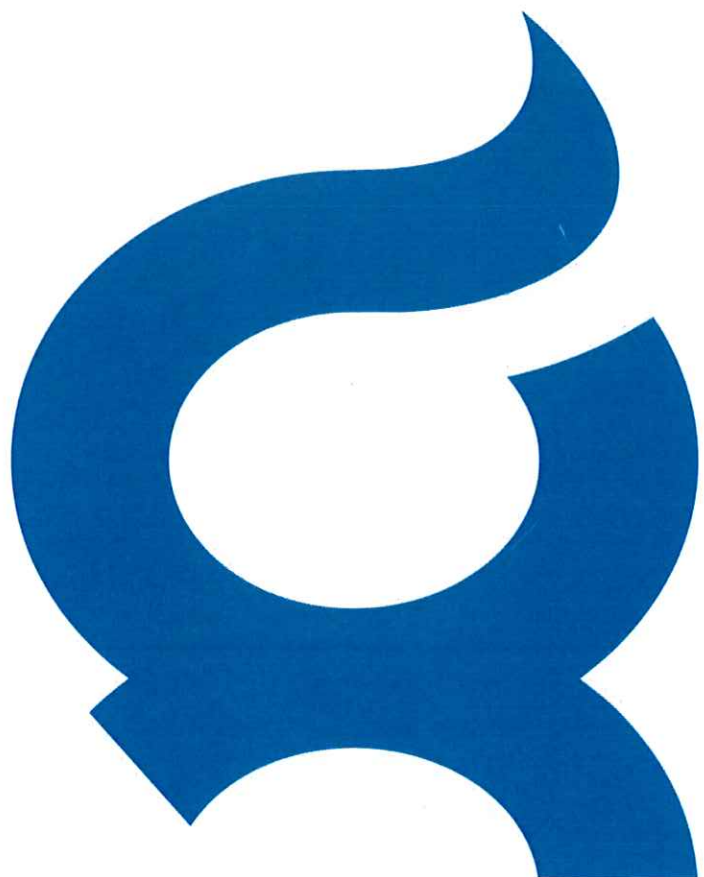




Information disclosure for the Non-Maui gas transmission business

15-month disclosure period ending 30 September 2017



Introduction

First Gas operates 2,500km of gas transmission pipelines (including the Maui pipeline), and more than 4,800km of gas distribution pipelines across the North Island. These gas infrastructure assets transport gas from Taranaki to major industrial gas users, electricity generators, businesses and homes, and transport around 20 percent of New Zealand's primary energy supply.

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

Information disclosure

This document contains First Gas' annual information disclosure for the Non-Maui gas transmission business, for the 15-month disclosure period ending on 30 September 2017, as required by the *Gas Transmission Information Disclosure Determination (No.1) 2017* consolidating all amendments as of 14 June 2017 ("the Determination") issued by the Commerce Commission.

The following documents are provided with this information disclosure:

- Schedules 1 – 10: Financial and technical schedules
- Schedules 14 – 15: Mandatory and voluntary explanatory notes
- Schedule 19: Director certification
- KPMG assurance report

This information disclosure was prepared on 21 March 2018.

Further information

For further information regarding this information disclosure, please contact:

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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.



**GTB Information Disclosure Requirements
Information Templates
for
Schedules 1–10**

Company Name

First Gas Limited (Non-Maui GTB)

Disclosure Date

30 March 2018

Disclosure Year (year ended)

30 September 2017

Period Covered

15 months

Templates for Schedules 1–10 excluding 5f–5g
Template Version 4.1. Prepared 24 March 2015

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Schedule Schedule name

1	<u>ANALYTICAL RATIOS</u>
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3	<u>REPORT ON REGULATORY PROFIT</u>
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5a	<u>REPORT ON REGULATORY TAX ALLOWANCE</u>
5b	<u>REPORT ON RELATED PARTY TRANSACTIONS</u>
5c	<u>REPORT ON TERM CREDIT SPREAD DIFFERENTIAL ALLOWANCE</u>
5d	<u>REPORT ON COST ALLOCATIONS</u>
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9a	<u>ASSET REGISTER</u>
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Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period Covered	15 months

SCHEDULE 1: ANALYTICAL RATIOS

This schedule calculates expenditure, revenue and service ratios from the information disclosed. The disclosed ratios may vary for reasons that are company specific and, as a result, must be interpreted with care. The Commerce Commission will publish a summary and analysis of information disclosed in accordance with the ID determination. This will include information disclosed in accordance with this and other schedules, and information disclosed under the other requirements of the determination. 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.

sch ref

7	1(i): Expenditure Metrics		
8		Ratio of expenditure to quantity of gas delivered (\$ per TJ)	Ratio of expenditure to system length (\$ per km)
9	Operational expenditure	469	19,394
10	Network	211	8,707
11	Non-network	259	10,687
12			
13	Expenditure on assets	586	24,197
14	Network	486	20,076
15	Non-network	100	4,121
16			
17	1(ii): Service Intensity Measures		
18			
19	Volume density	41	Quantity of gas delivered per km of system length (TJ/km)
20			
21	1(iii): Composition of Revenue Requirement		
22		(\$000)	% of revenue
23	Operational expenditure	42,699	35.93%
24	Pass through and recoverable costs excluding financial incentives and wash-ups	2,928	2.46%
25	Total depreciation	22,929	19.29%
26	Total revaluations	11,114	9.35%
27	Regulatory tax allowance	12,920	10.87%
28	Regulatory profit/(loss) including financial incentives and wash-ups	48,478	40.79%
29	Total regulatory income	118,840	
30			
31	1(iv): Reliability		
32			
33	Interruption rate	1.4989	Interruptions per 100km of system length



Company Name **First Gas Limited (Non-Maui GTB)**For Year Ended **30 September 2017**Period Covered **15 months****SCHEDULE 2: REPORT ON RETURN ON INVESTMENT**

This schedule requires information on the Return on Investment (ROI) for the GTB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. GTBs 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 GTB makes this election, information supporting this calculation must be provided in 2(iii). GTBs 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.

sch ref

		CY-2	CY-1	Current Year CY
		30 Jun 15	30 Jun 16	30 Sep 17
		%	%	%
7	2(i): Return on Investment			
8				
9	ROI – comparable to a post tax WACC			
10	Reflecting all revenue earned	5.63%	5.86%	7.09%
11	Excluding revenue earned from financial incentives	5.63%	5.86%	7.09%
12	Excluding revenue earned from financial incentives and wash-ups	5.63%	5.86%	7.09%
13				
14	Mid-point estimate of post tax WACC	6.76%	6.02%	5.45%
15	25th percentile estimate	5.95%	5.21%	4.64%
16	75th percentile estimate	7.57%	6.83%	6.26%
17				
18				
19	ROI – comparable to a vanilla WACC			
20	Reflecting all revenue earned	6.40%	6.49%	7.63%
21	Excluding revenue earned from financial incentives	6.40%	6.49%	7.63%
22	Excluding revenue earned from financial incentives and wash-ups	6.40%	6.49%	7.63%
23				
24	WACC rate used to set regulatory price path	7.44%	7.44%	7.44%
25				
26	Mid-point estimate of vanilla WACC	7.54%	6.65%	5.99%
27	25th percentile estimate	6.73%	5.84%	5.18%
28	75th percentile estimate	8.35%	7.46%	6.80%
29				
30	2(ii): Information Supporting the ROI			
31				
32	Total opening RAB value	497,277		
33	Opening RIV		497,277	
34				
35				
36	Line charge revenue		119,985	
37				
38	Expenses cash outflow	45,627		
39	plus Assets commissioned	48,886		
40	less Asset disposals	1,145		
41	plus Regulatory tax allowance	12,920		
42	less Other regulated income	(1,145)		
43	Mid-year net cash outflows		107,433	
44				
45	Term credit spread differential allowance		-	
46				
47	Total closing RAB value	533,049		
48	less Adjustment resulting from asset allocation	(154)		
49	less Lost and found assets adjustment	-		
50	Closing RIV		533,203	
51				
52				
53	ROI – comparable to a vanilla WACC			7.63%
54				
55	Leverage (%)			44.0%
56	Cost of debt assumption (%)			4.39%
57	Corporate tax rate (%)			28.0%
58				
59	ROI – comparable to a post tax WACC			7.09%



Company Name **First Gas Limited (Non-Maui GTB)**
 For Year Ended **30 September 2017**
 Period Covered **15 months**

SCHEDULE 2: REPORT ON RETURN ON INVESTMENT

This schedule requires information on the Return on Investment (ROI) for the GTB relative to the Commerce Commission's estimates of post tax WACC and vanilla WACC. GTBs 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 GTB makes this election, information supporting this calculation must be provided in 2(iii). GTBs 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.

sch ref

2(iii): Information Supporting the Monthly ROI

Opening RIV

N/A

	Line charge revenue	Expenses cash outflow	Assets commissioned	Asset disposals	Other regulated income	Monthly net cash outflows
Month 1						-
Month 2						-
Month 3						-
Month 4						-
Month 5						-
Month 6						-
Month 7						-
Month 8						-
Month 9						-
Month 10						-
Month 11						-
Month 12						-
Total						-

Regulatory tax allowance

N/A

Term credit spread differential allowance

N/A

Closing RIV

N/A

Monthly ROI – comparable to a vanilla WACC

N/A

Monthly ROI – comparable to a post tax WACC

N/A

2(iv): Year-end ROI rates for comparison purposes

Year-end ROI – comparable to a vanilla WACC

9.29%

Year-end ROI – comparable to a post tax WACC

8.75%

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

2(v): Financial Incentives and Wash-Ups

Net recoverable costs allowed under incremental rolling incentive scheme

-

Other financial incentives

-

Financial incentives

-

Impact of financial incentives on ROI

-

Input methodology claw-back

-

Recoverable customised price-quality path costs

-

Other wash-ups

-

Wash-up costs

-

Impact of wash-up costs on ROI

-



Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period Covered	15 months

SCHEDULE 3: REPORT ON REGULATORY PROFIT

This schedule requires information on the calculation of regulatory profit for the GTB for the disclosure year. GTBs 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.

sch ref

3(i): Regulatory Profit		(\$000)
	Income	
	Line charge revenue	119,985
plus	Gains / (losses) on asset disposals	(1,145)
plus	Other regulated income (other than gains / (losses) on asset disposals)	-
	Total regulatory Income	118,840
	Expenses	
less	Operational expenditure	42,699
less	Pass-through and recoverable costs excluding financial incentives and wash-ups	2,928
	Operating surplus / (deficit)	73,213
less	Total depreciation	22,929
plus	Total revaluations	11,114
	Regulatory profit / (loss) before tax	61,398
less	Term credit spread differential allowance	-
less	Regulatory tax allowance	12,920
	Regulatory profit/(loss) including financial incentives and wash-ups	48,478

3(ii): Pass-through and Recoverable Costs excluding Financial Incentives and Wash-Ups		(\$000)
Pass through costs		
Rates	1,615	
Commerce Act levies	1,242	
Industry Levies	25	
CPP specified pass through costs	-	
Recoverable costs excluding financial incentives and wash-ups		
Balancing gas costs	48	
Other recoverable costs excluding financial incentives and wash-ups	-	
Pass-through and recoverable costs excluding financial incentives and wash-ups		2,928

3(iii): Incremental Rolling Incentive Scheme			(\$000)	
			CY-1 30 Sep 16	CY 30 Sep 17
	Allowed controllable opex			
	Actual controllable opex			
	Incremental change in year			
			Previous years' incremental change	Previous years' incremental change adjusted for inflation
	CY-5	30 Sep 12		
	CY-4	30 Sep 13		
	CY-3	30 Sep 14		
	CY-2	30 Sep 15		
	CY-1	30 Sep 16		
	Net incremental rolling incentive scheme			-
	Net recoverable costs allowed under Incremental rolling incentive scheme			

3(iv): Merger and Acquisition Costs		
Merger and acquisition expenditure		(\$'000)

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		(\$000)
Self-insurance allowance		

Company Name	First Gas Limited (Non-Maul GTB)
For Year Ended	30 September 2017
Period Covered	15 months

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

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the RCI calculation in Schedule 2. GTBs 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.

sch ref		for year ended				
		RAB 30 Jun 13 (\$000)	RAB 30 Jun 14 (\$000)	RAB 30 Jun 15 (\$000)	RAB 30 Jun 16 (\$000)	RAB 30 Sep 17 (\$000)
7	4(i): Regulatory Asset Base Roll Forward					
8						
9						
10						
11	Total opening RAB value	500,090	497,694	502,089	503,203	497,277
12						
13	less Total depreciation	19,464	18,877	18,537	18,769	22,929
14						
15	plus Total revaluations	3,417	8,022	1,998	2,093	11,114
16						
17	plus Assets commissioned	14,218	15,553	17,624	14,450	48,886
18						
19	less Asset disposals	501	303	204	621	1,145
20						
21	plus Lost and found assets adjustment	-	-	(96)	-	-
22						
23	plus Adjustment resulting from asset allocation	(66)	-	329	(3,079)	(154)
24						
25	Total closing RAB value	497,694	502,089	503,203	497,277	533,049

4(ii): Unallocated Regulatory Asset Base

sch ref		Unallocated RAB *		RAB	
		(\$000)	(\$000)	(\$000)	(\$000)
26					
27					
28					
29	Total opening RAB value		497,278		497,277
30	less				
31	Total depreciation		23,001		22,929
32					
33	Total revaluations		11,114		11,114
34	plus				
35	Assets commissioned (other than below)	9,714		7,330	
36	Assets acquired from a regulated supplier	-		-	
37	Assets acquired from a related party	41,556		41,556	
38	Assets commissioned		51,270		48,886
39	less				
40	Asset disposals (other than below)	1,145		1,145	
41	Asset disposals to a regulated supplier	-		-	
42	Asset disposals to a related party	-		-	
43	Asset disposals		1,145		1,145
44					
45	plus Lost and found assets adjustment				
46					
47	plus Adjustment resulting from asset allocation				(154)
48					
49	Total closing RAB value		535,517		533,049

* The 'unallocated RAB' is the total value of those assets used wholly or partially to provide gas transmission 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.



Company Name		First Gas Limited (Non-Maui GTB)	
For Year Ended		30 September 2017	
Period Covered		15 months	

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

This schedule requires information on the calculation of the Regulatory Asset Base (RAB) value to the end of this disclosure year. This informs the RAB calculation in Schedule 2. GTBs 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.

51	sch ref	
52		
53		
54	CPI ₁	1.232
55	CPI ₁₄	1.205
56	Revaluation rate (%)	2.26%
57		
58		
59		
60	Total opening RAB value	
61	less: Opening value of fully depreciated, disposed and lost assets	
62		
63	Total opening RAB value subject to revaluation	
64	Total revaluations	
65		
66	4(iv): Roll Forward of Works Under Construction	
67		
68	Works under construction—preceding disclosure year	
69	plus: Capital expenditure	
70	less: Assets commissioned	
71	plus: Adjustment resulting from asset allocation	
72	Works under construction - current disclosure year	
73		
74	Highest rate of capitalised finance applied	
75		

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

Unallocated RAB * (\$000)

497,278

1,260

496,018

11,114

496,017

11,114

RAB (\$000)

497,277

1,260

Unallocated works under construction

50,655

51,270

7,289

48,452

48,886

6,854

4.25%



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

sch ref

4(v): Regulatory Depreciation

(\$000 unless otherwise specified)

	Asset or assets with changes to depreciation	Reason for non-standard depreciation (text entry)	Depreciation charge for the period (RAB)	Closing RAB value under 'non-standard' depreciation	Closing RAB value under 'standard' depreciation
86					
87					
88					
89					
90					
91					
92					
93					
94					

4(vii): Disclosure by Asset Category

4(VIII): Discontinuous by Asset Category.

	Pipes	Stations	Compressors	Main-line values	Special crossings	Other network assets	Non-network assets	Total
Total opening RAB value	265,901	66,474	38,995	2,598	51,627	55,897	15,983	497,277
<i>less</i> Total depreciation	11,701	3,464	2,759	211	-	837	2,766	22,959
<i>plus</i> Total revaluations	5,930	1,489	873	54	1,157	1,255	355	11,114
<i>plus</i> Assets commissioned	610	29,677	1,570	2,157	-	4,607	10,266	48,886
<i>less</i> Asset disposals	1,089	0	(80)	0	(11)	(1)	48	1,145
<i>plus</i> Lost and found assets adjustment	-	-	-	-	-	-	-	-
<i>plus</i> Adjustment resulting from asset allocation	-	-	-	-	-	-	-	-
<i>plus</i> Asset category transfers	24	(9)	(16)	(3)	-	117	(154)	(154)
Total closing RAB value	260,156	94,167	38,663	4,395	50,599	61,041	24,019	533,049

Asset life	Weighted average remaining asset life	Weighted average expected total asset life	(years)	(years)
109	30.8	26.3	24.0	24.5
110			14.7	20.0
111	80.0	35.0	35.0	24.8
				28.3

Company Name **First Gas Limited (Non-Maui GTB)**
 For Year Ended **30 September 2017**
 Period Covered **15 months**

SCHEDULE 5a: REPORT ON REGULATORY TAX ALLOWANCE

This schedule requires information on the calculation of the regulatory tax allowance. This information is used to calculate regulatory profit/loss in Schedule 3 (regulatory profit).

GTBs 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 1.4 of the ID determination.

7	5a(i): Regulatory Tax Allowance		(\$000)
8	Regulatory profit / (loss) before tax		61,398
9			
10	plus Total depreciation	22,929	
11	less Tax depreciation	17,393	
12	Permanent differences:		
13	plus Income not included in regulatory profit / (loss) before tax but taxable	-	*
14	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	164	*
15			
16	less Total revaluations	11,114	
17	Income included in regulatory profit / (loss) before tax but not taxable	-	*
18	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	-	*
19			(10,950)
20	Temporary differences:		
21	plus Income not included in regulatory profit / (loss) before tax but taxable	-	*
22	Expenditure or loss in regulatory profit / (loss) before tax but not deductible	(441)	*
23			
24	less Income included in regulatory profit / (loss) before tax but not taxable	-	*
25	Expenditure or loss deductible but not in regulatory profit / (loss) before tax	-	*
26			(441)
27	less Notional deductible interest		9,401
28			
29	Regulatory taxable income		46,142
30			
31	less Utilised tax losses	-	
32	Regulatory net taxable income		46,142
33			
34	Corporate tax rate (%)	28%	
35	Regulatory tax allowance		12,920

* Workings to be provided in Schedule 14

5a(ii): Disclosure of Permanent and Temporary Differences

In Schedule 14, Box 5 and Box 6, provide descriptions and workings of items recorded in the asterisked categories in Schedule 5a(i).

5a(iii): Reconciliation of Tax Losses

(\$000)

45	Opening tax losses	-	
46	plus Current period tax losses	-	
47	less Utilised tax losses	-	
48	Closing tax losses		-

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

(\$000)

51	Opening sum of regulatory tax asset values	115,461	
52	less Tax depreciation	17,393	
53	plus Regulatory tax asset value of assets commissioned	48,391	
54	less Regulatory tax asset value of asset disposals	129	
55	plus Lost and found assets adjustment	-	
56	plus Adjustment resulting from asset allocation	(55)	
57	plus Other adjustments to the RAB tax value	-	
58	Closing sum of regulatory tax asset values		146,275



<i>Company Name</i>	First Gas Limited (Non-Maui GTB)
<i>For Year Ended</i>	30 September 2017
<i>Period Covered</i>	15 months

sch ref

15b(i): Summary—Related Party Transactions

Related party relationship
Gas Services Joint Venture and First Gas Limited have some common ultimate owners
Owner of the Maui Transmission pipeline

5b(iii): Related Party Transactions

[illegible]

* include additional rows if needed

<i>Company Name</i>	First Gas Limited (Non-Maui GTB)
<i>For Year Ended</i>	30 September 2017
<i>Period Covered</i>	15 months

sch ref

Issuing party	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	Cost of executing an interest rate swap	Debt issue cost readjustment
Include additional rows if needed									

Gross term credit spread differential

1000

44%

44%

10

1

183

SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. GTBs 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.

Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period Covered	15 months

<i>sch ref</i>		Arm's length deduction	Gas transmission services	Non-gas transmission services	Total	OVABAA allocation increase (\$000s)
7	5d(i): Operating Cost Allocations					
8						
9						
10	Service interruptions, incidents and emergencies					
11	Directly attributable		589			
12	Not directly attributable		589			
13	Total attributable to regulated service					
14						
15	Routine and corrective maintenance and inspection					
16	Directly attributable		13,871			
17	Not directly attributable		13,871			
18	Total attributable to regulated service					
19						
20	Asset replacement and renewal					
21	Directly attributable		-			
22	Not directly attributable		-			
23	Total attributable to regulated service					
24	Compressor fuel					
25	Directly attributable		3,785			
26	Not directly attributable		3,785			
27	Total attributable to regulated service					
28	Land management and associated activity					
29	Directly attributable		925			
30	Not directly attributable		925			
31	Total attributable to regulated service					
32	System operations					
33	Directly attributable		1,624			
34	Not directly attributable		1,624			
35	Total attributable to regulated service					
36	Network support					
37	Directly attributable		5,592			
38	Not directly attributable		5,592			
39	Total attributable to regulated service					
40	Business support					
41	Directly attributable		16,312	7,502	23,814	
42	Not directly attributable		16,312			
43	Total attributable to regulated service					
44	Operating costs directly attributable		26,386			
45	Operating costs not directly attributable		16,312	7,502	23,814	
46	Operational expenditure		42,698			



SCHEDULE 5d: REPORT ON COST ALLOCATIONS

This schedule provides information on the allocation of operational costs. GTBs 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.

Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period Covered	15 months

sch ref

5d(ii): Other Cost Allocations**Pass through and recoverable costs****Pass through costs**

Directly attributable

Not directly attributable

Total attributable to regulated service**Recoverable costs**

Directly attributable

Not directly attributable

Total attributable to regulated service

Value allocated (\$000s)	Arm's length deduction	Gas distribution services	distribution services	Total	OVABAA allocation increase (\$000s)
1,615	-	1,267	982	2,249	-
2,882	-	48	-	-	-
48	-	-	-	-	-
48	-	-	-	-	-

5d(iii): Changes in Cost Allocations* †**Change in cost allocation 1**

Cost category

Original allocator or line items

New allocator or line items

(\$000)

	CY-1	Current Year (CY)
Original allocation		
New allocation		
Difference		

Rationale for change

Change in cost allocation 2

Cost category

Original allocator or line items

New allocator or line items

(\$000)

	CY-1	Current Year (CY)
Original allocation		
New allocation		
Difference		

Rationale for change

Change in cost allocation 3

Cost category

Original allocator or line items

New allocator or line items

(\$000)

	CY-1	Current Year (CY)
Original allocation		
New allocation		
Difference		

Rationale for change

* 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

This schedule requires information on the allocation of asset values. This information supports the calculation of the RAB value in Schedule 4. GTBs 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.

sch ref

5e(i): Regulated Service Asset Values

	Company Name	Value allocated (\$000s)
	First Gas Limited (Non-Maui GTB)	
	30 September 2017	
	15 months	
7		
8		
9		
10		
11		260,166
12		260,166
13		
14		
15		
16		94,167
17		94,167
18		
19		38,663
20		38,663
21		
22		
23		4,395
24		4,395
25		
26		
27		50,599
28		50,599
29		
30		
31		61,041
32		61,041
33		
34		
35		15,742
36		8,276
37		24,019
38		
39		524,773
40		8,276
41		533,049



SCHEDULE 5e: REPORT ON ASSET ALLOCATIONS

This schedule requires information on the allocation of asset values. This information supports the calculation of the RAB value in Schedule 4. GTBs 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.

sch ref

5e(ii): Changes in Asset Allocations* †**Change in asset value allocation 1**

Asset category
Original allocator or line items
New allocator or line items

Rationale for change

	CY-1	Current Year (CY)
Non-network assets	1,975	10,743
100% Non-Maui	1,820	8,276
Head count	154	2,467

We have refined our asset allocation methodology in these disclosures. When the 2016 disclosures were completed, First Gas had recently acquired its distribution and transmission businesses and did not have a clear view of relative asset utilisation by each regulated business. During the 2017 disclosure period we have assessed each of our regulated businesses' use of non-network assets and have allocated their value accordingly. Corporate non-network assets have been allocated across all First Gas regulatory businesses based on head count.

Change in asset value allocation 2

Asset category
Original allocator or line items
New allocator or line items

Rationale for change

	CY-1	Current Year (CY)
Original allocation		
New allocation		
Difference	-	-

Change in asset value allocation 3

Asset category
Original allocator or line items
New allocator or line items

Rationale for change

	CY-1	Current Year (CY)
Original allocation		
New allocation		
Difference	-	-

* 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



Company Name **First Gas Limited (Non-Maui GTB)**For Year Ended **30 September 2017**Period Covered **15 months****SCHEDULE 6a: REPORT ON CAPITAL EXPENDITURE FOR THE DISCLOSURE YEAR**

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs.

GTBs 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.

sch ref

7	6a(i): Expenditure on Assets	(\$000)	(\$000)
8	Consumer connection		18,261
9	System growth		886
10	Asset replacement and renewal		19,997
11	Asset relocations		5,057
12	Reliability, safety and environment:		
13	Quality of supply	-	
14	Legislative and regulatory	-	
15	Other reliability, safety and environment	-	
16	Total reliability, safety and environment		-
17	Expenditure on network assets		44,200
18	Expenditure on non-network assets		9,074
19			
20	Expenditure on assets		53,274
21	plus Cost of financing		377
22	less Value of capital contributions		5,199
23	plus Value of vested assets		-
24			
25	Capital expenditure		48,452
26	6a(ii): Subcomponents of Expenditure on Assets (where known)		
27	Research and development		-
28	6a(iii): Consumer Connection		
29	Connection types defined by GTB*	(\$000)	(\$000)
30	Direct Connect	18,261	
31			
32			
33			
34			
35	* Include additional rows if needed		
36	Consumer connection expenditure		18,261
37			
38	less Capital contributions funding consumer connection expenditure	100	
39	Consumer connection less capital contributions		18,161



Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period Covered	15 months

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

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. GTBs 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.

sch ref

40 6a(iv): System Growth and Asset Replacement and Renewal

	System Growth (\$000)	Asset Replacement and Renewal (\$000)
43 Pipes	186	3,621
44 Compressor stations	-	4,360
45 Other stations	669	4,942
46 SCADA and communications	-	726
47 Special crossings	-	-
48 <i>Components of stations (where known)</i>		
49 Main-line valves	-	316
50 Heating system	31	684
51 Odourisation plants	-	171
52 Coalescers	-	-
53 Metering system	-	4,425
54 Cathodic protection	-	598
55 Chromatographs	-	153
56 System growth and asset replacement and renewal expenditure	886	19,997
57 less Capital contributions funding system growth and asset replacement and renewal	-	-
58 System growth and asset replacement and renewal less capital contributions	886	19,997

61 6a(v): Asset Relocations

Project or programme*	(\$000)	(\$000)
63 MacKays - Peka Peka relocation	(215)	
64 Transmission Gully Pipeline relocation	1,637	
65 Manawatu / Whirokino Bridge re-alignment	3,445	
66		
67		
68 * Include additional rows if needed		
69 All other projects or programmes - asset relocations	191	
70 Asset relocations expenditure		5,057
71 less Capital contributions funding asset relocations	5,099	
72 Asset relocations less capital contributions		(42)

73 6a(vi): Quality of Supply

Project or programme*	(\$000)	(\$000)
75		
76		
77		
78		
79		
80 * Include additional rows if needed		
81 All other projects or programmes - quality of supply		
82 Quality of supply expenditure		-
83 less Capital contributions funding quality of supply		
84 Quality of supply less capital contributions		-



Company Name **First Gas Limited (Non-Maui GTB)**
 For Year Ended **30 September 2017**
 Period Covered **15 months**

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

This schedule requires a breakdown of capital expenditure on assets incurred in the disclosure year, including any assets in respect of which capital contributions are received, but excluding assets that are vested assets. Information on expenditure on assets must be provided on an accounting accruals basis and must exclude finance costs. GTBs 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.

sch ref

6a(vii): Legislative and Regulatory

Project or programme*

(\$000)

(\$000)

* include additional rows if needed

All other projects or programmes - legislative and regulatory

Legislative and regulatory expenditure

less Capital contributions funding legislative and regulatory

Legislative and regulatory less capital contributions

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

Project or programme*

(\$000)

(\$000)

* include additional rows if needed

All other projects or programmes - other reliability, safety and environment

Other reliability, safety and environment expenditure

less Capital contributions funding other reliability, safety and environment

Other reliability, safety and environment less capital contributions

6a(ix): Non-Network Assets**Routine expenditure**

Project or programme*

(\$000)

(\$000)

Equipment
ICT

454
2,935

* include additional rows if needed

All other projects or programmes - routine expenditure

Routine expenditure

46

3,434

Atypical expenditure

Project or programme*

(\$000)

(\$000)

ICT Transition
Vehicles
Building Refurbishment

3,753
1,271
616

* include additional rows if needed

All other projects or programmes - atypical expenditure

Atypical expenditure

--

5,640

Expenditure on non-network assets

9,074



Company Name
First Gas Limited (Non-Maui GTB)

For Year Ended
30 September 2017

Period Covered
15 months

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

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

sch ref

6b(i): Operational Expenditure

Service interruptions, incidents and emergencies
Routine and corrective maintenance and inspection
Asset replacement and renewal
Compressor fuel
Land management and associated activity

Network opex

System operations
Network support
Business support

Non-network opex

Operational expenditure

(\$000)

589
13,871
-
3,785
925

19,170

1,624
5,592
16,312

23,528

42,699

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

Research and development
Insurance

N/A

1,316



Company Name

First Gas Limited (Non-Maui GTB)

For Year Ended

30 September 2017

Period Covered

15 months

SCHEDULE 7: COMPARISON OF FORECASTS TO ACTUAL EXPENDITURE

This schedule compares actual revenue and expenditure to the previous forecasts that were made for the disclosure year. Accordingly, this schedule requires the forecast revenue and expenditure information from previous disclosures to be inserted.

GTBs 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.

sch ref

7(i): Revenue

Line charge revenue

Target (\$000) ¹	Actual (\$000)	% variance
97,266	119,985	

7(ii): Expenditure on Assets

Consumer connection

System growth

Asset replacement and renewal

Asset relocations

Reliability, safety and environment:

Quality of supply

Legislative and regulatory

Other reliability, safety and environment

Total reliability, safety and environment

Expenditure on network assets

Expenditure on non-network assets

Expenditure on assets

Forecast (\$000) ²	Actual (\$000)	% variance
12,085	18,261	
1,165	886	
13,867	19,997	
7,643	5,057	
-	-	
-	-	
-	-	
-	-	
34,760	44,200	
2,746	9,074	
37,506	53,274	

7(iii): Operational Expenditure

Service interruptions, incidents and emergencies

Routine and corrective maintenance and inspection

Asset replacement and renewal

Compressor fuel

Land management and associated activity

Network opex

System operations

Network support

Business support

Non-network opex

Operational expenditure

Forecast (\$000) ²	Actual (\$000)	% variance
535	589	
16,111	13,871	
-	-	
4,252	3,785	
505	925	
21,403	19,170	
1,285	1,624	
2,874	5,592	
7,805	16,312	
11,964	23,528	
33,367	42,699	

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

Research and development

Forecast (\$000) ²	Actual (\$000)	% variance
N/A	-	-

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

Research and development

Insurance

Forecast (\$000) ²	Actual (\$000)	% variance
N/A	N/A	-
N/A	1,316	-

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)



Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period Covered	15 months

SCHEDULE 8: REPORT ON BILLED QUANTITIES AND LINE CHARGE REVENUES

This schedule requires disclosure of the delivered quantities and number of offtake points for each type of connection on the GTB's network, and the energy delivered to these offtake points, for the disclosure year. It also requires the billed quantities and associated line charge revenues for each contract type used by the GTB, for the disclosure year.

sch ref

8(i): Billed quantities by contract type

Contract type	Billed quantities - Gas throughput billed*		Billed quantities - Reserved capacity billed*		Billed quantities - Overrun charges billed*		Billed quantities - Approved Nominations billed**		Billed quantities - Σ (Approved Nominations x distance) billed**		Other quantities billed		Add extra columns for additional billed quantities as necessary
	TJ		TJ		TJ		n/a		n/a		n/a		
Standard	50,080		69,659		667		n/a		n/a		n/a		
Non-standard	79,008		221,837		77		n/a		n/a		n/a		
Add extra rows for additional contract types as necessary													
Totals for all contracts											-	-	-

8(ii): Line charge revenues (\$000) by contract type

Contract type	Total line charge revenue in disclosure year		Gas throughput revenue*		Reserved capacity revenue*		Overrun charges revenue*		Approved Nominations revenue**		Σ (Approved Nominations x distance) revenue**		Other line charge revenue		Add extra columns for additional line charge revenues as necessary		Notional revenue foregone from posted discounts (if applicable)	
	Standard	Non-standard	\$84,705	\$3,005	\$74,663	\$7,037	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Add extra rows for additional contract types as necessary																		
Totals for all contracts			\$119,985	\$7,273	\$104,267	\$7,444	-	-	-	-	-	-	-	-	-	-	-	-

*Vector only
**MDL only

SCHEDULE 9a: ASSET REGISTER

This schedule requires a summary of the quantity of assets that make up the network, by asset category and asset class.

sch ref

<i>Company Name</i>	First Gas Limited (Non-Maui GTB)
<i>For Year Ended</i>	30 September 2017
<i>Period Covered</i>	15 months

	Asset category	Asset class	Units	Items at start of year (quantity)	Items at end of year (quantity)	Net change	Data accuracy (1-4)
7	Pipes	Protected steel pipes	km	2,195	2,202	7	3
8	Pipes	Special crossings	km	7	7	-	3
9	Stations	Compressor stations	No.	8	8	-	3
10	Stations	Offtake point	No.	115	115	-	3
11	Stations	Scraper stations	No.	11	12	1	3
12	Stations	Intake points	No.	4	4	-	3
13	Stations	Metering stations	No.	5	5	-	3
14	Compressors	Compressors—turbine driven	No.	2	2	-	3
15	Compressors	Compressors—electric motor driven	No.	-	2	2	3
16	Compressors	Compressors—reciprocating engine driven	No.	19	18	(1)	3
17	Main-line valves	Main line valves manually operated	No.	71	71	-	3
18	Main-line valves	Main line valves remotely operated	No.	7	7	-	3
19	Heating systems	Gas-fired heaters	No.	105	107	2	3
20	Heating systems	Electric heaters	No.	4	4	-	3
21	Odourisation plants	Odourisation plants	No.	22	22	-	3
22	Coalescers	Coalescers	No.	33	36	3	3
23	Metering systems	Meters—ultrasonic	No.	7	7	-	3
24	Metering systems	Meters—rotary	No.	59	59	-	3
25	Metering systems	Meters turbine	No.	75	75	-	3
26	Metering systems	Meters—mass flow	No.	1	1	-	3
27	SCADA and communications	Remote terminal units (RTU)	No.	73	73	-	3
28	SCADA and communications	Communications terminals	No.	3	3	-	3
29	Cathodic protection	Rectifier units	No.	37	38	1	3
30	Chromatographs	Chromatographs	No.	7	8	1	3
31							

SCHEDULE 9b: 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.

Disclosure Year (year ended)		30 September 2017		Number of assets at disclosures year end by installation date																											No. with age unknown		No. with default dates		Data accuracy	
Asset category	Asset class	1960 –1964	1965 –1969	1970 –1974	1975 –1979	1980 –1984	1985 –1989	1990 –1994	1995 –1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	No. with age unknown	No. with default dates	Data accuracy [%]						
Pipes	Protected steel pipes																																			
19	Special crossovers																																			
20	Compressor stations																																			
21	Offtake points																																			
22	Stations																																			
23	Stations																																			
24	Stations																																			
25	Stations																																			
26	Stations																																			
27	Compressors																																			
28	Compressors																																			
29	Compressors—electric motor driven																																			
30	Compressors—reciprocating engine driven																																			
31	Compressors—redesigning engine driven																																			
32	Main-line valves manually operated																																			
33	Main-line valves remotely operated																																			
34	Gas-fired heaters																																			
35	Heating systems																																			
36	Heating systems																																			
37	Oxidation plants																																			
38	Oxidation plants																																			
39	Coilizers																																			
40	Meters—ultrasonic																																			
41	Meters—rotary																																			
42	Meters—turbine																																			
43	Meters—mass flow																																			
44	Remote terminal units (RTU)																																			
45	Communications terminals																																			
46	Cathodic protection																																			
47	Chromatographs																																			

SCHEDULE 9c: REPORT ON PIPELINE DATA

This schedule requires a summary of the key characteristics of the pipeline network.

sch ref

Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period Covered	15 months

	Transmission system	System length (km) (at year end)	Weighted average pipe diameter (mm)	Max monthly quantity entering the system (TJ per month)	Max weekly quantity entering the system (TJ per week)	Total gas conveyed (TJ per year)	Gas conveyed for Persons not involved in the GTB (TJ per year)	Number of connection points
7								
8	South - Kapuni - Frankley Road	1,028	220	3,854	1,015	41,000	40,805	63
9	Bay of Plenty	607	156	1,028	249	12,336	12,259	34
10	North	544	189	3,088	725	37,327	36,977	38
11	Te Awamutu North	7	155	57	19	503	503	3
12	Minor	16	69	38	9	432	429	19
13								
14	Total	2,202						

Length by assigned location class (km)**Secondary location class**

		Common				Total (km) (at year end) *		Percentage of total
		Sensitive Use (S)	Industrial (I)	Heavy Industrial (HI)	Infrastructure Corridor (CIC)	Submerged (W)		
16								
17	Primary location class Rural (R1) land	2	7	4	2	2	1,995.43	87.89%
18	Primary location class Rural Residential (R2) land	8	0		1	1	155.43	6.85%
19	Primary location class Residential (T1) land	29	23	-	0	3	119.51	5.26%
20	Primary location class High Density (T2) land							
21	* The total km is not the same as the sum of the secondary location classes as a pipeline section may only have a primary location class.							

Company Name **First Gas Limited (Non-Maul GTB)**
 For Year Ended **30 September 2017**
 Period Covered **15 months**

SCHEDULE 9d: REPORT ON DEMAND

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)

sch ref

9d(i): New Connections

Connection types defined by GTB	Number of new connections
Distribution System	1
Direct Connect	-
Bi-Directional	-
Receipt Point	-
* Include additional rows if needed	
Connections total	1

9d(ii): Gas Volumes and Connections

Connection types defined by GTB	Intake volume (TJ)	Quantity of gas delivered (TJ)	Number of connection points
Distribution System	-	44,995	112
Direct Connect	-	40,788	24
Bi-Directional	11,255	5,189	4
Receipt Point	80,285	-	17
* Include additional rows if needed			
Total	91,540	90,972	157

9d(iii): Gas conveyed

	(TJ)
Intake volume (TJ)	91,540
Quantity of gas delivered (TJ)	90,973
Gas used in compressor stations (TJ)	458
Gas used in heating systems (TJ)	167
Change in line pack (TJ)	21
Vented gas (TJ)	-
Unaccounted for gas (TJ)	(79)
Total gas conveyed (TJ)	91,598

9d(iv): Unaccounted for Gas

Transmission system	Gas entering the system (TJ)	Unaccounted for gas (TJ)	Unaccounted for gas (%)	Intake volume (TJ)	Interconnected system Intake (TJ)	Interconnected Intake systems (name)
South - Kapuni - Frankley Road (SKF)	43,210	(101)	(0.23%)	43,210	-	-
Bay of Plenty (BOP)	12,419	81	0.65%	10,109	2,310	SKF, TAN
North (NTH)	37,280	(59)	(0.16%)	37,280	-	-
Te Awamutu North (TAN)	509	-	-	509	-	-
Minor (MIN)	432	-	-	432	-	-
Total	-	-	-	91,540	2,310	-

Company Name **First Gas Limited (Non-Maui GTB)**For Year Ended **30 September 2017**Period Covered **15 months****SCHEDULE 10a: REPORT ON NETWORK RELIABILITY AND INTERRUPTIONS**

This schedule requires a summary of the key measures of network reliability (interruptions, compressor availability) for the disclosure year
GTBs must provide explanatory comment on their network reliability for the disclosure year in Schedule 14 (Explanatory Notes to Templates).

sch ref

10a(i): Interruptions and Reliability

Total number of planned Interruptions	-
Service Incidents and emergencies	
Number of incidents	132

Unplanned interruptions in transmission systems

Description and cause of Interruption	Transmission systems affected	Date	Duration (hrs)

*Add rows as necessary

Number of interruption or curtailment events:

due to insufficient capacity	25
due to consumer flows exceeding approved quantities	-
caused by equipment failure	-
caused by third parties	8
Total	33

10a(ii): Compressor Availability

Compressor station code/name	Compressor unit ID	Number of hours the compressor ran	Number of hours compressor was available for service	Number of instances where the compressor failed to start	Number of instances where a compressor was required but unavailable for service
Henderson	1	736.00	2,175.00	-	2
Henderson	2	1,445.00	2,175.00	-	1
Kaitoke	1	1,217.00	8,903.00	8	-
Kaitoke	2	278.00	9,264.00	12	1
Kapuni	2	5,839.00	10,610.00	-	-
Kapuni	3	3,725.00	10,576.00	2	-
Kapuni	5	5,721.00	9,175.00	8	-
Kawerau	1	74.00	10,690.00	6	-
Kawerau	2	71.00	10,100.00	1	-
Mahoenui	1	84.00	9,296.00	4	-
Mahoenui	2	76.00	7,601.00	3	-
Mahoenui	3	57.00	80,259.00	1	-
Pokuru	1	7,959.00	10,643.00	2	-
Pokuru	2	3,940.00	10,778.00	2	-
Rotowaro	3	5,437.00	10,582.00	3	1
Rotowaro	4	6,647.00	10,348.00	-	-
Rotowaro	5	1,151.00	10,263.00	-	-
Rotowaro	6	2,842.00	10,742.00	-	-

*Add rows as necessary

SCHEDULE 10b: REPORT ON NETWORK INTEGRITY		<i>Company Name</i> First Gas Limited (Non-Maui GTB)
		<i>For Year Ended</i> 30 September 2017
		<i>Period Covered</i> 15 months
This schedule requires a summary of the key measures of network integrity (product control, gas escapes, RTEs) for the disclosure year.		
<i>sch ref</i>		
7	Product control	
8	Number of incidents relating to pressure	2
9	Number of incidents relating to gas specification	17
10	Number of incidents relating to odourisation	-
11		
12	Response time to emergencies (RTE)	
13	Proportion of emergencies responded to within 3 hours (%)	100%
14	Average call response time (hours)	0.79
15	Number of emergencies	2
16		
17	Gas leaks	
18	Number of confirmed public reported gas escapes per system length (escapes/1000 km)	4
19	Number of confirmed gas leaks caused by a third party per system length (escapes/1000 km)	-
20	Number of gas leaks detected by the GTB	4
21	Number of gas leaks that did not result in disruption to supply	13

Company Name	First Gas Limited (Non-Maui GTB)
For Year Ended	30 September 2017
Period	15 months

Schedule 14 Mandatory Explanatory Notes

1. This schedule requires GTBs to provide explanatory notes to information provided in accordance with clauses 2.3.1, 2.4.20 and sub-clause 2.5.1(1)(e).
2. This schedule is mandatory—GTBs must provide the explanatory comment specified below, in accordance with clause 2.7.1. Information provided in boxes 1 to 12 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 GTBs to give additional explanation of disclosed information should they elect to do so.

Mandatory explanatory notes

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 sub-clause 2.7.1(2).

Box 1: Explanatory comment on return on investment

The ROI of 7.09% is higher than the mid-point estimate of post-tax WACC of 5.45% and is higher than prior periods. The ROI result in this disclosure period is largely driven by increased revaluation income and line charge revenue.

Revaluation income is based on CPI, and the CPI rate applied has increased from 0.42% in the 2016 disclosure period to 2.24% in the 2017 disclosure period (15-month period). Higher line charge revenues reflect the fact that this disclosure period covers two winter periods (July, August and September for both 2016 and 2017). These winter months see higher revenues than other months, with colder temperatures leading to an increase in the use of gas.

Operating expenditure for the 15-month period was higher than expected, although operating expenditure disclosed for the Maui GTB for the corresponding period was lower than budget (suggesting that part of the decrease may arise from the allocation of costs to the different GTBs). The disclosure period also started around 2 months after the non-Maui GTB was acquired by First Gas, and may therefore not be reflective of future operating costs.

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 Schedule 3(i)

5.2 information on reclassified items in accordance with sub-clause 2.7.1(2).

Box 2: Explanatory comment on regulatory profit

There are no items of other regulated income and accordingly no reclassified items.

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

6. If the GTB 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 sub-clause 2.7.1(2)

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

Box 3: Explanatory comment on merger and acquisition expenditure

No merger and acquisition expenditure has been included during 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 sub-clause 2.7.1(2).

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

The value of the regulatory 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.

In our 2016 disclosures, \$85,000 of network spares and equipment was classified as a non-network asset. This has been changed in our 2017 disclosures. In accordance with sub-clause 2.7.1(2) of the information disclosure determination, we provide the following information:

- Network spares and equipment have been re-classified from "Non-network assets" to "Other network" assets.
- The RAB value for the previous disclosure year was \$85,000 and the value for the current disclosure year is \$85,000.
- First Gas categorises network spares and equipment as other network assets.
- The re-classification changes the approach taken in previous years in categorising these assets.

Regulatory tax allowance: disclosure of permanent differences (5a(i) of Schedule 5a)

8. In the box below, provide descriptions and workings of the material permanent differences included in the following items, as recorded in the asterisked categories in 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(i) of Schedule 5a)

9. In the box below, provide descriptions and workings of the material temporary differences included in the following items, as recorded in the asterisked categories in 5a(i) of Schedule 5a:

- 9.1 Income not included in regulatory profit / (loss) before tax but taxable
- 9.2 Expenditure or loss in regulatory profit / (loss) before tax but not deductible
- 9.3 Income included in regulatory profit / (loss) before tax but not taxable
- 9.4 Expenditure or loss deductible but not in regulatory profit / (loss) before tax

Box 6: Temporary differences

Immaterial temporary differences include movements in provisions and accruals.

Related party transactions: disclosure of related party transactions (Schedule 5b)

10. In the box below, provide descriptions of related party transactions beyond those disclosed in Schedule 5b including identification and descriptions as to the nature of directly attributable costs disclosed under sub-clause 2.3.7(2)(b).

Box 7: Related party transactions

A description of all related party transactions has been disclosed in Schedule 5b.

The transactions in this schedule include the sale and purchase of gas between First Gas' two gas transmission businesses. While these transactions are internal transfers, they are disclosed as a related party transaction for the purposes of this disclosure since they take place between the Maui and non-Maui gas transmission businesses.

We have referenced the *Gas Transmission Information Disclosure Amendments Determination (No. 1) 2017* (as at 14 June 2017) when completing the "Basis for determining value" (column K) for our related party transactions. This has required us to update the Commission's template to reference the correct clauses in the IMs and IDs.

Cost allocation (Schedule 5d)

11. In the box below, comment on cost allocation as disclosed in Schedule 5d. This comment must include information on reclassified items in accordance with sub-clause 2.7.1(2).

Box 8: Cost allocation

The accounting-based allocation approach (ABAA) has been applied in accordance with the Input Methodologies determination to allocate non-directly attributable costs in this disclosure year.

The amounts of non-gas transmission services recorded in Schedule 5d for business support relate to allocations of costs during the period.

Change in classification approach for opex costs

Business Support costs include finance, IT, facilities, communications, HR, professional fees and other similar items. First Gas has determined that these activities best fit the definition of business support costs as pertains to these information disclosure statements.

In previous disclosures, the former owner (Vector Limited) had classified these types of expenditure as network support.

As the information disclosure statements for the year ended 30 June 2016 covered periods of ownership by Vector and First Gas, the treatment adopted by Vector was applicable for the first 9 ½ months and First Gas changing the classification for the remaining 2 ½ months.

Due to the change in ownership, we are unable to determine the amount of reclassification between years.

Asset allocation (Schedule 5e)

12. In the box below, comment on asset allocation as disclosed in Schedule 5e. This comment must include information on reclassified items in accordance with sub-clause 2.7.1(2).

Box 9: Commentary on asset allocation

During the 2017 disclosure period, there have been no re-classified items affecting asset allocation.

We have refined our asset allocation methodology in these disclosures. When the 2016 disclosures were completed, First Gas had recently acquired its distribution and transmission businesses and did not have a clear view of relative asset utilisation by each regulated business. During the 2017 disclosure period we have assessed each of our regulated businesses' use of non-network assets and have allocated their value accordingly.

Non-network assets have been allocated across all First Gas regulatory businesses based on head count.

Further information on the change in asset allocation methodology is provided in Schedule 5e of this disclosure.

Capital Expenditure for the Disclosure Year (Schedule 6a)

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

- 13.1 a description of the materiality threshold applied to identify material projects and programmes described in Schedule 6a;
- 13.2 information on reclassified items in accordance with sub-clause 2.7.1(2)

Box 10: 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.

There have been no reclassified items.

We have seen significant capital projects undertaken in this period, with a focus this disclosure period on:

- Increasing the resilience of the network;
- Meeting consumer needs for capacity north of greater Auckland; and
- Implementing new ICT infrastructure for the new First Gas company.

Resilience works

A large number of projects have been undertaken over this period to increase the resilience of the transmission network and ensure a secure supply of gas for our customers. These projects include:

- Installation of pigging facility on the Wellington pipeline;
- Mitigation of geo-hazard risk at Mangatea Road;
- Purchase of additional emergency hot tapping equipment to enable prompt response to emergencies; and
- Replacement of the Kaitoke pneumatic station and compressor control system.

Meeting consumer capacity requirements

The Henderson compressor station and new delivery point at Marsden Point was the largest gas infrastructure upgrade project undertaken by First Gas (or its predecessors) in the last decade. The project was driven by a customer's requirement for higher gas volumes.

ICT capital expenditure

Over the last 12 months First Gas has transitioned from the previous owners' information technology systems to our own separate systems. These new systems, along with new business processes, are helping us better understand the performance of our assets, optimise maintenance to maximise asset life and improve our overall management of risk.

Relocation expenditure

Asset relocation projects are predominantly funded through capital contributions by the third parties requesting the relocation. The relocation expenditure, including capital contributions, is usually low. The negative cost of (\$42k) we are reporting for relocations this year is driven by an over-accrual of expenditure for the Mackays – Peka Peka relocation project in our last disclosure. This project was finalised and commissioned in the 2017 disclosure period.

Further detail on our expenditure for this period, and our plans for the future is available in our 2017 asset management plan update published on the First Gas website here – www.firstgas.co.nz/about-us/regulatory/transmission/

Operational Expenditure for the Disclosure Year (Schedule 6b)

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

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

- 14.2 Information on reclassified items in accordance with sub-clause 2.7.1(2)
- 14.3 Commentary on any material atypical expenditure included in operational expenditure disclosed in Schedule 6b, a including the value of the expenditure the purpose of the expenditure, and the operational expenditure categories the expenditure relates to.

Box 11: Explanation of operational expenditure for the disclosure year

There has been no operational expenditure on asset replacement and renewal.

There have been no reclassified items.

There is no material atypical expenditure included in the schedule.

Variance between forecast and actual expenditure (Schedule 7)

15. 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 sub-clause 2.7.1(2).

Box 12: Explanatory comment on variance in actual to forecast expenditure

This schedule compares data from two different time periods. The forecast data covers a 12-month period, whereas the actual data covers a 15-month period. As advised by Commerce Commission staff, we have shaded out the variation column as it does not provide a "like for like" comparison.

The target numbers disclosed in this schedule differ from First Gas' Transmission Asset Management Plan (AMP) because the AMP is for the combined Maui and Non-Maui gas transmission pipelines.

Information relating to revenues and quantities for the disclosure year

16. 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 sub-clause 2.4.3(3), and total billed line charge revenue for the disclosure year as disclosed in Schedule 8.

Box 13: Explanatory comment relating to revenue for the disclosure year

The difference in target revenue and total billed line charge revenue can be attributed to the difference in pricing and disclosure years, and the difference in time periods.

Target revenue is defined as the target revenue disclosed under clause 2.4.3(3) of the ID determination, which relates to the pricing year of the GTB (ending 30 September). The pricing year reported for our Non-Maui GTB runs from 1 October 2016 to 30 September 2017 (12-month period). The target revenue for this pricing year was \$97,265,888, as disclosed in the 2016/17 Non-Maui Pricing Methodology (see section 3.4.1, page 19, link [here](#)).

The total billed line charge revenue in Schedule 8 (\$119.985 million) is the revenue that relates to the disclosure year. Our disclosure year for our Non-Maui GTB runs from 1 July 2016 to 30 September 2017 (15-month period).

Therefore, the revenues between pricing year forecasts in Schedule 7 and disclosure year actuals from Schedule 8 are not directly comparable with each other.

17. If prices or price category codes (as applicable) have been changed in a disclosure year, please explain in the box below the effect of this on the allocation of quantities and revenues between connection types or contract types (as applicable) disclosed in Schedule 9d(ii) and Schedule 8.

Box 14: Explanatory comment relating to changed prices or price category codes

There have been no changes to price category codes, however prices were changed on 1 October 2016, during the disclosure year.

The change of price does not affect the allocation of quantities between connection or contract types as disclosed in Schedule 8 and Schedule 9d(ii).

However, the change in price does affect the revenues allocated between connection and contract types. This effect is difficult to ascertain due to the price change occurring part way through the disclosure year and occurring at the same time as the annual change in allowable annual revenue (as set by Commerce Commission).

Network Reliability for the Disclosure Year (Schedule 10a)

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

Box 15: Commentary on network reliability for the disclosure year

Planned interruptions are rare events on gas transmission systems and there were none during this disclosure period.

A total of 132 incidents were recorded in this 15-month disclosure period. This is comparable with the number of incidents disclosed for the previous 12-month period (102 incidents). Most of the incidents in this disclosure period relate to station equipment (leaks, controlled venting and product control related) and natural gas odour reported in vicinity of pipelines, unauthorised work over the pipeline, and curtailments.

There were no planned interruptions experienced during this disclosure period and 33 additional interruption and curtailment events were recorded through the period:

- 8 were curtailments caused by third parties; and
- The remaining 25 were curtailments of nominations in line with established contracts. These contracts allow customers to nominate for additional supply above the guaranteed contract amounts based on the pipeline capacity. The ability of a customer to take additional gas is dependent on other users and their contract arrangements allow for curtailment when the additional gas is unavailable.

In schedule 9a and 9b we have disclosed 22 compressors situated at 8 compressor stations. In schedule 10a we have reported operating data for 18 compressors at 7 stations. The reason for the difference is that schedules 9a and 9b account for all stations and compressors owned by First Gas Limited, whereas schedule 10a accounts for all stations and compressor currently operational. This is an increase by 1 unit over last year. This reflects the re-built Henderson Compressor Station, with its two new electric drive machines, coming online approximately two thirds of the way through this disclosure period. Previously, only one gas engine driven machine was available at the site.

Two emergencies occurred over this disclosure period. These were:

- A leak of odorant at Pokuru Offtake on 23 May 2017. This was due to a fault with a pressure indicator. A member of the public reported a strong smell of gas at 07:10. The technician reached site at 08:45; and
- A Critical Contingency was declared on 23 May 2017 due to a supply and demand imbalance on the transmission system that breached a time to minimum pressure threshold. The Critical Contingency event was responded to immediately. The Critical Contingency Operator was present when the Emergency was declared and the Critical Contingency was published on OATIS 37 minutes after the Critical Contingency was declared.

Insurance cover

19. In the box below, provide details of any insurance cover for the assets, including-

19.1 The GTB's approaches and practices in regard to the insurance of assets, including the level of insurance;

19.2 In respect of any self-insurance, the level of reserves, details of how reserves are managed and invested, and details of any reinsurance.

GAS TRANSMISSION INFORMATION DISCLOSURE DETERMINATION 2012 – (CONSOLIDATED IN 2015) –
SCHEDULES 14-15

Box 16: Explanation of insurance cover

For the period under First Gas ownership, insurance cover has been obtained for the assets in the non-Maui GTB. These policies cover material damage, business interruption and contract works insurance.

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

Amendments to previously disclosed information

20. 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:

20.1 a description of each error; and

20.2 for each error, reference to the web address where the disclosure made in accordance with clause 2.12.1 is publicly disclosed.

Box 17: Disclosure of amendment to previously disclosed information

No amendments are required.

GAS TRANSMISSION INFORMATION DISCLOSURE DETERMINATION 2012 – (CONSOLIDATED IN 2015) –
SCHEDULES 14-15

Company Name	<u>First Gas Limited (Non-Maui GTB)</u>
For Year Ended	<u>30 September 2017</u>
Period	<u>15 months</u>

Schedule 15 Voluntary Explanatory Notes

1. This schedule enables GTBs to provide, should they wish to-
 - 1.1 additional explanatory comment to reports prepared in accordance with clauses 2.3.1, 2.4.20, 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**Period covered**

Due to the different time period covered by this disclosure, we have noted the period covered (in months) at the top of each of the schedules.

The change in time period for this disclosure was necessary to transition First Gas' transmission and distribution businesses all to a 30 September year end. This was enabled by the [FAST TRACK] *Gas Transmission Information Disclosure Amendments Determination (No. 1) 2017* (as at June 2017).

Alignment of disclosure years

First Gas notes that this information disclosure will be the final information disclosure for its Non-Maui (ex-Vector Limited) gas transmission business. From 1 October 2017, First Gas will disclose consolidated schedules for its Non-Maui and Maui (ex-Maui Development Limited) gas transmission businesses.

This has been enabled by the Commerce Commission's decision to have a single GTB under the 2017 – 2022 Default Price-Quality Path (DPP) and the decision (14 June 2017) to align the disclosure years applicable to First Gas' transmission and distribution businesses to a 30 September year end, effective from 1 October 2017. This will see information disclosure years aligned with pricing years for all aspects of the business, and we consider that this approach will provide stakeholders with greater transparency of our transmission business going forward

Data incorporated from Vector Limited

First Gas has incorporated information provided by Vector Limited for the period from 1 July 2016 up to and including 31 August 2016. During this time period Vector was providing support to First Gas under a transition services agreement. We have amended our disclosure certificate (see below) to note the reliance on Vector data for part of this disclosure year.

Change to number of cathodic protection rectifier units

First Gas has changed the number of cathodic protection units reported in Schedule 9a for the start of a year. During internal review, we observed that the ending number of units for the 2016 disclosure year was 34, whereas the starting number of units was 37. Review of historic data has identified that the error occurred from data provided in 2013.

Change to number of odourisation plants

Historic data showed an incorrect number of odourisation plants. We have changed the 2017 disclosure to show the correct number of 22 units.

Formula amendments for 15-month disclosure period

First Gas has been granted an exemption to amend the formula that calculates the return on investment (ROI) for the current year. This is necessary to ensure that the resulting ROI figures reflect a 15-month period, rather than a standard 12-month period.

Exemptions

We have been granted the following exemptions for this information disclosure:

- Schedule 2: Report on return on investment; and
- Schedule 19: Certification for year-end disclosures.

The scope of these exemptions is relatively small. Therefore, therefore we do not consider that these exemptions will affect the ability of interested parties to evaluate the performance of our GTB.

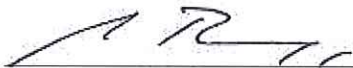
INFORMATION DISCLOSURE CERTIFICATE FOR NON-MAUI GTB

Schedule 19 Certification for Year-end Disclosures

Clause 2.9.3

We, Philippa Jane Dunphy and Euan Richard Krogh, being directors of First Gas Limited certify that, having made all reasonable enquiry and incorporating information provided by Vector Limited under the transition service agreement for the period 1 July 2016 up to and including 31 August 2016, to the best of our knowledge-

- a) the information, prepared for the purposes of clauses 2.3.1, 2.3.2, 2.4.20, 2.5.1 and 2.7.1 of the *Gas Transmission Information Disclosure Determination 2012* in all material respects complies with that determination; and
- b) the historical information used in the preparation of Schedules 8, 9a, 9b, 9c, 9d, 10a, 10b and 14 has been properly extracted from the accounting and other records of Vector Limited and First Gas Limited sourced from the applicable financial and non-financial systems, and that sufficient appropriate records have been retained as appropriate by Vector Limited and First Gas Limited.



Philippa Dunphy
Director

21 March 2018

Date



Richard Krogh
Director

21 March 2018

Date

Independent Reasonable Assurance Report to the Directors of First Gas Limited and to the New Zealand Commerce Commission

Conclusion

We have concluded that, in all material respects, Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7 and 14 (boxes 1 – 12) of the First Gas Limited (Non-Maui pipeline) Gas Transmission Information Disclosure Requirements Information Templates (the 'schedules'), have been prepared, in accordance with the Commerce Commission Gas Transmission Information Disclosure Amendments Determination (No. 1) 2017 – 14 June 2017 and the related Reasons Paper and Input Methodologies (together 'the determination') for the 15 months ended 30 September 2017.

Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to First Gas Limited's schedules for the 15 months ended 30 September 2017.

Criteria

We have performed an engagement to provide reasonable assurance in relation to the Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7 and 14 (boxes 1 – 12) prepared in accordance with the determination for the 15 months ended 30 September 2017.

As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the schedules as at 30 September 2017 have been kept by First Gas Limited for the 15 months ended 30 September 2017.

As far as appears from examination, the information used in the preparation of the schedules as at 30 September 2017 has been properly extracted from First Gas Limited's accounting and other records and has been sourced, where appropriate, from First Gas Limited's financial and non-financial systems.

Standards we followed

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements SAE 3100 *Compliance Engagements*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In accordance with those standards we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable assurance that the schedules are free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

How to interpret reasonable assurance and material misstatement

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

Misstatements, including omissions, within the schedules are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the schedules.

Use of this assurance Report

Our report should not be regarded as suitable to be used or relied on by any parties other than First Gas Limited and the New Zealand Commerce Commission in relation to section 2.8.1 of the determination for any purpose or in any context. Any party other than First Gas Limited or the New Zealand Commerce Commission who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than First Gas Limited and the New Zealand Commerce Commission for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to First Gas Limited and the New Zealand Commerce Commission on the basis that it shall not be copied, referred to or disclosed, in whole (save for First Gas Limited's own internal purposes) or in part, without our prior written consent.

Directors' responsibility for the schedules

The directors of the company are responsible for the preparation and fair presentation of the schedules in accordance with the determination. This responsibility includes such internal control as the directors determine is necessary to enable the preparation of the schedules that is free from material misstatement whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion to the directors on the preparation and presentation of the schedules in accordance with the determination.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance conclusion.

Our independence and quality control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided audit, other assurance and non-audit services to First Gas Limited. Partners and employees of our firm may also deal with First Gas Limited on normal terms within the ordinary course of trading activities of the business of First Gas Limited. These matters have not impaired our independence as assurance practitioners for this assurance engagement. The firm has no other relationship with, or interest in, First Gas Limited.



KPMG
Auckland

21 March 2018