



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 July 2023)

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 July 2023) including the Information Disclosure Exemption: Disclosure and auditing of reliability information issued on 26 May 2023 (the 'Determination') for the disclosure year ended 31 March 2023, has been prepared, in all material respects, in accordance with the Determination.

The information required to be reported by the Company and audited, under the Information Disclosure Determination is in schedules 1 to 4, 5a to 5g, 6a and 6b, 7, 10 and the explanatory notes in boxes 1 to 11 of Schedule 14 ('the Disclosure Information').

Further to the above, 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 2023, has been prepared, in all material respects, in accordance with clause 2.3.6 of the Determination, and clauses 2.2.11(1)(g) and 2.2.11(5) of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated 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:

- the Company has complied, in all material respects, with the Determination in preparing the Disclosure Information;
- the Related Party Transaction Information complies, in all material respects, with the Determination and the Input Methodologies Determination;
- as far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Disclosure Information and the Related Party Transaction information have been kept by the Company; and
- as far as appears from an examination of the records, the information used in the preparation of the Disclosure Information and the Related Party Transaction 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.

Basis of opinion

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

The standard 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 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, and in forming our opinion. We do not provide a separate opinion on these matters.

Key audit matter	How our procedures addressed the key audit matter
<p>Completeness & accuracy of non-financial reporting disclosures in relation to faults data capture (SAIDI/SAIFI)</p> <p>The Information Disclosure Determination defines certain quality measures in relation to the number and duration of interruptions, faults, and causes of faults. These quality measures are expressed in the form of SAIDI and SAIFI values.</p> <p>The accuracy of the data is a key audit matter because information on the frequency and duration of outages is an important measure about the reliability of electricity supply.</p> <p>The completeness of the data is a key audit matter because although the faults database is automated, the details of some faults are entered manually onto a portable device which then flows into the Advanced Distribution Management System ('ADMS') which automatically logs all outages into the faults database.</p>	<p>We have:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's methods by which electricity outages and their duration are recorded; • Assessed the design and implementation of key controls related to the recording, reconciliation and review of outage data obtained from ADMS; • For a sample of outage events from the Raw Data Outage Report (list of all events recorded in the system) used to prepare the schedules, traced the start time, number of customers affected and end time to the fault log sheet and responding technicians records; • Assessed the reasonableness of why certain events have not been recorded as outage events as well as verifying whether any major weather events have had an impact on outages recorded in the report; • For a sample of events captured by the system management software used to monitor the network, traced the start time, number of customers affected and the end time to information recorded in the Raw Data Outage Report; • For a sample of 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; • Performed analytical procedures on the outage data, including analysing actual outages compared with prior year outages; • Recalculated normalised SAIDI and SAIFI using the predetermined boundary limits; and • Reviewed the disclosure in Schedule 14 in respect of the treatment of successive interruptions.

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 and the Input Methodologies 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, and the provision of other assurance services, we have no relationship with or interests in the Company. These services have not impaired our independence as auditor of MainPower New Zealand Limited.

The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including 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. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance that the Company has complied, in all material aspects, with the Determination and the Input Methodologies 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 control implemented to meet the requirements of the Determination and the Input Methodologies Determination. The procedures selected depend on our judgment, 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 the valuation in the Related Party Transaction Information. The procedures selected depend on our judgment, 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 Determination of 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.

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
23 August 2023