



**INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF MAINPOWER NEW ZEALAND LIMITED AND THE COMMERCE COMMISSION**

Report on the Disclosure Information prepared in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated in 2018)

We have conducted a reasonable assurance engagement on whether the information disclosed by MainPower New Zealand Limited (the 'Company') required to be disclosed in accordance with the Electricity Distribution Information Disclosure Determination 2012 (consolidated April 2018) as amended by the Information Disclosure exemption: Disclosure and auditing of reliability information within Schedule 10, issued by the Commerce Commission on 17 May 2021 ('the Determination') for the disclosure year ended 31 March 2021, has been prepared, in all material respects, in accordance with the Determination.

The information required to be reported by the Company, under the Determination is in schedules 1 to 4, 5a to 5g, 6a and 6b, 7, the system average interruption duration index ('SAIDI') and system average interruption frequency index ('SAIFI') information disclosed in Schedule 10 and the explanatory notes in boxes 1 to 11 in Schedule 14 ('the Disclosure Information').

Further, we have conducted a reasonable assurance engagement on whether the Company's basis for valuation of related party transactions ('the Related Party Transaction Information') for the disclosure year ended 31 March 2021, has been prepared, in all material respects, in accordance with clause 2.3.6 2.3.8, 2.3.10, 2.3.11 and 2.3.12 of the Determination, and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated May 2020) ('the Input Methodologies Determination').

Opinion

This opinion has been formed on the basis of, and is subject to, the inherent limitations outlined elsewhere in this independent assurance report.

In our opinion, for the period 1 April 2020 to 31 March 2021:

- the Company has complied, in all material aspects, with the Determination in relation to the Company's preparation of the Disclosure Information;
- 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 of the records, 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; and
- the Related Party Transaction Information complies, in all material respects, with the Information Disclosure Determination and the Input Methodologies Determination.

Basis of opinion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Standard on Assurance Engagements 3100 (Revised): *Compliance Engagements* issued by the New Zealand Auditing and Assurance Standards Board.

These standards require that we comply with ethical requirements and plan and perform our assurance engagement to provide reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, with the Information Disclosure Determination, and about whether the Related Party



Transaction Information has been prepared, in all material respects, with the Determination and the Input Methodologies Determination. Reasonable assurance is a high level of assurance.

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

Key Audit Matters

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

Key audit matter	How our procedures addressed the key audit matter
<p>The Information Disclosure Determination defines certain quality measure in relation to the number of interruptions, faults, and causes of faults. These quality measures are expressed in the form of SAIDI and SAIFI values.</p> <p>SAIFI and SAIDI is calculated using aggregate faults and interruptions information for the period through prescribed formulas and requirements per Attachment B of the Determination.</p> <p>During the year the Company transitioned its fault information to an automated system being ADMS, however for first part of the year the Company continued to use Outage Manager through GIS to automatically log outages in the faults database.</p> <p>There were manual processes in place to ensure that all outages were correctly recorded. In particular, manual processes were used for identifying outages and for recording the duration of outages in some locations. When outages occurred in these locations the Company is dependent on customers advising it of the outage. The means by which the advice from customers was recorded by the Company could result in inaccuracies in the reported Disclosure Information.</p> <p>Information on the frequency and duration of outages is an important measure about the reliability of electricity supply. Given the manual component in the process of recording the outages for the first part of the year, the completeness and accuracy of outage information was identified as a key audit matter.</p>	<p>We have obtained an understanding of the Company’s methods by which electricity outages and their duration are recorded.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • testing the design and implementation of key controls related to the recording and review of outage data; • selecting a sample of outage events from the Raw data Outage report (list of all events recorded in the system) used to prepare the schedules and traced the start time, number of customers affected and end time to the fault log sheet and responding technicians records; • assessing the reasonableness of why certain events have not been recorded as an outage events as well as verifying whether any major weather events have had an impact on outages recorded in the report; • selecting a sample of outage events captured by the system management software used to monitor the network and traced the start time, number of customers affected and the end time to the information recorded in the Raw data Outage report; • selecting a sample of the manual outage sheets traced the start time, number of customers affected and the end time to the information recorded in the Raw data Outage report;

	<ul style="list-style-type: none">• performing analytical procedures on the outage data, including analysing actual outages compared with prior year outages;• Recalculating normalised SAIDI and SAIFI using the predetermined boundary limits; and Reviewing the disclosure in Schedule 14 in respect of the treatment of successive interruptions.
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Board of Directors' Responsibilities

The Board of Directors is responsible on behalf of the Company for the preparation of the Disclosure Information and Related Party Transaction Information in accordance with the Determination. The responsibility includes the design, implementation and maintenance of internal control relevant to the Company's preparation of the Disclosure Information and the Related Party Transaction Information with the Determination.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) ('PES-1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than in our capacity as auditor, the provision of a fraud awareness workshop and the other assurance engagement in relation to the Commerce Commission disclosure audit, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, 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.

Auditor's Responsibility

Our responsibility is to express an opinion whether the Disclosure Information and the Related Party Transaction Information has been prepared, in all material respects, in accordance with the Determination and the Input Methodologies Determination. Our engagement has been conducted in accordance with Standard on Assurance Engagements 3100 (Revised): Compliance Engagements, to provide reasonable assurance that the that the Company has complied, in all material aspects, with the Determination in relation to the preparation of the Disclosure Information and the Related Party Transaction Information.

An assurance engagement to report on the Company's preparation of the Disclosure Information and the Related Party Transaction Information in accordance with the Determination and the Input Methodologies Determination involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the requirements of the Determination and the Input Methodologies Determination. The procedures selected depend on our judgement, including the identification and assessment of risk of material



non-compliance with the Determination and the Input Methodologies Determination.

We have performed procedures to obtain evidence about the amounts and disclosures in the Disclosure Information and the basis of valuation in the Related Party Transaction Information. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the Disclosure Information and Related Party Transaction Information, whether due to fraud or error or non-compliance with the Information Disclosure Determination or the Input Methodologies Determination. In making those risk assessments, we considered internal control relevant to the Company's preparation of the Disclosure Information and Related Party Transaction Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Our Qualifications

We are qualified as an auditor as defined in the Determination.

Inherent Limitations

Because of the inherent limitations of a reasonable assurance engagement, and the test basis of the procedures performed, it is possible that fraud, error or non-compliance may occur and not be detected.

We did not examine every transaction, adjustment or event underlying the Disclosure Information or the Related Party Transaction Information nor do we guarantee complete accuracy of the Disclosure Information or the Related Party Transaction Information. Also we did not evaluate the security and controls over the electronic publication of the Disclosure Information or the Related Party Transaction Information.

The opinion expressed in this independent assurance report has been formed on the above basis.

Use of Report

This independent assurance report has been prepared solely for the directors of the Company and for the Commerce Commission for the purpose of providing those parties with reasonable assurance about whether the Disclosure Information has been prepared, in all material respects, in accordance with the Determination, and about whether the Related Party Transaction Information has been prepared in all material respects with the Determination and the Input Methodologies Determination. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the Company or the Commerce Commission, or for any other purpose than that for which it was prepared.

Deloitte Limited

Christchurch, New Zealand

19 August 2021