



Orion New Zealand Limited

Electricity Distribution Services  
Default Price-Quality Path Determination 2020

**Annual compliance statement**

For the year ending 31 March 2025

Issued 22 August 2025

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## 1. INTRODUCTION

Orion New Zealand Limited (Orion) is subject to price-quality regulation under Part 4 of the Commerce Act 1986. The Commerce Commission has set a Default Price-Quality Path (DPP) that Orion is subject to for five years, 1 April 2020 to 31 March 2025 (the DPP regulatory period).

This annual compliance statement is published per clause 11.4 of the Electricity Distribution Services Default Price-Quality Path Determination 2020 (the Determination). This statement applies to the fifth assessment period, commencing 01 April 2024 and ending 31 March 2025.

This statement confirms that Orion:

- complies with the requirements to calculate the wash-up amount for the assessment period (Section 2.1 );
- complies with the quality standards for the assessment period (Section 2.2); and
- has not entered into any agreements with another electricity distribution business (EDB) or Transpower for an amalgamation, merger, major transaction, or transfer in the assessment period (Section 2.3).

### Date Prepared

This annual compliance statement was prepared on 22 August 2025. A copy is available at Orion's office at 565 Wairakei Road, Burnside, Christchurch. The annual compliance statement is published on Orion's website at [www.oriongroup.co.nz](http://www.oriongroup.co.nz) and additional copies can be provided on request.

## 2. COMPLIANCE STATEMENTS

### 2.1 WASH-UP AMOUNT CALCULATION

As required by clause 8.6 of the Determination, Orion must calculate a wash-up amount for each assessment period using the methodology specified in Schedule 1.6 of the Determination.

The wash-up amount calculated for this assessment period will be used in determining the forecast allowable revenue for the second assessment period of the next regulatory period, beginning 1 April 2026, as part of the wash-up drawdown amount calculation.

As demonstrated in Table 1 below, and consistent with clause 8.6 of the Determination, Orion has complied with the requirement to calculate the wash-up amount for the fifth assessment period.

Wash up amount		
Term	Description	Value (\$000)
<b>Actual allowable revenue (AAR)</b>	Actual net allowable revenue + actual pass-through costs and actual recoverable costs + revenue wash-up draw down amount	276,253.6
<b>Actual revenue (AR)</b>	Actual revenue from prices + other regulated income	262,002.4
<b>Revenue foregone (RV)</b>	Actual net allowable revenue x (revenue reduction percentage - 20%) when Revenue Reduction Percentage is greater than 20%, otherwise nil	Nil
<b>Wash-up amount</b>	$AAR - AR - RV$	14,251.2

**Table 1: Wash-up amount calculation**

The wash-up amount calculated for this assessment period will increase the forecast allowable revenue for the second assessment period of the next regulatory period, starting 1 April 2026. The main reasons for the wash-up of this assessment period are:

- The actual net allowable revenue (\$192,611.8k) surpassed the forecast net allowable revenue (\$171,521.0k) by \$21,090.8k. This is primarily due to the cumulative impact of CPI adjustments over the regulatory period.
- The pass-through and recoverable costs were lower than forecast which offset the wash-up amount by \$2,620k. The forecasts are inherently based on historical data and informed assumptions about the future conditions when setting prices. Such variances are a normal part of financial planning.

### 2.1.1 ACTUAL ALLOWABLE REVENUE

Actual allowable revenue for the fifth assessment period includes the actual net allowable revenue, actual pass-through and recoverable costs, and revenue wash-up drawdown amount.

Table 2 below shows the actual allowable revenue for the fifth assessment period is consistent with Schedule 1.6 of the Determination.

Actual allowable revenue		
Term	Description	Value (\$000)
<b>Actual net allowable revenue (ANAR)</b>	Amount calculated in accordance with Schedule 1.6 of the Determination	192,611.8
<b>Actual pass-through costs</b>	Sum of all pass-through costs that were incurred or approved by the Commission in the assessment period	7,576.9
<b>Actual recoverable costs</b>	Sum of all recoverable costs that were incurred or approved by the Commission in the assessment period	61,602.0
<b>Revenue wash-up draw down amount</b>	Opening wash-up account balance of the assessment period which is the closing wash-up account balance of the previous assessment	14,463.0
<b>Total actual allowable revenue (AAR)</b>	Actual net allowable revenue + actual pass-through costs and actual recoverable costs + Revenue wash-up draw down amount	<b>276,253.6</b>

**Table 2: Actual allowable revenue calculation**

Further information supporting actual pass-through costs and actual recoverable costs are included in Appendix A.

### 2.1.2 ACTUAL REVENUE

The Determination defines actual revenue as the sum of actual revenue from prices and other regulated income.

Table 3 below shows actual revenue for the assessment period consistent with clause 4.2 of the Determination.

Actual revenue		
Term	Description	Value (\$000)
<b>Actual revenue from prices</b>	Actual prices between 1 April 2024 and 31 March 2025 multiplied by actual quantities for the assessment period	258,169.7
<b>Other regulated income</b>	Other income associated with supply of electricity distribution services	3,832.8
<b>Total actual revenue (AR)</b>	Sum of actual revenue from prices + other regulated income	<b>262,002.4</b>

**Table 3: Actual revenue calculation**

Further information supporting actual revenue from prices is included in Appendix B.

2.1.3 REVENUE FOREGONE

Per clause 4.2 of the Determination, revenue foregone is the actual net allowable revenue multiplied by (the revenue reduction percentage – 20%). Where the revenue reduction percentage is not greater than 20%, the revenue foregone is nil.

Table 4 below shows that Orion’s revenue foregone was not greater than 20% for the fifth assessment period and is nil.

Revenue foregone		
Term	Description	Value
Actual net allowable revenue (ANAR)	Actual net allowable revenue for the fifth assessment period	192,611.8k
Revenue reduction percentage (RRP)	1 – (actual revenue from prices ÷ forecast revenue from prices)	-0.1%
Revenue foregone (RV)		Nil

Table 4: Revenue foregone calculation

## 2.2 QUALITY STANDARD STATEMENT

Orion must comply with the quality standards specified in the Determination. This section of the Annual Compliance Statement demonstrates Orion's compliance with the quality standards.

### 2.2.1 STATEMENT OF COMPLIANCE WITH PLANNED INTERRUPTIONS QUALITY STANDARDS

Planned interruptions consists of all Class B interruptions on the Orion network measured as System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI).

Clause 9.2 of the Determination specifies that to comply with the planned interruption's reliability assessment cap, the sum of planned SAIDI and SAIFI assessed values for all five assessment periods of the DPP regulatory period (i.e., the five years from 1 April 2020 to 31 March 2025) must not exceed the planned accumulated SAIDI and SAIFI limits as specified in Schedule 3.1 of the Determination.

Table 5 and Table 6 below show the planned accumulated SAIDI and SAIFI limits for Orion for the DPP regulatory period, the planned SAIDI and SAIFI assessed values for the fifth assessment period and the planned accumulated SAIDI and SAIFI assessed values for the regulatory period. It shows that Orion has complied with the planned interruption quality standards.

Planned interruptions quality standard - SAIDI	
Planned SAIDI assessed value for the fifth assessment period	17.84
Planned accumulated SAIDI assessed value at the end of the fifth assessment period	107.59
Planned accumulated SAIDI limit for the regulatory period	198.40
Compliance result	Compliant

**Table 5: Planned SAIDI for the assessment period**

Planned interruptions quality standard - SAIFI	
Planned SAIFI assessed value for the fifth assessment period	0.0997
Planned accumulated SAIFI assessed value at the end of the fifth assessment period	0.4180
Planned accumulated SAIFI limit for the regulatory period	0.7481
Compliance result	Compliant

**Table 6: Planned SAIFI for the assessment period**

Further information supporting planned SAIDI assessed values are included in the section below.

### Planned SAIDI assessed values

Orion has calculated the SAIDI assessed value in accordance with subclause 2 of Schedule 3.1.

Table 7 below shows the calculations of Orion's planned SAIDI assessed values for the assessment period.

Planned SAIDI assessed value		
Term	Description	Value
<b>Class B non-notified interruptions</b>	Class B interruptions that are not notified interruptions	1.24
<b>Class B notified interruptions falling outside window</b>	Class B notified interruptions occurred partially or wholly outside of their specified notified window or alternate day	1.42
<b>SAIDI<sub>B</sub></b>	<b>Sum of Class B non-notified interruptions and notified interruptions falling outside window</b>	<b>2.66</b>
<b>Class B notified interruptions falling within window</b>	The SAIDI values of any Class B notified interruptions where the SAIDI value is the greater of that calculated based on:  (i) The duration of minutes accumulated for each ICP that the Class B notified interruption occurred for; and  (ii) The period of the notified interruption window minus two hours	28.17
<b>Class B intended interruptions cancelled without notice</b>	The 'intended SAIDI values' of any intended interruption cancelled without notice is the greater of that calculated based on:  (i) The duration of minutes accumulated for each ICP that the intended interruption occurred for, which will be nil; and  (ii) The period of the notified interruption window minus two hours.	2.19
<b>Class B intended interruptions cancelled with notice</b>	The 'intended SAIDI values' of any intended interruption cancelled with notice, where the 'intended SAIDI value' for each of those intended interruptions cancelled with notice is nil.	0
<b>SAIDI<sub>N</sub></b>	<b>Sum of Class B notified interruptions falling within window and intended interruptions cancelled</b>	<b>30.36</b>
<b>Planned SAIDI assessed value</b>	<b>SAIDI<sub>B</sub> + (SAIDI<sub>N</sub> / 2)</b>	<b>17.84</b>

**Table 7: Planned SAIDI assessed value calculation**

### 2.2.2 STATEMENT OF COMPLIANCE WITH UNPLANNED INTERRUPTION QUALITY STANDARDS

Clause 9.8 of the Determination specifies that to comply with the annual unplanned interruption's reliability assessment, Orion's unplanned SAIDI and SAIFI assessed values must not exceed the SAIDI and SAIFI annual limits.

The unplanned SAIDI assessment limit and the unplanned SAIFI assessment limit are specified in Schedule 3.2 of the Determination.

Unplanned SAIDI is calculated by listing all unplanned Class C interruptions on the Orion network for the assessment period.



Unplanned SAIDI is normalised for major events (MEs). For any 24-hour period that starts on the hour or half past the hour, a SAIDI major event is triggered when the sum of SAIDI values over that 24-hour period for unplanned interruptions exceeds Orion's SAIDI unplanned boundary value of 7.60, specified in Schedule 3.2 of the Determination.

Table 8 below shows that Orion has complied with the unplanned interruptions quality standard as Orion unplanned SAIDI assessed value is less than its unplanned SAIDI limit for the assessment period.

Unplanned interruptions quality standard - SAIDI		
<b>Unplanned SAIDI Limit</b>	<b>Schedule 3.2 of the Determination</b>	<b>84.71</b>
Unplanned SAIDI assessed value	Sum of the SAIDI values for Class C interruptions commencing within the assessment period, where the SAIDI value for each 30-minute period that starts on the hour or half past the hour within a SAIDI major event that exceeds 1/48 <sup>th</sup> of the SAIDI unplanned boundary value for that assessment period is replaced with the 1/48 <sup>th</sup> of the SAIDI unplanned boundary value for that assessment period.	23.39
<b>Compliance result</b>		<b>Compliant</b>

**Table 8: Unplanned SAIDI for the assessment period**

Unplanned SAIFI is calculated by listing all unplanned Class C interruptions on the Orion network for the assessment period.

Unplanned SAIFI is normalised for major events (MEs). For any 24-hour period that starts on the hour or half past the hour, a SAIFI major event is triggered when the sum of SAIFI values over that 24-hour period for unplanned interruptions exceeds Orion's SAIFI unplanned boundary value of 0.0668, specified in Schedule 3.2 of the Determination.

Table 9 below shows that Orion has complied with the unplanned interruptions quality standard as Orion's unplanned SAIFI assessed value is less than its unplanned SAIFI limit for the assessment period.

Unplanned interruptions quality standard - SAIFI		
<b>Unplanned SAIFI limit</b>	<b>Schedule 3.2 of the Determination</b>	<b>1.0336</b>
<b>Unplanned SAIFI assessed value</b>	Sum of the SAIFI values for Class C interruptions commencing within the assessment period, where the SAIFI value for each 30-minute period that starts on the hour or half past the hour within a SAIFI major event that exceeds 1/48 <sup>th</sup> of the SAIFI unplanned boundary value for that assessment period is replaced with the 1/48 <sup>th</sup> of the SAIFI unplanned boundary value for that assessment period	0.4233
<b>Compliance result</b>		<b>Compliant</b>

**Table 9: Unplanned SAIFI for the assessment period.**

Information about policies, procedures and calculations for measuring planned and unplanned interruptions during the assessment are included in Appendix C.

### 2.2.3 MAJOR EVENTS

There were no SAIDI or SAIFI major events identified during the assessment period. Therefore, there were no normalisation adjustments to apply to the calculated SAIDI and SAIFI results for unplanned interruptions.

### 2.2.4 STATEMENT OF COMPLIANCE WITH EXTREME EVENT STANDARD

Clause 9.10 of the Determination specifies that, to comply with extreme event standards, Orion must not have an extreme event in the assessment period. The calculation of the unplanned interruptions excluded any unplanned interruption that is the result of major external factors. The extreme event standard limit is specified in paragraphs (1)(a) and (b) of Schedule 3.3 of the Determination.

Table 10 below shows that Orion has complied with the extreme event standard for the assessment period.

<b>Extreme event standard</b>	
<b>Number of extreme events</b>	Nil
<b>Compliance result</b>	<b>Compliant</b>

**Table 10: Extreme event standard for the assessment period**

### 2.2.5 QUALITY INCENTIVE ADJUSTMENT

The quality incentive adjustment is intended to provide an incentive for Orion to maintain or improve its quality of supply over the DPP regulatory period.

The method to calculate the quality incentive adjustment is specified in Schedule 4 of the Determination.

Table 11 below shows that Orion's quality incentive adjustment for the assessment period is a reward of \$1,403.5k.

<b>Quality Incentive Adjustment</b>		
<b>Term</b>	<b>Description</b>	<b>Value</b>
Planned SAIDI adjustment	$(\text{SAIDI}_{\text{planned, target}} - \text{SAIDI}_{\text{planned, assessed}}) \times 0.5 \times \text{IR}$	-\$73,094
Unplanned SAIDI adjustment	$(\text{SAIDI}_{\text{unplanned, target}} - \text{SAIDI}_{\text{unplanned, assessed}}) \times \text{IR}$	\$1,365,011
Total uncapped adjustment	SAIDI planned adjustment + SAIDI unplanned adjustment	\$1,291,918
Revenue at risk	$0.02 \times \text{ANAR}$	\$3,852,236
<b>Total reward</b>	<b>Lessor of the total uncapped adjustment and revenue at risk</b>	<b>\$1,291,918</b>
67 <sup>th</sup> percentile estimate of post-tax WACC		4.23%
<b>Quality incentive adjustment</b>	$\text{Total reward} \times (1 + 67^{\text{th}} \text{ percentile estimate of post-tax WACC})^2$	<b>\$1,403,525</b>

**Table 11: Quality incentive adjustment calculation**

The quality incentive adjustment will be applied as a recoverable cost when setting our prices two years after this assessment period, i.e., prices effective 1 April 2026.

Table 12 below show the inputs used to calculate Orion's quality incentive adjustment for the assessment period.

Quality Incentive Adjustment Inputs					
Raw Inputs					
Term	Units	Value	Term	Units	Value
SAIDI planned interruption collar	minutes	0	SAIDI unplanned interruption collar	minutes	0
SAIDI planned interruption target	minutes	13.23	SAIDI unplanned interruption target	minutes	66.47
SAIDI planned interruption cap	minutes	39.68	SAIDI unplanned interruption cap	minutes	84.71
Planned SAIDI assessed value	minutes	17.84	Unplanned SAIDI assessed value	minutes	23.39
Incentive rate		\$31,686			
Actual net allowable revenue (ANAR)		\$192,611.8k			
Output Calculations					
SAIDI planned interruption target	minutes	13.23	SAIDI unplanned interruption target	minutes	66.47
Minimum of the planned SAIDI cap and assessed value	minutes	17.84	Minimum of the unplanned SAIDI cap and assessed value	minutes	23.39
Planned SAIDI subject to incentive	minutes	- 4.61	Unplanned SAIDI subject to incentive	minutes	43.08
Weighted incentive rate (IR x 0.5)		\$15,843	Incentive rate (IR)		\$31,686
SAIDI planned adjustment	-\$73,094		SAIDI unplanned adjustment	\$1,365,011	

**Table 12: Quality incentive adjustment calculation**

## 2.3 TRANSACTIONS

Orion has not entered into any agreements with another EDB or Transpower for an amalgamation, merger, major transaction, or transfer in the assessment period.

### **3. DIRECTORS CERTIFICATION**

A Directors' certificate in the form set out in Schedule 7 of the Determination is included in Appendix D.

### **4. ASSURANCE REPORT**

An assurance report meeting the requirements of Schedule 8 of the Determination is included in Appendix E.

## APPENDIX A – PASS-THROUGH AND RECOVERABLE COSTS

### Pass-through costs

Table 13 below shows the actual pass-through costs for the fifth assessment period.

Actual pass-through costs	
Actual pass-through costs	Actual (\$000)
Rates on system fixed assets	5,574.1
Commerce Commission Levies	903.4
Electricity Authority levies	951.5
Utilities Disputes levies	147.8
<b>Total actual pass-through cost</b>	<b>7,576.9</b>

**Table 13: Pass-through costs for the assessment period**

## Recoverable costs

Table 14 below shows the actual recoverable costs for the fifth assessment period

Actual recoverable costs	
Actual recoverable costs	Actual (\$000)
IRIS incentive adjustment	Nil
Transpower transmission charges	56,707.3
Transpower new Investment contract charges	3,277.0
Avoided transmission charges from asset transfers	Nil
System operator serviced charges	Nil
Distributed generation allowance	Nil
Catastrophic even allowance	Nil
Extended reserve allowance	Nil
Quality incentive adjustment	678.3
Capex wash-up adjustment	799.0
Revenue wash-up draw down amount	Nil
Fire and Emergency NZ levies	140.4
Innovation project allowance	Nil
Urgent project allowance	Nil
<b>Total actual recoverable costs</b>	<b>61,602.0</b>

**Table 14: Recoverable costs for the assessment period**

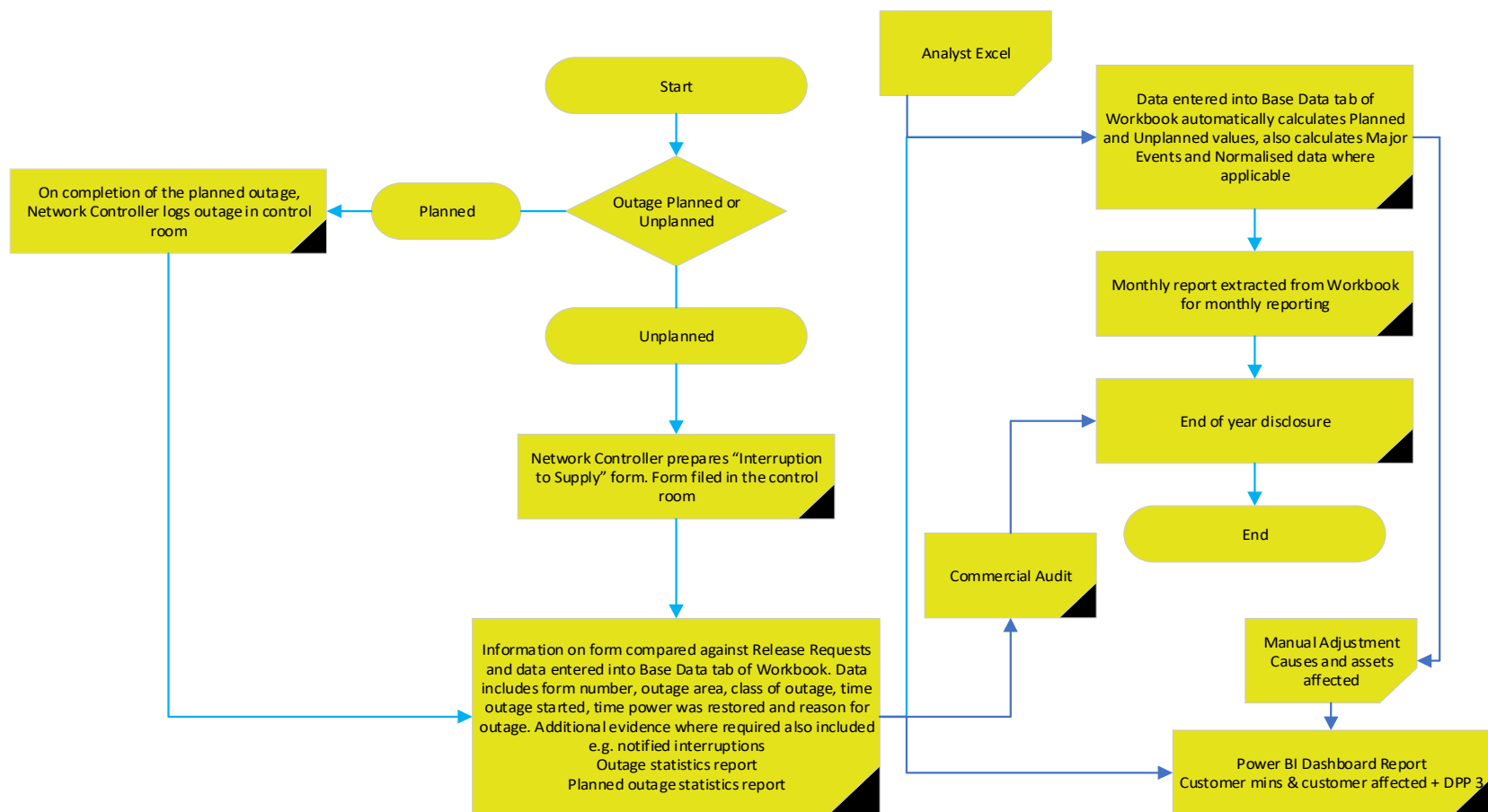
## APPENDIX B – ACTUAL REVENUE FROM PRICES

The actual prices and quantities for actual revenue from prices for the fifth assessment period.

	FY2025 Delivery Prices	FY2025 Actual Quantities	Days applicable	Price x Quantity
<b>Streetslighting, general and irrigation connections</b>				(\$'000)
<b>Fixed daily charge</b>				
Streetslighting fixed charge	0.0131 \$/con/day	53,978.0 cons	365 days	258.1
Residential connection - Uncontrolled	0.5998 \$/con/day	30,225.9 cons	365 days	6,617.3
Residential connection - Controlled	0.5036 \$/con/day	167,520.5 cons	365 days	30,792.6
General Group 1 (Small Connection up to 15 kVA) - Uncontrolled	0.9408 \$/con/day	7,472.8 cons	365 days	2,566.1
General Group 1 (Small Connection up to 15 kVA) - Controlled	0.7367 \$/con/day	2,352.7 cons	365 days	632.6
General Group 2 (Medium Connection 16 kVA up to 69 kVA) - Uncontrolled	1.0071 \$/con/day	9,766.8 cons	365 days	3,590.2
General Group 2 (Medium Connection 16 kVA up to 69 kVA) - Controlled	0.8658 \$/con/day	1,655.7 cons	365 days	523.2
General Group 3 (Large Connection >70 kVA) - Uncontrolled	3.9718 \$/con/day	3,745.8 cons	365 days	5,430.4
General Group 3 (Large Connection >70 kVA) - Controlled	3.2386 \$/con/day	448.7 cons	365 days	530.4
<b>TOU: Streetslighting, general and irrigation connections volume charge</b>				
Weekend*	0.03012 \$/kWh	659,154.4 MWh		19,853.7
Peak (Mon to Fri, 7:00am to 11:00am and 5:00pm to 10:00pm)	0.12020 \$/kWh	826,561.2 MWh		99,352.7
Shoulder (Mon to Fri, 5:00am to 7:00am and 11:00am to 5:00pm)	0.07007 \$/kWh	612,560.1 MWh		42,922.1
Off Peak (Mon to Fri, 10:00pm to 3:00am)	0.00558 \$/kWh	355,518.7 MWh		1,983.8
Super Off Peak (Anytime between 3:00am to 5:00am)	0.00000 \$/kWh	149,617.8 MWh		-
<b>General connections</b>				
Low power factor charge	0.0000 \$/kVA/day	0 kVA	365 days	-
<b>Irrigation connections</b>				
Capacity charge	0.1897 \$/kW/day	76,231 kW	182 days	2,631.9
Power factor correction rebate	(0.1197) \$/kVA/day	22,944 kVA	182 days	(499.8)
Interruptibility rebate	(0.0296) \$/kW/day	49,079 kW	182 days	(264.4)
<b>Major customer connections and embedded networks</b>				
Fixed charge	20.0000 \$/con/day	420.9 cons	365 days	3,072.9
Fixed charge (additional connections)	15.0000 \$/con/day	120.6 cons	365 days	660.0
Extra switches	3.9000 \$/switch/day	113.0 switches	365 days	160.9
11k Metering equipment	5.3000 \$/con/day	49.0 cons	365 days	94.8
11kV Underground cabling	4.7000 \$/km/day	7.3 km	365 days	12.5
11kV Overhead lines	3.5000 \$/km/day	3.0 km	365 days	3.8
Transformer capacity	0.0118 \$/kVA/day	372,690.9 kVA	365 days	1,605.2
Peak charge (control period demand)	0.2974 \$/kVA/day	116,653.6 kVA	365 days	12,662.9
Nominated maximum demand	0.0992 \$/kVA/day	297,271.6 kVA	365 days	10,763.6
Metered maximum demand	0.0925 \$/kVA/day	242,788.7 kVA	365 days	8,197.2
<b>Large capacity connections</b>				
<b>Synlait</b>				
<b>Distribution services</b>				
Operations, maintenance & administration (dedicated assets)	12.620 \$/kVA/year	19,000.0 kVA	365 days	239.8
Operations, maintenance & administration (shared assets)	27.910 \$/kVA/year	18,900.0 kVA	365 days	527.5
Asset charge (dedicated assets)	10.510 \$/kVA/year	19,000.0 kVA	365 days	199.7
Asset charge (shared assets)	24.630 \$/kVA/year	18,900.0 kVA	365 days	465.5
<b>Transmission services</b>				
Residual, BBC and transitional cap charges (winter)	49.480 \$/kVA/year	8,214.1 kVA	365 days	406.4
Residual, BBC and transitional cap charges (summer)	40.470 \$/kVA/year	13,725.5 kVA	365 days	555.5
Connection charge	6.500 \$/kVA/year	13,725.5 kVA	365 days	89.2
<b>Fonterra</b>				
<b>Distribution services</b>				
Operations, maintenance & administration (dedicated assets)	8.400 \$/kVA/year	16,000.0 kVA	365 days	134.4
Operations, maintenance & administration (shared assets)	14.820 \$/kVA/year	13,410.0 kVA	365 days	198.7
Asset charge (dedicated assets)	15.330 \$/kVA/year	16,000.0 kVA	365 days	245.3
Asset charge (shared assets)	27.040 \$/kVA/year	13,410.0 kVA	365 days	362.6
<b>Transmission services</b>				
Residual, BBC and transitional cap charges (winter)	48.330 \$/kVA/year	2,817.6 kVA	365 days	136.2
Residual, BBC and transitional cap charges (summer)	39.490 \$/kVA/year	11,308.1 kVA	365 days	446.6
Connection charge	1.730 \$/kVA/year	11,308.1 kVA	365 days	19.6
Customer investment contract charge	0.000 \$/kVA/year		365 days	
<b>Export credits</b>				
Real power component	(0.0676) \$/kW/day	436.5 kW	365 days	(10.8)
Reactive power component	(0.0222) \$/kVA/day	122.7 kVA	365 days	(1.0)
<b>Actual Revenue from Prices FY2025</b>				<b>258,169.7</b>

## APPENDIX C – POLICIES AND PROCEDURES FOR MEASURING PLANNED AND UNPLANNED INTERRUPTIONS

### POLICIES AND PROCUDURES FOR MEASURING PLANNED AND UNPLANNED INTERRUPTIONS





## APPENDIX D – DIRECTORS' CERTIFICATE FOR ANNUAL COMPLIANCE STATEMENT

Schedule 7: Form of director's certificate for annual compliance statement

Clause 11.5(d)

We, Paul Jason Munro and Michael Earl Sang, being directors of Orion New Zealand Ltd certify that, having made all reasonable enquiry, to the best of our knowledge and belief, the attached annual compliance statement of Orion New Zealand Limited, and related information, prepared for the purposes of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* has been prepared in accordance with all the relevant requirements.



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Paul Jason Munro



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Michael Earl Sang

22 August 2025

## **APPENDIX E – ASSURANCE REPORT**

## Independent Assurance Report

**To the directors of Orion New Zealand Limited and to  
the Commerce Commission on the Annual Compliance Statement for the  
assessment period ended 31 March 2025 as required by the  
Electricity Distribution Services Default Price-Quality Path Determination 2020  
(consolidated 20 May 2020)**

The Auditor-General is the auditor of Orion New Zealand Limited (the company). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to undertake a reasonable assurance engagement, on his behalf, on whether the Annual Compliance Statement on pages 4 to 11 for the assessment period ended on 31 March 2025 has been prepared, in all material respects, in compliance with the Electricity Distribution Services Default Price-Quality Path Determination 2020 (consolidated 20 May 2020) (the Determination).

### Opinion

In our opinion, in all material respects:

- as far as appears from our examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the company's accounting and other records, sourced from its financial and non-financial systems; and
- the company has complied with clauses 11.5 and 11.6 of the Determination in preparing the Annual Compliance Statement for the assessment period ended 31 March 2025.

### Basis for 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* ("ISAE (NZ) 3000 (Revised)") and the Standard on Assurance Engagements (SAE) 3100 (Revised): *Compliance Engagements* ("SAE 3100 (Revised)"), issued by the New Zealand Auditing and Assurance Standards Board.

We have obtained sufficient recorded evidence and explanations that we required to provide a basis for our opinion.

### Directors' responsibilities

The directors of the company are responsible for the:

- preparation of the Annual Compliance Statement under clause 11.4 and in accordance with the requirements in clauses 11.5 and 11.6 of the Determination; and

- identification of risks that may threaten compliance with the clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

### **Auditor's responsibilities**

Our responsibilities in terms of clause 11.5(e) and schedule 8(1)(b)(vi) and 8(1)(c) of the Determination, are to express an opinion on whether:

- as far as appears from our examination, the information used in the preparation of the Annual Compliance Statement has been properly extracted from the company's accounting and other records, sourced from its financial and non-financial systems; and
- the Annual Compliance Statement, for the assessment period ended 31 March 2025, has been prepared, in all material respects, in accordance with the requirements in clauses 11.5 and 11.6 of the Determination.

To meet these responsibilities, we planned and performed procedures in accordance with ISAE (NZ) 3000 (Revised) and SAE 3100 (Revised), to obtain reasonable assurance about whether the company has complied, in all material respects, with clauses 11.5 and 11.6 of the Determination.

In relation to the wash-up amount set out in clause 8.6 of the Determination, our procedures included recalculation of the wash-up amount in accordance with schedule 1.6 of the Determination and assessing it against the amounts and disclosures contained on pages 4 to 6 of the Annual Compliance Statement.

In relation to the quality standards in clause 9 of the Determination, our procedures included examination, on a test basis, of evidence relevant to the values and disclosures contained on pages 7 to 10 of the Annual Compliance Statement.

In relation to the quality incentive adjustment set out in Schedule 4 of the Determination, our procedures included recalculation of the quality incentive adjustment in accordance with schedule 4 of the Determination and assessing it against the amounts and disclosures contained on pages 10 to 11 of the Annual Compliance Statement.

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

### **Inherent limitations**

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with clauses 11.5 and 11.6 of the Determination may occur and not be detected. A reasonable assurance engagement throughout the assessment period does not provide assurance on whether compliance with clauses 11.5 and 11.6 of the Determination will continue in the future.

## Restricted use

This report has been prepared for use by the directors of the company and the Commerce Commission in accordance with clause 11.5(e) of the Determination and is provided solely for the purpose of establishing whether the compliance requirements have been met. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company and the Commerce Commission, or for any other purpose than that for which it was prepared.

## Independence and quality control

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

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The Auditor-General, and his employees, and Audit New Zealand and its employees may deal with the company and its subsidiaries on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of trading activities of the company, this engagement, the assurance engagement on the Information Disclosures and the annual audit of the company's financial statements and performance information, we have no relationship with, or interests in, the company.



Dereck Ollsson  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
25 August 2025