in adopting best practices from Australia).

In 2018, GSNZ Midco released OSD from the joint venture. This decision was made to reflect that Firstgas had emerged from the transition phase and significant improvements had been made in project delivery and putting robust processes in place. While this brought an end to the involvement of an independent party in delivering O&M services for Firstgas, the O&M service contract has remained in place (incorporating amendments to reflect the release of OSD).

Costs incurred by Firstgas under the O&M agreement are directly attributable to either the gas transmission or the gas distribution business.

2. Summary of Firstgas' procurement policy

Clause 2.3.10 of the ID Determination requires that:

“if a GDB has had related party transactions involving a procurement from a related party during that disclosure year, the GDB must publicly disclose-

- (1) a summary of its current policy in respect of the procurement of assets or goods or services from any related party; or*
- (2) a summary of alternative documentation which is equivalent to a procurement policy in respect of the procurement of assets or goods or services from any related party.*

Pursuant to clause 2.3.10(2) this section provides a summary of our procurement policy and guidelines.

Firstgas operates 2,500 kilometres of gas transmission pipelines (including the Maui pipeline), and more than 4,900 kilometres of gas distribution pipelines across the North Island. We require specialist personnel, contractors and materials to operate and manage this extensive network in a safe and reliable manner.

To maximise our cost efficiency while managing our networks, Clarus has an overarching procurement policy. This policy requires that *“Those acting on behalf of Clarus will procure goods and services in a professional and transparent manner doing so using a consistent, effective, fair and ethical approach.”* This policy applies to all employees, consultants and contractors working for any Clarus⁷ entity who engage with external providers for the Procurement of Goods or Services.

In this section we summarise the procurement principles that underpin the procurement policy and the procurement methods employed by Clarus. Procurement of goods and services made by GSNZ Midco under the O&M agreement must abide by the Clarus procurement policy.

Procurement principles

Anyone procuring goods and services for Firstgas must be familiar with and apply the following procurement principles:

- | | |
|---|---|
| Be professional and ethical in the sourcing of goods and services | <ul style="list-style-type: none"> - Clarus has long standing relationships and dealings with many valued suppliers, this has been forged over time and you are to ensure your actions should do nothing to compromise the company's reputation. - Priority will be given to those suppliers that share the same or similar values to Clarus, especially relating to the ethical sourcing of materials and mitigation against illegal labour practices. - Be accountable, transparent and reasonable. - Stay impartial – identify and manage conflicts of interest. - Encourage e-business (Tenders via email) |
| Have an open and fair approach | <ul style="list-style-type: none"> - Create competition and encourage capable suppliers to respond ensuring they are aware of and understand their obligations within the Commerce Act 1986. - Treat all suppliers equally. |

⁷ Firstgas Limited, Rockgas Limited, Flexgas Limited, First Renewables Limited, Firstlight Network Limited, Gas Services NZ Limited and any other related companies.

- Ensure the best results for Clarus and the supplier are front of mind, value should be considered but not the dominating factor.
 - Be clear on how you will assess the supplier and what it is they will be measured on.
 - Provide constructive positive feedback with the unsuccessful suppliers for the encouragement towards continuous improvement.
- Be consistent and timeous
- Identify what you need, what you want to achieve and how this will be delivered.
 - Choose the right process – proportional to size, complexity, value and risk.
 - Be realistic on the approach. Is it time valuable for the value or risk?
- Achieve the best and just results
- Set up a team with the right mix of skills and experience.
 - Be innovative and open to change.
 - Understand the market and what is achievable.
 - Have clear and precise performance measures, monitor and manage ensuring the desired results are achieved.
 - Nurture the supplier relationship to make ongoing savings and improvements.

These principles all contribute to producing efficient and effective infrastructure for the long-term benefit of our business and our customers. While we seek competitive outcomes, we believe consumers equally value least-cost over the lifetime of the asset and Firstgas always places the health and safety of our employees and contractors first. For example, we may not select the lowest price quote or tender if the supplier cannot meet our safety and quality standards or if the life-cycle cost of the asset is higher than other options.

The competitive process

Whilst Clarus encourages competition amongst suppliers through our procurement process, to some extent this is governed by the value of the goods/services to be supplied and the availability of suppliers to meet our needs. This includes being suitably qualified to work on the gas networks.

Low-cost purchases that meet the policy thresholds, will be supported, at a minimum, with quotations from several suppliers.⁸ High value works that meet policy thresholds will be supported by an open competitive process such as a request for proposal or invitation to tender where possible. This process is undertaken by GSNZ Midco to meet the requirements under its O&M agreement with Firstgas.

The Policy recognises that in some instances sole sourcing may be the only procurement option available. “Sole sourcing” refers to where a competitive procurement process, such as a tender or quote requests, cannot be used or there would be no benefit from going through a competitive process. This will generally be because only one supplier, to the best of our knowledge and belief, can deliver the required good(s) and/or

⁸ If the purchase is less than \$10,000 only one quote need be obtained.

service(s). In the relatively specialised field of gas distribution operations and maintenance, this is not an uncommon situation.

Other typical reasons for selecting sole sourcing include:

- **Availability / workload within pool of approved suppliers:** Particularly with professional services where we have already negotiated rates and have a pool of 3 – 5 suppliers. To ensure that work is allocated to avoid resource conflict, it may be acceptable to sole source smaller projects
- **Exclusivity:** Where Firstgas is already committed to an exclusive contract for the procurement of such goods or services for a set time (for example the O&M Agreement with GSNZ Midco)
- **OEM / Warranty arrangement:** Where sole source is required contractually.

The sole sourcing procurement option requires formal justification and approval in line with delegated authorities.

Monitoring and compliance

The Clarus procurement team is responsible for monitoring compliance with the procurement policy for Firstgas and reporting any breaches of the policy to the Executive. The procurement team will undertake reviews of Clarus' procurement activity especially around the compliance with the policy and the application of procurement processes. Reviews may include review of the procurement process undertaken by GSNZ Midco acting on the behalf of Firstgas under the O&M agreement.

Failure within Clarus to comply with the provisions of the procurement policy is a breach of an employee's Code of Conduct & Performance & Conduct Policy. Any instances of reported non-compliance will be investigated and may lead to disciplinary action.

Clarus has a whistle blower policy that provides an avenue for employees to raise concerns about misconduct or wrongdoing. Misconduct or wrongdoing includes failure to abide by the procurement policy and enables anyone to report identified breaches of the policy.

3. Application of the procurement policy

Clause 2.3.12 of the ID Determination requires that:

“if a GDB has had related party transactions involving a procurement from a related party during that disclosure year, the GDB must publicly disclose-:

- (1) a description of how the GDB applies its current policy for the procurement of assets or goods or services from a related party in practice*
- (2) a description of any policies or procedures of the GDB that require or have the effect of requiring a consumer to purchase assets or goods or services from a related party that are related to the supply of the gas distribution services*
- (3) subject to subclause (5), at least one representative example transaction from the disclosure year of how the current policy for the procurement of assets or goods or services from a related party is applied in practice*
- (4) for each representative example transaction specified in accordance with subclause (3), how and when the GDB last tested the arm’s-length terms of those transactions and*
- (5) separate representative example transactions where the GDB has applied the current policy for the procurement of assets or goods or services from a related party significantly differently between expenditure categories.*

Pursuant to clause 2.3.12 (1), the following section describes how Firstgas (distribution) has applied the Clarus procurement policy in respect of the procurement of goods or services from a related party.

In the 2025 disclosure period, Firstgas (distribution) has procured goods and services from:

- GSNZ Midco under the O&M agreement
- Firstgas (transmission) under an agreement for interconnection services
- Secondment services from Firstlight
- Director services from Firstgas Directors

Firstgas has contracted GSNZ Midco as the sole provider of operations and maintenance services. GSNZ Midco acts on behalf of Firstgas when project managing and purchasing required goods and services while carrying out its responsibilities under the O&M agreement.

The section considers the procurement of goods and services under the O&M contract and the purchase of services from Firstgas (transmission).

3.1 Purchase of Opex and Capex services from our related party GSNZ Midco

The procurement policy puts emphasis on making decisions to achieve the best outcomes for Firstgas and its customers whilst keeping our staff, contractors, and assets free from harm. We manage long-life assets and require specialist personnel, contractors, and materials to operate and manage this extensive network in a safe and reliable manner.

Under the O&M agreement, Firstgas has contracted GSNZ Midco to manage the operational functions, maintain the network assets, implement, and feed into the Asset Management Plan (AMP) and provide system operations and network support functions. From time to time, Firstgas may also procure non-network assets from GSNZ Midco. These assets are provided under the service agreement as they relate to the ongoing maintenance of the distribution network or management of the assets on the distribution network. GSNZ Midco acts on behalf of Firstgas when project managing and purchasing required goods and services in the course of carrying out its responsibilities under the O&M agreement.

As discussed above, our first step in ensuring we are achieving the best for our customers and businesses was to enter into an Operations and Maintenance (O&M) agreement.

The O&M agreement (first with the GSNZ Joint Venture and now with GSNZ Midco) provides a range of expertise and experience guiding and supporting our distribution business. This expertise and experience is vital in maintaining and expanding the network and also in the planning process both annually and long-term.

Provisions within the O&M agreement align with Firstgas procurement principles to ensure on-going value of the agreement to our customers. These include:

- Planning to ensure O&M works plans align with Firstgas requirements efficiently and in a cost-effective manner. This may include benchmarking of costs to ensure the O&M agreement continues to meet efficiency targets and is compliant with the related party rules for regulated businesses
- Service level agreements including a range of key performance indicators that are linked to payments
- Provisions around meeting stringent safety standards.

The O&M agreement and independent appraiser report has been provided to our auditors, to confirm the terms are consistent with an arm's length transaction and to facilitate the audit of this section of our information disclosure.

The annual process for the O&M agreement includes:

- Planning
- Challenge and benchmarking process
- Execution of works including monitoring and reporting
- Completion of works.

At the end of each year, Firstgas conducts an annual review of the process.

Planning

Planning is an important part of the procurement process. It determines the anticipated work plan for the year and highlights resource requirements, whether they be personnel or materials.

Each year Firstgas management work with the Chief Operations Officer (COO) of GSNZ Midco to develop and update the long-term Asset Management Plan (AMP). The AMP provides the asset management framework for Firstgas' distribution network and includes guidance on the expected annual works plan. The AMP is reviewed and approved by Firstgas management and Board of Directors.

The AMP is part of the long-term planning for the distribution network. It supports the Firstgas business plan and the operations and maintenance (O&M) plan. GSNZ Midco provides Firstgas with the long-term O&M plan to meet the network development and maintenance section of the business plan. The O&M plan includes indicative resourcing and costings and works plans. This must be agreed by both parties and the O&M agreement outlines the resolution process.

The COO of GSNZ Midco provides a budget to Firstgas to complete the annual works plan as required under the O&M agreement.

Challenge and benchmarking process

While GSNZ Midco is a related party of Firstgas, the O&M agreement is a commercial arrangement structured as if it was between two separate legal entities, with different ownership interests, and operating on an arm's length basis. Each party acknowledges that a key objective of Firstgas in appointing GSNZ Midco to deliver the O&M is to ensure value for money and continuous improvement in delivery and value.

In practice, this means that Firstgas may accept in full or challenge any part of the budget provided by GSNZ Midco. Firstgas may subject all or part of the annual budget to a benchmarking procedure undertaken by an independent expert.

The Benchmarking:

- Compares the O&M Services and Service Fee, including the component parts of the Service Fee, with the services, charges and margins being obtained under other similar service contracts in New Zealand and/or good international market services, charges and margins for third parties
- Assesses, in light of this comparison, whether:
 - The scope of the O&M Services being provided is necessary to meet the Service Standards, and
 - The Service Fee, including the component parts of the Service Fee, is market competitive and otherwise meets the Information Disclosure Determination requirements.

To confirm there has been no material decrease in the five-year average margin on costs applied under the O&M agreement we had an independent expert confirm the margin on costs under the O&M agreement remain aligned with comparative third-party service providers in September 2025⁹. To support the conclusion that our related party transactions are no more than would be incurred under an arm's-length basis we updated our benchmarking of costs against other industry participants at that time, where more information has been available.

Under the O&M agreement, we anticipate that the prices charged by GSNZ Midco will not change significantly from year to year (unless there is strong evidence that input costs have permanently changed). This is consistent with a competitive market where companies with long-term contracts in place (such as the O&M agreement and CFSA) tend to set prices for longer terms. This gives service providers greater certainty to invest in staff and equipment required to fulfil the contract terms over the duration of the contract. When the margins earned by GSNZ Midco under the O&M agreement were reviewed in FY2025, Firstgas engaged independent experts to:

- Confirm the margin charged by GSNZ Midco under the O&M agreement was within the range of providers of similar services; and
- Cross-check that GSNZ Midco costs remain efficient and consistent with the input prices Firstgas would have paid in an arm's length transaction by completing benchmarking against others in the industry.

Whilst we do not anticipate GSNZ Midco would need to significantly change prices within the contract period, we recognise that the onus remains on Firstgas to ensure that costs from related party transactions remain consistent with input prices that we would have paid in an arm's length transaction. The Commission has noted that there is some risk that long-term contracts can become out of date with current market practices and prices and Firstgas has actively considered this risk through our benchmarking process this year.

For FY2025, our O&M agreement remains aligned with current market practices and prices. This was tested in September 2025 when we engaged an independent expert to provide:

a detailed margin benchmarking analysis for key related party services, including operations, maintenance, and corporate support functions a summary of profit margins earned by a peer group of comparable, unrelated companies operating in competitive markets The independent expert identified that, in comparison to previous benchmarking studies, there has been an increase in the profitability of gas utilities companies and a decline in the profitability of engineering consultancy, financial advisory, HR, IT and marketing firms. The detailed evidence from the report showed a range of outcomes across engineering consultancy, financial advisory, HR, IT and marketing firms relative to the O&M agreement. Overall, the margins for the FY2025 disclosure year within the O&M agreement remained aligned with or below the market.

⁹ As noted above, prices for the work procured under the O&M Agreement is agreed on or before the beginning of the financial year. Our financial year begins on 1 October.

The new benchmarked margin information was used to renew the O&M agreement which will take effect for the FY2026 disclosure year.

Execution of works including monitoring and reporting

Once the O&M budget has been agreed, GSNZ Midco undertake responsibility to complete the works to the service level required. Significant large-scale projects are managed by the GSNZ Midco projects team. Projects of this nature often require additional resources and expertise. GSNZ Midco will source services and materials as required and in line with the Firstgas procurement policy.

The COO of GSNZ Midco reports monthly to Firstgas on progress against the works plan and budget for services provided under the O&M agreement. From time-to-time works may be required by Firstgas that are outside of the budgeted plan. Any change to the annual work plan is negotiated between GSNZ Midco and Firstgas. Any additional remedial works GSNZ Midco recommend are either included in the current year's workplan, with agreement from Firstgas or included in the annual works budget for following years.

The costs GSNZ Midco incurs undertaking the responsibilities of the O&M agreement are charged to Firstgas monthly and include a commercial mark up to enable a modest commercial profit. As discussed above, benchmarking undertaken and reviewed for the FY2025 disclosures has confirmed the mark-up applied is aligned or less than those of providers of similar services within Australasia, the United Kingdom and United States.

Completion of works

The completion of works is managed within GSNZ Midco. GSNZ Midco will process any project close out documentation and update maintenance records within Firstgas information systems. If the project was a Capex project, Firstgas will capitalise the project once GSNZ Midco notifies that the assets have been commissioned.

3.2 Purchase of services from Firstgas (transmission)

Firstgas (transmission) provides interconnection services to several parties who seek to connect or are already connected to the gas transmission system. These parties are commonly referred to as "Interconnecting Parties" (IPs) and include gas distribution businesses, large industrial consumers, power stations and gas producers.

Firstgas (transmission) maintains an Interconnection Policy that explains how it will facilitate new interconnections with the transmission system and sets out some of the key ongoing terms of interconnection. In most circumstances, Firstgas (transmission) will charge an IP certain fees to recover the cost of building, operating, and maintaining a new interconnection or associated equipment.

Firstgas' transmission business has an interconnection agreement with Firstgas distribution business¹⁰. Under that agreement, Firstgas transmission charges Firstgas' distribution business (GDB) a daily interconnection fee for:

- The upgrade work that was undertaken on the Horotiu Delivery Point (a transmission asset) in 2018
- The new Delivery Point at Waiuku commissioned in FY2020.
- The new Delivery Point at Tauriko commissioned in FY2023

The interconnection fees applied for Firstgas (distribution) were calculated using the same model that is applied for any other interconnected distribution business. All interconnections to the transmission network

¹⁰ In FY2021 (3 March 2021), Firstgas Transmission and Distribution signed an Amending Agreement under their ICA to provide for a new delivery point at Tauriko, to be commissioned in FY2022.

are governed by the terms of Firstgas' GTB Interconnection Policy. This Policy is available on the OATIS website.¹¹ The interconnection policy specifically states that:

"Firstgas will deal with all IPs on an arm's length basis and not prefer or give any priority to any IP except as expressly provided for in the Gas Transmission Code."

¹¹ <https://www.oatis.co.nz/Ngc.Oatis.UI.Web.Internet/Common/Publications.aspx>.

4. Policies that require consumers to purchase goods or services from Firstgas' related parties

Section 2.3.12 of the ID Determination requires that:

within 6 months after the end of each disclosure year, if a GDB has had related party transactions involving a procurement from a related party during that disclosure year, the GDB must publicly disclose-

- (2) *a description of any policies or procedures of the GDB that require or have the effect of requiring a consumer to purchase assets or goods or services from a related party that are related to the supply of the gas distribution services;*

To work on or near Firstgas' distribution network, a contractor must be deemed competent and authorised to complete the work undertaken to meet operating standard requirements. This is specialised work and, in most instances, Gas Services (a part of GSNZ Midco) provides authorised personnel and completes any work up to the ICP on the distribution network.

From time to time we may require customers to contribute to the cost of development work in the form of a capital contribution. In effect, in these instances, customers are required to use our related party, Gas Services, to complete the works. Our capital contribution policy is available from the Firstgas website at <https://firstgas.co.nz/about-us/regulatory/distribution/>.

5. Representative examples of how the procurement policy is applied

5.1 Regulatory requirements

Section 2.3.12 of the ID Determination for our GDB specifies that:

*within 6 months after the end of each **disclosure year**, if a **GDB** has had **related party transactions** involving a procurement from a **related party** during that **disclosure year**, the **GDB** must **publicly disclose**-*

- (3) *subject to subclause (5), at least one representative example transaction from the **disclosure year** of how the current policy for the procurement of assets or goods or services from a **related party** is applied in practice;*
- (4) *for each representative example transaction specified in accordance with subclause (3), how and when the **GDB** last tested the arm's-length terms of those transactions; and*
- (5) *separate representative example transactions where the **GDB** has applied the current policy for the procurement of assets or goods or services from a **related party** significantly differently between expenditure categories.*

5.2 Representative examples

Firstgas has had two related party transactions involving procurement in FY2025:

- Procurement of O&M services from GSNZ Midco
- Procurement of interconnection services from Firstgas (transmission)

Firstgas sources a range of services from GSNZ Midco, particularly from gas services, to manage the network operations and complete the work plan. GSNZ Midco applies the Clarus procurement policy for all expenditure under the O&M agreement. This is summarised in the table 2 followed by a separate representative example of the procurement process.

Firstgas (distribution) purchases interconnection services from Firstgas (transmission). The purchase of these services has been completed under the Clarus procurement policy. Our approach to testing the arm's length terms for this transaction is included separately in Table 2.

All agreements, methodologies and models, and reports from external parties have been provided to our auditors to facilitate their review of our related party transactions in FY2025 and this disclosure.

Table 2: Representative example transactions of costs in Schedule 5b

Expenditure category	Representative example	Procurement method	How and when were the arm's length terms last tested
<p>All network Capex categories</p> <p>All network Opex categories</p> <p>Non-network assets</p>	<p>Network Opex and Capex and system operations and network support across the network.</p> <p>We provide examples below of procurement undertaken by GSNZ Midco on our behalf under the O&M agreement</p>	<p>Direct procurement from a 'sole supplier' under the existing O&M agreement.</p>	<p>The arm's length terms were tested as part of a benchmarking process that was undertaken during the 2022 disclosure year.</p> <p>In FY2022 Firstgas engaged an independent expert to benchmark:</p> <ul style="list-style-type: none"> • The margins applied to the costs of O&M services provided by GSNZ Midco to Firstgas • Total service costs against comparable businesses. <p>The margin benchmarking compared services supplied by GSNZ Midco to companies providing similar services across the United Kingdom, United States, Australia, and New Zealand. Total costs were compared to similar companies in Australia.</p> <p>Additional margin benchmarking was undertaken in September 2025 by a separate independent expert for the renewal of the O&M services agreement, which took effect in FY2026. This margin benchmarking identified that margins were aligned with or below the margins effective during FY2025. Benchmarking performed in FY2025 against comparable businesses indicated that Firstgas costs are aligned with our peers and the wider market. This demonstrates that the cost of the underlying service is consistent with the input price that Firstgas would have paid in an arm's length transaction.</p> <p>The O&M agreement was renewed in September 2025. The renewal took effect in FY2026.</p> <p>Benchmarking was undertaken with the permission of GSNZ Midco. Benchmarking is allowed for under the O&M agreement.</p> <p>Terms of the O&M agreement, advice from the independent expert and benchmarking results were provided to our auditors as part of their review of the related party valuation requirements.</p>

Expenditure category	Representative example	Procurement method	How and when were the arm's length terms last tested
System operations and network support	Interconnection agreements recognising increased or new investment by the transmission business at a delivery point driven by the needs of a distribution customer	Direct procurement from a 'sole supplier' under an interconnection agreement. Firstgas (transmission) is the sole supplier of gas transmission services in New Zealand	<p>Interconnection agreements are standard agreements available to all parties connecting to the Transmission network. Third parties purchase the same or substantially similar services from Firstgas (transmission) on substantially the same terms, including price.</p> <p>Whilst there are no set prices for interconnection fees, there is a consistent methodology for establishing the fees under an interconnection agreement. The fees for each connection point reflect:</p> <ul style="list-style-type: none"> • The specific details on each site seeking to be connected to the gas transmission network • The interconnection fees policy in place at the time <p>The value at which the services are provided to Firstgas (distribution) were established using the same methodology that is used for all other unrelated interconnected parties.</p> <p>Firstgas (distribution) tested the value for both interconnection agreements against the Firstgas (transmission) Interconnection policy to ensure the terms and conditions were reflective of that policy when agreeing the terms and fees of the interconnection.</p>

5.3 Examples of procurement undertaken by GSNZ Midco on our behalf

Firstgas procures a range of services from GSNZ Midco. These services may have different characteristics and involve different procurement choices within the policy to suit the work undertaken. The process will remain consistent with the project management and reporting requirements within GSNZ Midco and with monthly reporting against the budget and works plan provided to the Firstgas executive team.

A service agreement (SA) is in place with Electrix. While Firstgas may still elect to tender works, generally Electrix will be the preferred supplier and most network Opex and Capex is completed under the SA.

GSNZ Midco acting on behalf of Firstgas and Electrix work closely together to provide the services required by Firstgas. GSNZ Midco does not have the extensive personnel required to cover the distribution network effectively. Electrix can provide field service staff across our network for maintenance and Capex works and respond to incidents and emergencies quickly. Electrix may also act as project managers, especially where it is a long-term programme of work being undertaken with limited other resources being required. Electrix field services teams liaise with GSNZ Midco's distribution manager and project management team. The distribution manager monitors Electrix performance against key performance indicators outlined in the SA. Any project management is overseen by the GSNZ Midco project management team. Any technical queries are answered by GSNZ Midco's engineering specialists, or consultants approved by GSNZ Midco.

The SA with Electrix was renewed in FY2025.

Major projects

All projects are managed ultimately by GSNZ Midco. The project delivery manager is responsible for delivering project work from the project approval and front-end engineering design (FEED) through to the final delivered and commissioned project. The project delivery manager will work closely with the Electrix project manager throughout the process.

GSNZ Midco will develop the initial FEED including the scope and expected cost of the project for approval by the Chief Operating Officer (COO). Projects outside of the budget or with significant cost may require a full business case and further approval from Firstgas' Chief Executive and Board.¹² Electrix will provide information on expected costs.

Major projects are often long-term in nature, complex in design and may require more extensive procurement requirements. Due to the typically large amount of dedicated and varied resources required, segments of the project may be subcontracted by GSNZ Midco. Larger projects generally are higher in costs and may require more extensive procurement processes under the Clarus procurement policy. For example, there may be several tenders of work for different stages or requirements of the project.

A GSNZ Midco project manager will be assigned to oversee the project, manage the flow of work, work orders and purchase orders used to track expenditure. The project manager will also ensure suppliers are paid in the time frame specified in any procurement contract for materials or services. Progress is reported to GSNZ Midco management. Progress on major projects may be reported to Firstgas at established intervals.

A formal project close-out process occurs on completion of the project. The project Pre-75 Replacement, Greenwood St, Hamilton is provided to illustrate the delivery of major projects by GSNZ Midco under its O&M contract with Firstgas, including the application of our procurement policy.

¹² Firstgas has a Delegations of Authority policy that outlines approval levels.

Example 1: Pre-75 Replacement, Greenwood St, Hamilton

The pre-75 replacement, Greenwood St, Hamilton project is to replace approximately 700 meters of 50mm PE line (~600 metre on Ellis St and ~100 metre on Greenwood St) and decommission ~160 meters of 80mm CS ~165 metres of pre-75 pipeline at Greenwood St to ensure supply continuity to connected customers.

Firstgas has a strategy to respond to the Pre-85 and 75 pipeline issues. The strategy provides the methodology to prioritise the pipeline sections that are required to be replaced. AMP 2023 sets out how the pre 85 replacement programme was one of the significant activities for FY2025. While AMP Update 2024 set out a new strategy for the pre-85 pipeline replacement the pre-75 replacement, Greenwood St, Hamilton project was already underway and was completed in FY2025.

Project name:	Pre-75 Replacement, Greenwood St, Hamilton
Project date	The business case was approved in May 2024 and the project was commissioned in November 2024.
Project or work order number:	P11907
Project expenditure (estimated)	\$0.456 million
Project cost type	Network Capex
Project managed by:	GSNZ Midco provided oversight of the project under the O&M agreement.
Subcontractors:	Electrix managed the delivery of the project, with free issued materials from Firstgas and the experienced personnel required. Works were completed under the terms and rates specified in the service agreement between Firstgas and Electrix.

Planning:

A business case for the works was submitted in April 2024 and was based on a quoted cost supplied by Electrix for the scope of work.

This project was approved by the Chief Operating Officer in May 2024. The project was undertaken as part of the Pre 85/75 replacement programme set out in AMP 2023.

Completion of works:

Electrix was responsible for the day-to-day project management of the site works. The project remained under the oversight of GSNZ Midco, and any technical queries were answered by its engineers. Once the project began, project costs were paid and tracked within the financial system after being approved by the GSNZ Midco project manager. Project costs and progress were monitored by the GSNZ Midco project team and reported to the Chief Operating Officer for GSNZ Midco and the Firstgas Executive team monthly.

Market testing:

The works are sole sourced to Electrix on the basis that, while the contract with Electrix provides the ability to tender, we are happy with the service being provided and need to ensure their resource levels are maintained through provision of workload for the workforce. The pre 75/85 PE pipe replacement project will continue for several years and Electrix are committed to providing resources to meet this programme.

There is currently no alternative contractor that is Firstgas approved in the Waikato region to complete these works without completing the approval process and associated contracts.

Outcomes:

The project was commissioned in November 2024 within budget.

6. Map of anticipated network expenditure and constraints

Section 2.3.13 of the ID Determination requires that:

within 6 months after the end of each disclosure year, where a GDB has had related party transactions involving a procurement from a related party during that disclosure year, the GDB must publicly disclose a map of its gas distribution service territory, which includes-

(1) subject to clause 2.3.15, a brief explanatory description of the 10 largest forecast operational expenditure projects in the AMP planning period and the likely timing, value and location of the projects;

(2) subject to clause 2.3.15¹³, a brief explanatory description of the 10 largest forecast capital expenditure projects in the AMP planning period and the likely timing, value and location of the projects;

(3) subject to clause 2.3.16, a brief explanatory description of possible future network or equipment constraints and their location, where the responses to the constraints would involve one of the 10 largest future operational expenditure projects in the AMP planning period; and

(4) subject to clause 2.3.16, a brief explanatory description of possible future network or equipment constraints and their location, where the responses to the constraints would involve one of the 10 largest future capital expenditure projects in the AMP planning period.

Section 2.3.14 further specifies the map must:

(1) identify whether the forecast or possible operational expenditure or capital expenditure is-

(a) already subject to a contract and, if so, whether that contract is with a related party;

(b) forecast to require the supply of assets or goods or services by a related party; or

(c) currently not indicated for supply by a related party; and

(2) be consistent with the AMP information specified in-

(a) clause 14.4.4 of Attachment A on network or equipment constraints; and

(b) clause 14.6 of Attachment A on the network development programme.

The largest Opex activities and Capex projects in the AMP planning period are provided below. Further information is available in the annual AMP or AMP update available on the Firstgas website.¹⁴

Largest Opex activities

Firstgas does not have specific Opex projects planned for the period. Instead we have provided the total Opex expenditure. Where it has been possible, we have specified the level of Opex allocated to each region within our network. Figure 3 sets out the location of the planned Opex spend, with greater detail in Table 3. All network Opex and system operations and network support Opex, is forecast to be completed by our

¹³ Sections 2.3.15 and 2.3.16 of the ID Determination recognises that there may be less than 10 forecast Opex or Capex projects in the AMP planning period. If this occurs, all projects must be included.

¹⁴ <https://firstgas.co.nz/about-us/regulatory/distribution/>

related party, GSNZ Midco under the Operations and Management (O&M) agreement between Firstgas and GSNZ Midco.

Currently no network constraints have been identified that will result in Opex between FY2026 and 2035.

Figure 3: Largest Opex projects in the AMP planning period

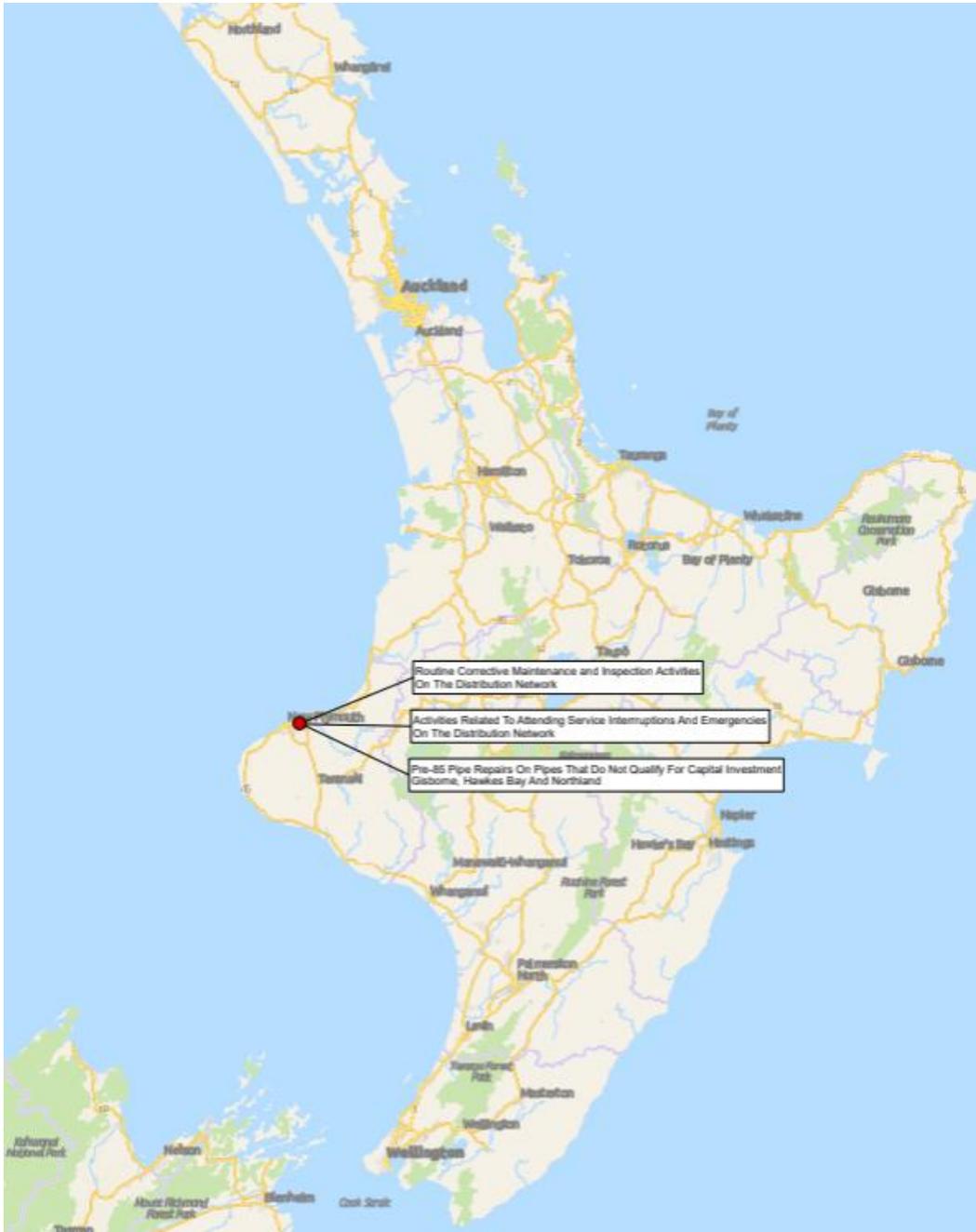


Table 3: Description of Opex in the AMP planning period (2026-2035)

Project	Description	Region	Cost (constant\$)	Period
RCMI	Routine corrective maintenance and inspection activities on the distribution network	Waikato, Bay of Plenty, Central Plateau, Kapiti, Northland, Gisborne	\$40.7m	FY2026 - FY2035
SIE	Activities related to attending service interruptions and emergencies	Waikato, Bay of Plenty, Central Plateau, Kapiti, Northland, Gisborne	\$15.9m	FY2026 - FY2035
RCMI	Pre-85 pipe repairs: This is needed to support our pre-85 PE pipe replacement program. We must repair pipes that do not qualify for capital investment.	Distribution network areas with pre-1985 polyethylene pipes, typically older urban networks in Gisborne, Hawke's Bay, and Northland.	\$7.8m	FY2026 - FY2035

Largest Capex projects

The high-level heat map provided in Figure 4 shows the largest Capex projects we have planned for the next ten years (FY2026 to FY2035) with greater detail in Table 4. The identified projects are all network Capex.

Network Capex is forecast to be completed by our related party, GSNZ Midco under an operations and management (O&M) agreement between Firstgas and GSNZ Midco. GSNZ Midco manages a number of third-party contractors to deliver this network Capex. Figure 4 depicts our anticipated significant planned expenditure during the planning period. It is a snapshot in time, with the information we have available, and may change. As we progress into the 10-year plan, we will develop the activities according to our processes to develop more accurate forecasts and delivery schedules. Where the identified projects include some reinforcement work, there may be possible future network or equipment constraints. Currently no such constraints have been identified

Figure 4: Largest Capex projects in the AMP planning period



Table 4: Description of the largest Capex projects in the AMP planning period (2025-2034)

Project	Description	Region	Cost (constant \$)	Period
Pipeline	Emergent leak remediation	Network wide	\$16.0m	FY2026 - FY2035
Pipeline	Pre-85 replacement programme	Network wide	\$9.0m	FY2026 - FY2035
Stations	Replace obsolete station equipment and underground regulators	Key district regulator stations in Gisborne, Hawke's Bay, and Waikato.	\$2.3m	FY2026 - FY2035
System growth (net)	System growth (net)	Network wide	\$1.7m	FY2026 - FY2035
Consumer connections (net)	Residential connections (net)	Network wide	\$1.3m	FY2026 - FY2035
Main line valves	Line valve replacements	Strategic isolation points on distribution mains – common in urban centres and regional hubs.	\$1.0m	FY2026 - FY2035
Cathodic protection	Cathodic protection (CP) system lifecycle replacements	Network wide	\$0.9m	FY2026 - FY2035
Cathodic protection	Cello and communication replacement	SCADA and CP monitoring sites across the network.	\$0.5m	FY2026 - FY2035
Special crossings	Huntly bridge crossing	Waikato River crossing at Huntly, part of the distribution network.	\$0.4m	FY2026 - FY2035
Special crossings	Gladston road, Gisborne, refurbishment	Gladstone Road, central Gisborne.	\$0.3m	FY2026 - FY2035



Schedule 19 Certification for Year-end Disclosures

Clause 2.9.3

We, Fiona Ann Oliver and Mark Adrian Ratcliffe, being directors of First Gas 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 *Gas Distribution Information Disclosure Determination 2012* in all material respects complies with that determination
- b) The historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 10a, 10b and 14 has been properly extracted from the First Gas Limited's accounting and other records sourced from the applicable 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 *Gas Distribution Information Disclosure Determination 2012* and clauses 2.2.11(1)(g) and 2.2.11(5) of the *Gas 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 *Gas 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 *Gas Distribution Services Input Methodologies Determination 2012* and
 - ii. the value of assets or goods or services sold or supplied to a related party comply, in all material respects, with clause 2.3.6(2) of the *Gas Distribution Information Disclosure Determination 2012*.

Director: Fiona Ann Oliver

Director: Mark Adrian Ratcliffe

26 Feb, 2026 8:26:23 PM GMT+13

Date:

26 Feb, 2026 8:14:34 PM GMT+13

Date:



Independent Assurance Report

To the Directors of First Gas Limited and the Commerce Commission

Assurance report on related party transactions pursuant to Gas Distribution Information Disclosure Determination 2012 (as amended)

Our opinion

We have undertaken a reasonable assurance engagement in respect of the compliance of First Gas Limited (the Company) with the related party requirements, as set out in the Gas Distribution Information Disclosure Determination 2012, including all amendments, (the Determination) for the disclosure year ended 30 September 2025 where we are required to report on:

- Whether the Company's basis for valuation of related party transactions, 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 Gas Distribution Services Input Methodologies Determination 2012 (the IM Determination); and
- Whether the steps taken by the Company, as specified under the "Summary of steps and analysis undertaken by the Company to test compliance" are considered to be, in all material respects, reasonable in the circumstances.

In our opinion, in all material respects:

- The basis for valuation of related party transactions for the disclosure year ended 30 September 2025 complies with the Determination and the IM Determination; and
- The steps taken by the Company, as specified under the "Summary of steps and analysis undertaken by the Company to test compliance" are considered to be reasonable in the circumstances.

Basis for opinion

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

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

Our approach

Materiality

Our assurance engagement is designed to obtain reasonable assurance about the Company's qualitative and quantitative compliance, in all material respects, with the Determination IM Determination.

Quantitative materiality level was determined as 2% of total related party transactions. Qualitative factors were also considered when assessing the arm's length valuation rules on related party transactions.

The scope of our assurance engagement was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our assurance engagement, the nature, timing and extent of our assurance procedures and to evaluate the effect of misstatements, both individually and in aggregate on the related party information as a whole.

Key assumptions we made in carrying out our procedures

In carrying out our procedures as the independent appraiser for the disclosure year ended 30 September 2025, we have relied on the Company's internal control environment relating to the identification of related party transactions and the valuation of related party transactions, that we obtained an understanding of during our audit of the First Gas Midco Limited (immediate parent of First Gas Limited) financial statements for the period ended 30 September 2025.

How we assessed the Company's related party transactions

We obtained the Company's assessment of their compliance with the relevant related party valuation requirements in the Determination and IM Determination and performed the procedures set out below.

Steps and analysis undertaken in testing compliance

Step 1) Identifying related party relationships and transactions

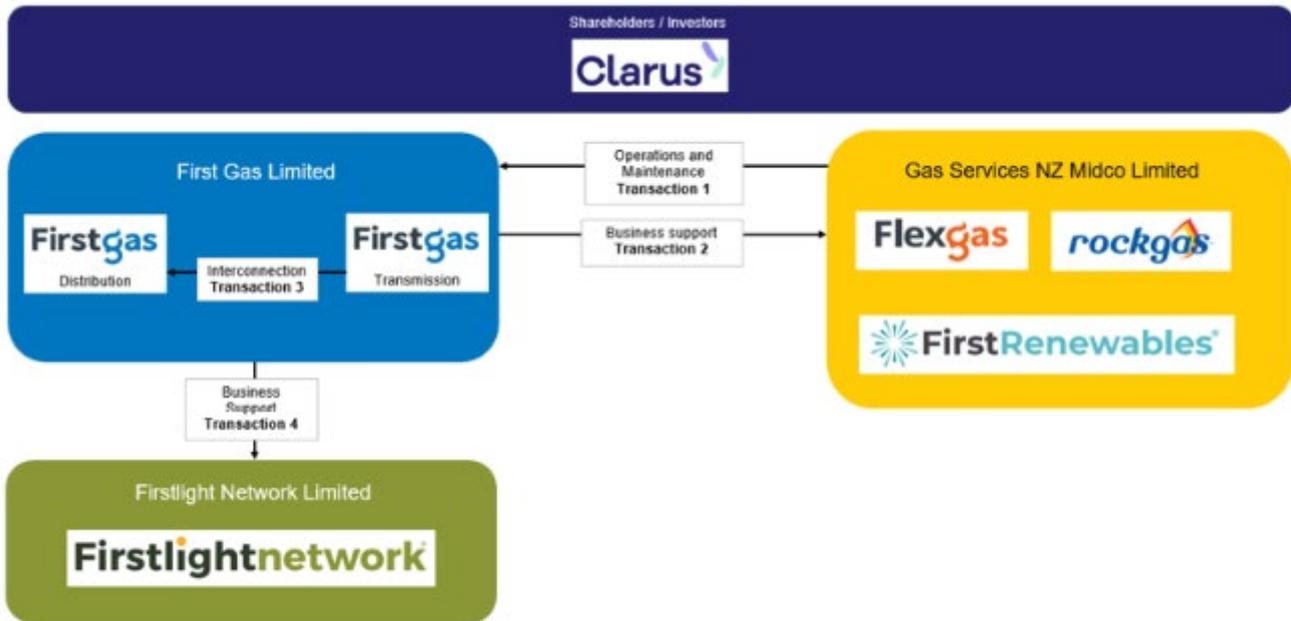
Summary of steps undertaken by the Company to demonstrate compliance

The Company identified all related party relationships and transaction flows in accordance with the Determination and disclosed these in Appendix A - Information disclosure for related parties, as prepared and published under the Determination.

In disclosure year 2025, Firstgas (distribution):

- Procured operations and maintenance (O&M) services from its related party, Gas Services NZ Midco Limited (GSNZ Midco) under an Operation & Maintenance Services Agreement (Transaction 1 - \$15.6m).
- Provided unregulated business support services involving seconded staff across the Clarus Group including to GSNZ Midco (Transaction 2 - \$2.4m) and to Firstlight Network Limited (Firstlight) to assist in providing corporate function services across the group (Transaction 4 - \$0.1m).
- Procured interconnection services from Firstgas (transmission) (Transaction 3 - \$0.6m).
- Paid director fees (Transaction 5 - \$0.05m)

A summary of the related party relationships and transaction flows, excluding director fees, is shown below:



Our procedures undertaken

We have tested the completeness and accuracy of the related party relationships and transactions by:

- Agreeing the disclosures within Schedule 5(b) to the underlying financial records for the year ended 30 September 2025, investigating any material differences and determining whether any such differences are justified; and
- Applying our understanding of the business structure against the related party definition in IM Determination clause 1.1.4(2)(b) to assess management’s identification of any “unregulated parts” of the entity.

We selected related party transaction flows 1 (operations and maintenance expenditure), 2 and 4 (corporate function services and secondment income) and 3 (interconnection service expenditure) on the basis of materiality and assessed the supporting information provided by the Company to demonstrate the independent and objective measure used for those transactions and services, to determine whether the related party transactions have been valued in accordance with the related party valuation requirements in the Determination and the IM Determination.

Step 2) Outlining the relationship with each related party and the intent behind the key related party contracts

Summary of steps undertaken by the Company to demonstrate compliance

Clarus is one of New Zealand’s largest energy groups, with brands that touch many parts of the energy supply chain – from energy transmission and distribution to retail supply and storage. First Gas, GSNZ Midco and Firstlight are part of the wider Clarus Group and have the same ultimate shareholders.

GSNZ Midco provides services under an Operation & Maintenance Services Agreement (O&M Agreement).

Under the terms of the agreement, GSNZ Midco manages the operation of the assets, carries out an agreed Capital and Maintenance works programme, responds to incidents and emergencies, and provides system operations and network support services to First Gas (distribution). In the 2025 disclosure year, GSNZ Midco provided 99% of the First Gas (distribution) total expenditure on assets and 64% of all operating expenditure under the terms of the agreement.

Part of the policy intent of the new related party rules is to address concerns that related parties may be inefficient which may cause the Company to overcharge consumers. The O&M Agreement specifies the outcomes that GSNZ Midco is expected to deliver and the consequences of failing to deliver. All work within the scope of the O&M Agreement is procured from GSNZ Midco, which then tenders out elements of the work as required to either GSNZ Midco or third parties.

In addition, First Gas provides corporate function services and seconds staff to support the operations of GSNZ Midco (and its subsidiaries Flexgas and Rockgas) and to Firstlight. These services are provided under a Corporate Functions and Secondment Services Agreement (CFSA) with GSNZ Midco and a Secondment Services Agreement (Corporate Function Services) with Firstlight. First Gas provides the corporate function services to all entities across the Clarus Group. First Gas is the primary employer of staff performing corporate functions that work across the Clarus Group to support services for accounting, employment terms and conditions, remuneration and benefits, and performance planning and management. The shared service model allows the group to benefit from economies of scale and obtain benefits from increased staff utilisation and experience across the group. The CFSA puts a process in place for GSNZ Midco to review performance and communicate any concerns back to First Gas. First Gas is obligated to respond to concerns by identifying performance improvements and providing an implementation plan for the related party's comment.

Finally, First Gas (transmission) has entered multiple Interconnection Agreement for Delivery Points (Interconnection Agreement) to connect First Gas (distribution) assets to the gas transmission network and charge interconnection fees. All agreements with related parties are designed to be similar to a commercially negotiated agreement between independent third parties.

Our procedures undertaken

The background information provided by First Gas is in line with our understanding of the intent behind the group structure and agreements entered between Firstlight, GSNZ Midco, First Gas (distribution) and First Gas (transmission).

- We obtained the final O&M Agreement, CSFA, Secondment Service and Interconnection Agreements. The agreements were effective for the entire disclosure period and terms are consistent with the understanding obtained from management.
- We note from our procedures performed that GSNZ carried out an agreed Capital and Maintenance works programme resulting in 99% of total expenditure on assets and 64% of the total operating expenditure being with GSNZ Midco.
- We compared the Interconnection Agreements entered between First Gas (transmission) and First Gas (distribution) to an Interconnection Agreement entered between First Gas and an external third party and confirmed terms are not inconsistent.

Step 3) Assessing compliance with the definition of an arm's length transaction (in accordance with ISA (NZ) 550)

Summary of steps undertaken by the Company to demonstrate compliance

Regulated expenditure

The Company continued to apply margins to the costs of O&M services provided by GSNZ Midco based on independent third party benchmarking that was performed during disclosure year 2022.

To confirm there had not been a material decrease in the five-year average margin on costs applied under the O&M agreement, and to demonstrate compliance with the definition of arm's length, including the 'willing buyer and willing seller' criteria, the Company had an independent expert perform additional margin benchmarking in September 2025. The purpose of the benchmarking was to confirm the margin on costs under the O&M agreement remain aligned with comparative third-party service providers. The benchmarking obtained from independent experts confirmed the margin charged by GSNZ Midco under the O&M agreement during RY25 remained aligned with, or below the market based on providers of similar services.

To ensure that the Company's costs are efficient and consistent with the input prices First Gas would pay in an arm's length transaction, First Gas completed benchmarking of capital expenditure and operating expenditure against others in the industry in the current year. Benchmarking performed included:

- Network and non-network opex per gas delivered (\$/TJ)
- Network and non-network opex per connection
- Network and non-network opex per pipeline length
- Capital expenditure per connection gas delivered (\$/TJ)
- Capital expenditure per connection
- Capital expenditure per pipeline length
- Business support opex as a proportion of RAB
- Business support opex per ICP

Benchmarking against comparable businesses in New Zealand has demonstrated that the cost incurred within First Gas's regulated business including related party expenditure, is comparable with others in a similar industry.

Unregulated revenue

The margin applied to unregulated services provided by First Gas to GSNZ Midco and Firstlight under the CFSA, is consistent with the margin applied for similar services across the Clarus group. The secondment services margin was determined based on independent advice received in 2020 and the margins applied to the corporate function services were benchmarked by an independent third party in 2022. The Company considers the margins to remain relevant to disclosure year 2025 due to the long-term nature of the contracts. The additional margin benchmarking completed in September 2025 confirmed that the margin charged for corporate services during RY25 remained aligned with the market based on providers of similar services.

Interconnection expenditure

First Gas applies standardised interconnection agreements to all parties connecting to the transmission network. There is a consistent methodology that is applied to all parties to establish interconnection fees under an interconnection agreement, taking into account the interconnection policy in place and the specific details of each site seeking to be connected to the gas transmission network.

Overall

First Gas considers that the related party structure is a benefit to customers, as it allows the Company to provide reliable and specialised services at a cost that is no more than would be incurred from a third party. Additionally, by providing corporate functions at a centralised level across the Clarus Group at an arm's length rate, the shared services model allows corporate activity to be streamlined, reducing the Group's overall costs to serve and encourages efficiency. Lower costs to serve are in the longer-term interests of consumers.

Our procedures undertaken

We have considered the following in our assessment over the arm's length definition:

- We have considered the business and group structure and read the key terms and conditions within the O&M agreement and CFSA with GSNZ Midco, the Secondment Services Agreement with Firstlight and the Interconnection Agreements First Gas (distribution). No terms identified that indicate the arrangements would not meet the definition of arms' length.
- We obtained the margin and benchmarking reports prepared by management's experts in prior periods, and considered whether there had been any significant changes to the group, industry or environment since the reports were prepared that would indicate the margins are no longer materially in line with arm's length transactions.

- In addition, we obtained the updated margin benchmarking prepared by management’s experts and compared the margins determined in September 2025 against the margins determined in prior periods that continued to be applied in RY25. Based on the evidence provided, the margins applied are considered consistent with comparable entities indicating that the parties are acting consistent with the principle of willing buyer and willing seller who are unrelated and acting in their own best interests.

Step 4) Obtaining independent and objective measures to support the arm’s length principle

Summary of steps undertaken by the Company to demonstrate compliance

As outlined in step 3 above, in prior periods the company utilised an independent third party to perform benchmarking and comparable pricing, determining margins that have continued to be applied in 2025. Updated benchmarking completed in September 2025 corroborated that the margins applied remained materially reasonable. The margins applied ensured the value of goods or services acquired from a related party are not greater than if it had been acquired under the terms of an arm’s length transaction with an unrelated party, and the supply to a related party are not valued at an amount less than if it had been sold or supplied under the terms of an arm’s-length transaction with an unrelated party.

A summary of benchmarking and comparable pricing exercise undertaken for each related party transaction flow selected for testing is summarised below:

RPT Category	Description	Arm's-length valuation approach	Test for Independent and objective measures
Transaction 1	First Gas acquires operations and maintenance services from GSNZ Midco.	Comparable pricing by applying a margin to the cost of goods sold (i.e., a cost-plus approach) results in prices charged that are substantially the same as the prices paid for similar services by peers.	For RY2025, Firstlight have: <ul style="list-style-type: none"> • Been charged an EBIT margin that is within the range of applicable margins, for each service received. • Confirmed margins applied are based on independent advice received in 2022 relevant to the Clarus Group.
Transaction 2 and 3	First Gas supplies corporate function services and secondment of staff to GSNZ Midco. Rockgas and Flexgas, as subsidiaries of GSNZ Midco, also receive corporate function services from Firstgas. First Gas supplies corporate function services and secondment of staff to Firstlight Network Limited.	Applying a margin to the cost of unregulated secondment services provided based on independent advice received.	<ul style="list-style-type: none"> • Used benchmarking to confirm that costs are comparable with peers. • Applied a margin to all direct labour costs incurred based on advice received from an independent advisor in 2020. First Gas considers this margin to remain relevant and comparable with services within the industry. • Obtained updated margin benchmarking in September 2025 to corroborate that the margins applied throughout the disclosure year, remained aligned with the market.
Transaction 4	First Gas distribution receives interconnection services from First Gas transmission.	Comparable pricing using the rates paid via standard connections agreement for interconnection to Firstgas gas transmission pipeline to demonstrate that terms and conditions and pricing approach are consistent across consumers,	Firstgas have compared the rates paid by Firstgas and its related parties under their connection agreement to independent third parties using market reference rates. Confirmed that the value at which the services are provided to Firstgas Distribution are on the same basis as that used for all other unrelated interconnected parties entering such agreements in the same period.

Our procedures undertaken

Our procedures were tailored based on the identified related party transaction flows, including consideration of the materiality of each transaction flow, and aligned to the method management had applied to evidence that the related party transactions are at an arms' length value. We have addressed our procedures below:

- Obtained and understood the O&M agreement and CFSA with GSNZ Midco, the SSA with Firstlight and the Interconnection Agreements with First Gas (distribution).
- On a sample basis, tested compliance with the procurement policy/process as disclosed in Appendix A to the Information Disclosure Schedules.
- Obtained the margin and benchmarking reports prepared by management's experts and external advice received prior to the disclosure year supporting the Clarus Group structure and margins applied to related party transactions across the Group throughout RY25.
- Obtained the updated margin benchmarking report prepared by management's expert in September 2025.
- Confirmed that the management's expert qualification and experience was adequate to perform the benchmarking and the experts were independent from Clarus Group.
- Considered the appropriateness of the comparable entities used within the benchmarking.

- Verified on a sample basis for O&M and on an overall basis for the CFSA and SSA, that the margins applied to each distinct service provided and/or received are materially in line with the independent expert margins obtained.
- Recalculated the margins determined by the independent expert based on external data.
- Benchmarked current and prior year costs against comparable businesses to confirm that costs incurred are consistent with others in the industry.
- Obtained and compared the terms of the Interconnection Agreement entered between First Gas (distribution) and First Gas (transmission) to the terms of an Interconnection Agreement entered between First Gas (transmission) and an external third party.
- Obtained and compared the interconnection fee pricing models for First Gas (distribution) and an external third party.

Director's responsibilities

The Directors are responsible on behalf of the Company for:

- The identification of related parties and related party transactions during the disclosure year ended 30 September 2025;
- Compliance with the Determination and the valuation of related party transactions in accordance with the Determination and the IM Determination; and
- The identification of risks that may threaten compliance with the Determination and IM Determination, controls that would mitigate those risks, and monitoring the Company's ongoing compliance.

Assurance practitioner's responsibilities

Our responsibility is to prepare an independent appraiser report in accordance with clause 2.8.4 of the Determination. In preparing the report we are required to express an opinion on whether, for the disclosure year ended 30 September 2025, the basis for valuation of related party transactions complies, 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, and whether the steps taken by the Company to test whether it complies, are considered to be, in all material respects, reasonable in the circumstances.

Our engagement has been conducted in accordance with SAE 3100 (Revised) that requires that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied, in all material respects, with the Determination and IM Determination.

An assurance engagement to report on the Company's compliance with clause 2.3.6 of the Determination and clauses 2.2.11(1)(g) and 2.2.11(5) of the IM Determination, involves performing procedures to obtain evidence about the compliance activity and controls implemented. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance.

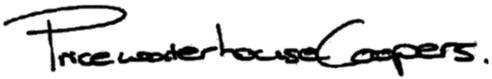
Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement for the disclosure year ended 30 September 2025 does not provide assurance on whether compliance with clause 2.3.6 of the Determination and clauses 2.2.11(1)(g) and 2.2.11(5) of the IM Determination will continue in the future.

Use of report

This report has been prepared for the Directors and the Commerce Commission in accordance with clause 2.8.4 of the Determination and is provided solely to assist you in establishing that compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors of the Company, as a body, and the Commerce Commission or for any purpose other than that for which it was prepared.

A handwritten signature in black ink that reads "PricewaterhouseCoopers." The signature is written in a cursive, flowing style.

PricewaterhouseCoopers
11 March 2026

Christchurch



Independent Assurance Report

To the Directors of First Gas Limited and the Commerce Commission

Assurance report pursuant to the Gas Distribution Information Disclosure Determination 2012

We have undertaken a reasonable assurance engagement in respect of the compliance of First Gas Limited (the Company) with the Gas Distribution Information Disclosure Determination 2012, including all amendments, (“the Determination”) for the disclosure year ended 30 September 2025 where we are required to opine on:

- whether the Company has complied, in all material respects, with the Determination, in preparing the information disclosed under schedules 1 to 4, 5a to 5g, 6a and 6b, 7, 10(a)(ii), the related party transactions information disclosed in Appendix A, and the explanatory notes disclosed in boxes 1 to 11 in Schedule 14 (“the Disclosure Information”); and
- whether the Company’s basis for valuation of related party transactions (“valuation of related party transactions”), 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 Gas Distribution Services Input Methodologies Determination 2012 (“the IM Determination”).

Opinion

In our opinion, in all material respects;

- as far as appears from an examination of them, 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 and has been sourced, where appropriate, from the Company’s financial and non-financial systems;
- the Disclosure Information complies with the Determination; and
- the basis for valuation of related party transactions complies with the Determination and the IM Determination.

Basis for Opinion

We have conducted our engagement in accordance with the Standard on Assurance Engagements 3100 (Revised) *Compliance Engagements* (SAE 3100 (Revised)), issued by the New Zealand Auditing and Assurance Standards Board. An engagement conducted in accordance with SAE (NZ) 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 believe the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Assurance Approach

Overview

Our assurance engagement is designed to obtain reasonable assurance about the Company's compliance, in all material respects, with the Determination and IM Determination.

Quantitative materiality levels are determined for testing purposes within individual schedules included in the Disclosure Information based on the nature of the information set out in the schedules. These thresholds are determined based on our assessment of errors that could have a material impact on key measures within the Disclosure Information:

- Financial information – any impact resulting in +/-100 basis points of the Return of Investment (ROI)
- Performance based schedules – 5% of non-financial measures
- Related party transactions – 2% of total related party transactions.

When assessing overall material compliance with the Determination, qualitative factors are considered such as the combined impact on ROI and other key measures as well as assessing the arm's length valuation rules on related party transactions, which may impact on users assessment on whether the purpose of Part 4 of the Commerce Act 1986 has been met.

We have determined that there are three key assurance matters:

- Regulatory Asset Base
- Cost and Asset Allocation
- Related Party Transactions

Materiality

The scope of our assurance engagement was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our assurance engagement, the nature, timing and extent of our assurance procedures and to evaluate the effect of misstatements, both individually and in aggregate on the Disclosure Information as a whole.

Scope

Our procedures included analytical procedures, evaluating the appropriateness of assumptions used and whether they have been consistently applied, agreement of the Disclosure Information to, or reconciling with, source systems and underlying records, an assessment of the significant judgements made by the Company in the preparation of the Disclosure Information and valuing the related party transactions, and evaluation of the overall adequacy of the presentation of supporting information and explanations.

These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in the preparation of the Disclosure Information for the year ended 30 September 2025, and whether the basis for valuation of related party transactions complies, in all material respects, with the Determination and the IM Determination.

Key Assurance Matters

Key assurance matters are those matters that, in our professional judgement, were of most significance in carrying out the assurance engagement during the current disclosure year. These matters were addressed in the context of our assurance engagement as a whole, 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>Regulatory Asset Base</p> <p>The Regulatory Asset Base (RAB), as set out in Schedule 4, reflects the value of the Company's gas distribution assets. These are valued using an indexed historic cost methodology prescribed by the Determination. It is a measure which is used widely and is key to measuring the Company's return on investment and therefore important when monitoring financial performance.</p> <p>The RAB inputs, as set out in the IM, are similar to those used in the measurement of fixed assets in the financial statements, however, there are a number of different requirements and complexities which require careful consideration.</p> <p>Due to the importance of the RAB within the regulatory regime, the incentives to overstate the RAB value, and complexities within the regulations, we have considered it to be a key assurance matter.</p>	<p>We have obtained an understanding of the compliance requirements relevant to the RAB as set out in the Determination and the IM Determination. Our procedures over the regulatory asset base included the following:</p> <p>Assets commissioned</p> <ul style="list-style-type: none"> • We considered the nature of the assets commissioned during the period, as per the regulatory fixed asset register, to identify any specific cost or asset type exclusions, as set out in the Determination, which are required to be removed from the RAB; • We reconciled the assets commissioned, as per the regulatory fixed asset register, to the asset additions per the audited accounting records and investigated any material reconciling items; and • We tested a sample of assets commissioned during the disclosure period for appropriate asset category classification. <p>Depreciation</p> <ul style="list-style-type: none"> • For assets with no standard asset lives we assessed the reasonableness of the lives used by reference to the accounting depreciation rates used in preparing the underlying financial records; • We compared the system formula utilised to calculate regulatory depreciation expense with IM Determination clause 2.2.5; • We reperformed the regulatory depreciation calculation for a sample of assets; and • We compared the standard asset lives by asset category to those set out in the IM Determination. <p>Revaluation</p> <ul style="list-style-type: none"> • We recalculated the revaluation rate set out in the IM Determination using the relevant Consumer Price Index indices taken from the Statistics New Zealand website; and • We tested the mathematical accuracy of the revaluation calculation performed by management.

Cost and Asset Allocation

The Determination relates to information concerning the supply of gas transmission services. The Company operates both distribution and transmission businesses and also provides other unregulated services.

As set out in schedules 5d, 5e, 5f and 5g, costs and asset values that relate to gas transmission services regulated under the Determination should comprise:

- All of the costs directly attributable to the regulated goods or services; and
- An allocated portion of the costs that are not directly attributable.

The IM Determination set out rules and processes for allocating costs and assets which are not directly attributable to either regulated or unregulated services. A number of screening tests apply which must be considered when deciding on the appropriate allocation method.

The Company has applied the Accounting-Based Allocation Approach Methodology (ABAA) utilising proxy and causal cost and causal asset allocators to allocate the asset values and operating costs that are not directly attributable.

Given the judgement involved in the application of the cost and asset allocation methodologies we consider it a key assurance matter.

We obtained an understanding of the Company's cost and asset allocation processes, and the methodologies applied.

Our procedures over cost and asset allocation included:

- Reconciling the regulated and unregulated financial information to the Company's audited accounting records.

Classification as directly/not directly attributable

- Considering the appropriateness of the costs allocated as directly attributable, based on the nature and our understanding of the business to determine the reasonableness of the directly attributable classification;
- Testing a sample of operating expense transactions to ensure their classification as either directly attributable or not directly attributable costs was appropriate and in line with the Determination;
- Inspecting the fixed asset register to identify any asset classes which based on their nature and our understanding of the business could be considered assets directly attributable to a specific business unit; and
- Testing a sample of assets commissioned to ensure their classification as either directly attributable or not directly attributable was appropriate and in line with the Determination.

Appropriateness of the allocators used for not directly attributable costs and assets

- Considering the appropriateness of the cost and asset causal and proxy allocators used in applying the ABAA to not directly attributable costs including inspecting supporting documentation and recalculating allocators;
- Understanding why causal relationships could not be identified in allocating some costs and ensuring appropriate disclosure has been included in Schedule 14; and
- Recalculating the split between not directly attributable costs and asset values allocated to gas transmission services and non-gas transmission services.

Related Party Transactions

Disclosures over related party transactions including related party relationships, procurement policies/processes, application of these policies/processes and examples of market testing of transaction terms as required under the Determination and the IM Determination are set out in Appendix A.

The Determination and the IM Determination require the Company to value its transactions with related parties, disclosed in Schedule 5b, in accordance with the principles-based approach to the arm's length valuation rule. This rule states that the value of goods or services acquired from a related party cannot be greater than if it had been acquired under the terms of an arm's length transaction with an unrelated party, nor may it exceed the actual cost to the related party. A sale or supply to a related party cannot be valued at an amount less than if it had been sold or supplied under the terms of an arm's-length transaction with an unrelated party.

Arm's-length valuation, as defined in the IM Determination, is the value at which a transaction, with the same terms and conditions, would be entered into between a willing seller and a willing buyer who are unrelated and who are acting independently of each other and pursuing their own best interests.

The Company is required to use an objective and independent measure to demonstrate compliance with the arm's-length principle. In the absence of an active market for similar transactions, assigning an objective arm's length value to a related party transaction is difficult and requires significant judgement.

We have identified related party transactions at arm's-length as a key assurance matter due to the judgement involved.

We have obtained an understanding of the compliance requirements relevant to related party transactions as set out in the Determination and IM Determination. We have ensured Schedule 5(b) and Appendix A includes all required disclosures including current procurement policies, descriptions of how they are applied in practice, representative example transactions and when and how market testing was last performed.

Our procedures over the related party transactions included the following:

Completeness and accuracy of related party relationships and transactions

We have tested the completeness and accuracy of the related party relationships and transactions by:

- Agreeing the disclosures within Schedule 5(b) to the audited accounting records for the year ended 30 September 2025, investigating any material differences and determining whether any such differences are justified; and
- Applying our understanding of the business structure against the related party definition in IM Determination clause 1.1.4(2) to assess management's identification of any "unregulated parts" of the entity.

Practical application of procurement policies

- Testing a sample of operating expenditure and capital expenditure transactions disclosed in Schedule 5(b) by inspecting supporting documentation to determine compliance with the disclosed procurement policy and practices.

Arm's length valuation rule

We obtained the Company's assessment of available independent and objective measures used in supporting the arm's length valuation principal and performed the following procedures:

- Re-performed the calculations and agreed key inputs and assumptions to supporting documentation; and
- Where benchmarking or other market information was used as independent and objective measures, we assessed whether the related party transaction values fell within a reasonable range. Qualitative factors were considered in determining the appropriate acceptable range.

Directors' Responsibilities

The Directors are responsible on behalf of the Company for compliance with the Determination and the valuation of related party transactions in accordance with the Determination, for the identification of risks that may threaten such compliance, controls that would mitigate those risks, and monitoring the Company's ongoing compliance.

Our Independence and Quality Management

We have complied with the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* or other professional requirements, or requirements in law or regulation, that are at least as demanding, which include independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which 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.

In our capacity as auditor and assurance practitioner, our firm also provides other assurance related services. Our firm carries out other assignments in the area of services relating to the provision of training. The firm has no other relationship with, or interests in, the Company.

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with the Determination in the preparation of the Disclosure Information for the disclosure year ended 30 September 2025 and on whether the basis for valuation of related party transactions complies, in all material respects, with the Determination and the IM Determination.

Our engagement has been conducted in accordance with ISAE (NZ) 3000 (Revised) and SAE 3100 (Revised) which require that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied in all material respects with the Determination in the preparation of the Disclosure Information for the disclosure year ended 30 September 2025, and whether the basis for valuation of related party transactions complies, in all material respects, with the Determination and the IM Determination.

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

Inherent Limitations

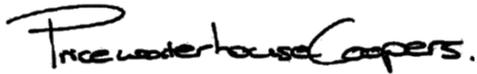
Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement for the disclosure year ended 30 September 2025 does not provide assurance on whether compliance with the Determination and the IM Determination will continue in the future.

Use of Report

This report has been prepared for the Directors and the Commerce Commission in accordance with clause 2.8.1(1) of the Determination and is provided solely to assist you in establishing that compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors of the Company, as a body, and the Commerce Commission, or for any purpose other than that for which it was prepared.

The engagement partner on the assurance engagement resulting in this independent auditor's report is Elizabeth Adriana (Adri) Smit.

A handwritten signature in black ink that reads "PricewaterhouseCoopers." The signature is written in a cursive, flowing style.

PricewaterhouseCoopers
11 March 2026

Christchurch, New Zealand