



# 2023 Annual Price-Setting Compliance Statement

For the assessment period  
1 April 2022 - 31 March 2023

3 March 2022

Pursuant to:

Electricity Distribution Services Default Price-Quality Path  
Determination 2020 (20 May 2020)

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# 1. INTRODUCTION

## 1.1 Background

The 2023 assessment period is the third assessment period of the Electricity Distribution Services Default Price-Quality Path Determination 2020 (“the Determination”)<sup>1</sup> and covers the 12 months to 31 March 2023.

This annual price-setting compliance statement (“the Statement”) is submitted to the Commerce Commission by Vector Limited (“Vector”) before the start of the 2023 assessment period pursuant to clauses 11.1 to 11.3 of the Determination.

Under clause 8.4 of the Determination, Vector’s forecast revenue from prices must not exceed the lesser of:

- the forecast allowable revenue for the 2023 assessment period; and
- the forecast revenue from prices for the 2022 assessment period multiplied by (1+ limit on annual percentage increase in forecast revenue from prices).

The Statement includes the calculations of Vector’s forecast revenue from prices, forecast allowable revenue and supporting information for all components of their calculations.

The Statement was approved for issue on 24 February 2022 and published on 3 March 2022. In the Statement, references to Vector relate only to Vector’s electricity distribution business.

## 1.2 Statement of compliance

As required by clause 11.2(a) of the Determination, the Statement confirms Vector’s compliance with the price path in clause 8.4 set for Vector in respect of the 2023 assessment period.

## 1.3 Disclaimer

The information contained in the Statement is accurate at the time of preparation, 15 December 2021.

The information contained in the Statement has been prepared for the express purpose of complying with the requirements of clauses 11.1 to 11.3 of the Determination. The Statement has not been prepared for any other purpose. Vector expressly disclaims any liability to any other party who may rely on the Statement for any other purpose.

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

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<sup>1</sup> Available at [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0025/216862/Electricity-distribution-services-default-price-quality-path-determination-2020-consolidated-20-May-2020-20-May-2020.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0025/216862/Electricity-distribution-services-default-price-quality-path-determination-2020-consolidated-20-May-2020-20-May-2020.pdf).

## 2. PRICE PATH

### 2.1 Price path compliance

As required by clause 8.4 of the Determination, in order to demonstrate compliance with the price path, Vector must demonstrate that its forecast revenue from prices does not exceed the lesser of:

- the forecast allowable revenue for the 2023 assessment period; and
- the forecast revenue from prices for the 2022 assessment period multiplied by (1+ limit on annual percentage increase in forecast revenue from prices).

Vector has defined that latter term as allowable forecast revenue from prices and the lesser of these two terms as the maximum forecast allowable revenue, therefore Vector's forecast revenue from prices must not exceed the maximum forecast allowable revenue for the 2023 assessment period.

As outlined in Table 1 below, Vector complies with the price path, in accordance with clause 8.4 of the Determination.

| Table 1: Vector price path compliance 2023     |                                         |               |
|------------------------------------------------|-----------------------------------------|---------------|
| <b>Formula:</b> $FRFP_{2023} \leq MFAR_{2023}$ |                                         |               |
| Component                                      | Description                             | Value (\$000) |
| FRFP <sub>2023</sub>                           | Forecast revenue from prices 2023       | 625,305       |
| MFAR <sub>2023</sub>                           | Maximum forecast allowable revenue 2023 | 663,278       |
| <b>Result:</b>                                 | <b>\$625,305 ≤ \$663,278</b>            |               |

The method of calculation of forecast revenue from prices for the 2023 assessment period is set out in schedule 1.3 of the Determination and presented with Vector values in Table 2 below.

| Table 2: Forecast revenue from prices 2023                 |                                                     |                |
|------------------------------------------------------------|-----------------------------------------------------|----------------|
| <b>Formula:</b> $FRFP_{2023} = \sum P_{i,2023} Q_{i,2023}$ |                                                     |                |
| Component                                                  | Description                                         | Value (\$000)  |
| $\sum P_{i,2023} Q_{i,2023}$                               | Prices 2023 x forecast quantities 2023 <sup>2</sup> | 625,305        |
| <b>FRFP<sub>2023</sub>:</b>                                | <b>Forecast revenue from prices 2023</b>            | <b>625,305</b> |

The method of calculation of maximum allowable revenue for the 2023 assessment period is set out under clause 8.4 of the Determination and presented with Vector values in Table 3 below.

| Table 3: Maximum forecast allowable revenue 2023               |                                                |                |
|----------------------------------------------------------------|------------------------------------------------|----------------|
| <b>Formula:</b> $MFAR_{2023} = \min(FAR_{2023}, AFRFP_{2023})$ |                                                |                |
| Component                                                      | Description                                    | Value (\$000)  |
| FAR <sub>2023</sub>                                            | Forecast allowable revenue 2023                | 676,948        |
| AFRFP <sub>2023</sub>                                          | Allowable forecast revenue from prices 2023    | 663,278        |
| <b>MFAR<sub>2023</sub></b>                                     | <b>Maximum forecast allowable revenue 2023</b> | <b>663,278</b> |

<sup>2</sup> An outline of how quantities are forecast is included in Appendix 1. Details of  $\sum P_{i,2023} Q_{i,2023}$  are included in Appendix 2.

The method of calculation of forecast allowable revenue for the 2023 assessment period is set out in Schedule 1.5 of the Determination and presented with Vector values in Table 4 below.

| <b>Table 4: Forecast allowable revenue 2023</b>                                      |                                                               |                      |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------|
| <b>Formula:</b> $FAR_{2023} = FNAR_{2023} + FPRC_{2023} + OWAB_{2023} + PTBA_{2023}$ |                                                               |                      |
| <b>Component</b>                                                                     | <b>Description</b>                                            | <b>Value (\$000)</b> |
| FNAR <sub>2023</sub>                                                                 | Forecast net allowable revenue 2023 <sup>3</sup>              | 404,312              |
| FPRC <sub>2023</sub>                                                                 | Forecast pass-through and recoverable costs 2023 <sup>4</sup> | 253,038              |
| OWAB <sub>2023</sub>                                                                 | Opening wash-up account balance 2023 <sup>5</sup>             | 19,598               |
| PTBA <sub>2023</sub>                                                                 | Pass-through balance allowance 2023 <sup>6</sup>              | -                    |
| <b>FAR<sub>2023</sub>:</b>                                                           | <b>Forecast allowable revenue 2023 <sup>7</sup></b>           | <b>676,948</b>       |

The method of calculation of allowable forecast revenue from prices for the 2023 assessment period is set out under clause 8.4 of the Determination and presented with Vector values in Table 5 below.

| <b>Table 5: Allowable forecast revenue from prices 2023</b>            |                                                    |                      |
|------------------------------------------------------------------------|----------------------------------------------------|----------------------|
| <b>Formula:</b> $AFRFP_{2023} = FRFP_{2022} \times (1 + \text{limit})$ |                                                    |                      |
| <b>Component</b>                                                       | <b>Description</b>                                 | <b>Value (\$000)</b> |
| FRFP <sub>2022</sub>                                                   | Forecast revenue from prices 2022 <sup>8</sup>     | 602,980              |
| FRFP <sub>2022</sub> × limit                                           | Limit on annual percentage change (10%)            | 60,298               |
| <b>AFRFP<sub>2023</sub></b>                                            | <b>Allowable forecast revenue from prices 2023</b> | <b>663,278</b>       |

## 2.2 Forecast pass-through costs and recoverable costs

Forecast allowable revenue includes a forecast of pass-through and recoverable costs excluding any recoverable cost that is a revenue wash-up draw down amount.<sup>9</sup> These costs have been determined in accordance with Part 3.1.2-3 of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated 20 May 2020) (“Input Methodologies”) which defines pass-through costs and recoverable costs.<sup>10</sup> Schedule 1.5 (3) of the Determination requires that all forecasts of pass-through

<sup>3</sup> Forecast net allowable revenue is set out in schedule 1.4 of the Determination.

<sup>4</sup> Details of forecast pass-through and recoverable costs are included in section 0.

<sup>5</sup> Details of the opening wash-up account balance are included in section 0.

<sup>6</sup> The pass-through balance allowance is nil for the third to fifth assessment periods, as set out in clause 4.2 of the Determination.

<sup>7</sup> There is ambiguity in the Input Methodologies as to how certain inputs used to calculate incremental rolling incentive scheme (“IRIS”) incentive adjustments are determined. In addition, the Commission has indicated to Vector that it disagrees with Vector’s understanding of how the Input Methodologies apply to certain assets commissioned in the 2020 disclosure year. Vector and the Commission are working to resolve these questions of interpretation. The calculation of forecast allowable revenue 2023 in this statement is consistent with Vector’s audited Information Disclosures and external advice. However, given the possible calculations of forecast allowable revenue 2023 are above the forecast revenue from prices, there is no impact on price path compliance.

<sup>8</sup> Forecast revenue from prices for 31 March 2022 is from the 2022 Annual Price-Setting Compliance Statement (available at <https://www.vector.co.nz/about-us/regulatory/disclosures-electricity/price-quality-path>).

<sup>9</sup> The revenue wash-up drawn down amount is the opening wash-up account balance as included in section 0.

<sup>10</sup> Available at [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0017/60542/Electricity-distribution-services-input-methodologies-determination-2012-consolidated-20-May-2020-20-May-2020.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0017/60542/Electricity-distribution-services-input-methodologies-determination-2012-consolidated-20-May-2020-20-May-2020.pdf)

costs and recoverable costs used to calculate 'forecast allowable revenue' must be demonstrably reasonable.

Table 6 summarises the forecast methods and the pass-through and recoverable costs used to set prices for the 2023 assessment period. All other pass-through and recoverable costs not included Table 6 are not applicable to Vector for the 2023 assessment period.

| <b>Table 6: Forecast pass-through and recoverable costs 2023</b>                                     |                                                                    |                                                                                                                                                                                                                                                                          |                      |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Cost type</b>                                                                                     | <b>Description</b>                                                 | <b>Forecast method</b>                                                                                                                                                                                                                                                   | <b>Value (\$000)</b> |
| <b>Pass-through costs</b>                                                                            | Local Authority rates                                              | Historic base plus 5.4% (as publicly announced) plus \$10.5m targeted rate plus 2% <sup>11</sup>                                                                                                                                                                         | 19,460               |
|                                                                                                      | Commerce Act levy                                                  | Based on letter provided to Vector on the final review of Commission's Part 4 energy funding consultation paper <sup>12</sup> and historic trend of total industry levy with an increased portion attributable to Vector due to growth in Vector's Regulatory Asset Base | 2,458                |
|                                                                                                      | Electricity Authority levy                                         | From current trend and proposed EA appropriation                                                                                                                                                                                                                         | 1,746                |
|                                                                                                      | Utility Disputes levy                                              | Historic trend                                                                                                                                                                                                                                                           | 393                  |
|                                                                                                      | <b>Total pass-through costs</b>                                    |                                                                                                                                                                                                                                                                          |                      |
| <b>Recoverable costs</b>                                                                             | Incremental rolling incentive scheme ("IRIS") incentive adjustment | As per the Commission's financial model, with updated OPEX, commissioned asset value and weighted average asset life                                                                                                                                                     | 8,926                |
|                                                                                                      | Transpower electricity lines service charges                       | As notified by Transpower                                                                                                                                                                                                                                                | 174,034              |
|                                                                                                      | Transpower new investment charges                                  | As notified by Transpower                                                                                                                                                                                                                                                | 7,954                |
|                                                                                                      | Distributed generation allowance                                   | Based on demand and Transpower's 2023 interconnection rates                                                                                                                                                                                                              | 1,035                |
|                                                                                                      | Quality incentive allowance                                        | Determined from the 2021 assessment period and adjusted for the time value of money                                                                                                                                                                                      | (71)                 |
|                                                                                                      | Fire and Emergency New Zealand levy                                | Historic plus 2.6% (proxy for forecast CPI)                                                                                                                                                                                                                              | 594                  |
|                                                                                                      | CAPEX wash-up                                                      | As per the Commission's financial model, updated commissioned asset value                                                                                                                                                                                                | 36,509               |
|                                                                                                      | <b>Total recoverable costs</b>                                     |                                                                                                                                                                                                                                                                          |                      |
| <b>Total forecast pass-through and recoverable costs excluding revenue wash-up drawn down amount</b> |                                                                    |                                                                                                                                                                                                                                                                          | <b>253,038</b>       |

<sup>11</sup> Auckland Council has included a targeted vegetation management rate on Vector from 1 July 2021 of \$10.5m per year to fund enhanced maintenance of the Council's trees that present a risk to the electricity lines network.

<sup>12</sup> Consultation paper available at [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0024/229830/Part-4-energy-levy-funding-consultation-paper-10-Dec-2020.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0024/229830/Part-4-energy-levy-funding-consultation-paper-10-Dec-2020.pdf).

## 2.3 Opening wash-up account balance

Forecast allowable revenue includes the recovery of the opening wash-up account balance which is defined in schedule 1.7 of the Determination. The opening wash-up account balance (which was nil for the first and second assessments periods) used to set prices for the 2023 assessment period is presented in Table 7 below.

| <b>Table 7: Opening wash-up account balance 2023</b>                           |                                                                 |                      |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------|
| <b>Formula:</b> $OWAB_{2023} = (WUA_{2021} - VUAF_{2021}) \times (1 + WACC)^2$ |                                                                 |                      |
| <b>Component</b>                                                               | <b>Description</b>                                              | <b>Value (\$000)</b> |
| $WUA_{2021}$                                                                   | Wash-up amount 2021 <sup>13</sup>                               | 18,039               |
| - $VUAF_{2021}$                                                                | Voluntary undercharging amount foregone 2021 <sup>14</sup>      | -                    |
| $(WUA_{2021} - VUAF_{2021}) \times WACC^2$                                     | 67th percentile estimate of post-tax WACC (4.23%) <sup>15</sup> | 1,559                |
| <b>OWAB<sub>2023</sub>:</b>                                                    | <b>Opening wash-up account balance 2023</b>                     | <b>19,598</b>        |

## 2.4 Voluntary undercharging

As specified in clause 4.2 of the Determination, the voluntary undercharging amount foregone is the voluntary undercharging floor less the forecast revenue in prices however if the forecast revenue from prices is greater voluntary undercharging revenue floor, then the amount foregone is nil. Tables 8 and 9 below detail the voluntary undercharging calculations for the 2021 and 2023 assessment periods respectively.

| <b>Table 8: Voluntary undercharging revenue floor and amount foregone 2021</b>                                |                                                                                                 |                      |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------|
| <b>Formula:</b> $VURF_{2021} = FAR_{2021} \times VUT$<br>$VUAF_{2021} = \max\{VURF_{2021} - FRFP_{2021}, 0\}$ |                                                                                                 |                      |
| <b>Component</b>                                                                                              | <b>Description</b>                                                                              | <b>Value (\$000)</b> |
| $FAR_{2021} \times VUT$                                                                                       | Forecast allowable revenue 2021 times the voluntary undercharging threshold (90%) <sup>16</sup> | 509,042              |
| <b>VURF<sub>2021</sub>:</b>                                                                                   | <b>Voluntary undercharging revenue floor 2021</b>                                               | <b>509,042</b>       |
| - $FRFP_{2021}$                                                                                               | Forecast revenue from prices 2021 <sup>16</sup>                                                 | (565,552)            |
| <b>VUAF<sub>2021</sub>:</b>                                                                                   | <b>Voluntary undercharging amount foregone 2021</b>                                             | <b>-</b>             |

<sup>13</sup> Wash-up account 2021 is from the 2021 Annual Compliance Statement (available at <https://www.vector.co.nz/about-us/regulatory/disclosures-electricity/price-quality-path>).

<sup>14</sup> Details of the voluntary undercharging amount forgone are included in section 2.4.

<sup>15</sup> 67th percentile estimate of post-tax WACC as defined in clause 4.2 of the Determination.

<sup>16</sup> Forecast allowable revenue 2021 and forecast revenue from prices 2021 are from the 2021 Annual Price Setting Compliance Statement (available at <https://www.vector.co.nz/about-us/regulatory/disclosures-electricity/price-quality-path>).

**Table 9: Voluntary undercharging revenue floor and amount foregone 2023**

**Formula:**  $VURF_{2023} = \min\{FAR_{2023} \times VUT, AFRFP_{2023}\}$

$VUAF_{2023} = \max\{VURF_{2023} - FRFP_{2023}, 0\}$

| Component                   | Description                                                                                     | Value (\$000)  |
|-----------------------------|-------------------------------------------------------------------------------------------------|----------------|
| FAR <sub>2023</sub> x VUT   | Forecast allowable revenue 2023 times the voluntary undercharging threshold (90%) <sup>17</sup> | 609,253        |
| AFRFP <sub>2023</sub>       | Allowable forecast revenue from prices 2023 <sup>18</sup>                                       | 663,278        |
| <b>VURF<sub>2023</sub>:</b> | <b>Voluntary undercharging revenue floor 2023</b>                                               | <b>609,253</b> |
| - FRFP <sub>2023</sub>      | Forecast revenue from prices 2023 <sup>19</sup>                                                 | (625,305)      |
| <b>VUAF<sub>2023</sub>:</b> | <b>Voluntary undercharging amount foregone 2023</b>                                             | <b>-</b>       |

<sup>17</sup> Forecast allowable revenue 2023 is from Table 4.

<sup>18</sup> Allowable forecast revenue from prices 2023 is from Table 5.

<sup>19</sup> Forecast revenue from prices 2023 is from Table 2.



## Appendix 1: Forecast quantities

Schedule 1.3 of the Determination requires all forecast quantities used to calculate the forecast revenue from prices to be demonstrably reasonable.

### Consumer group quantity forecasts

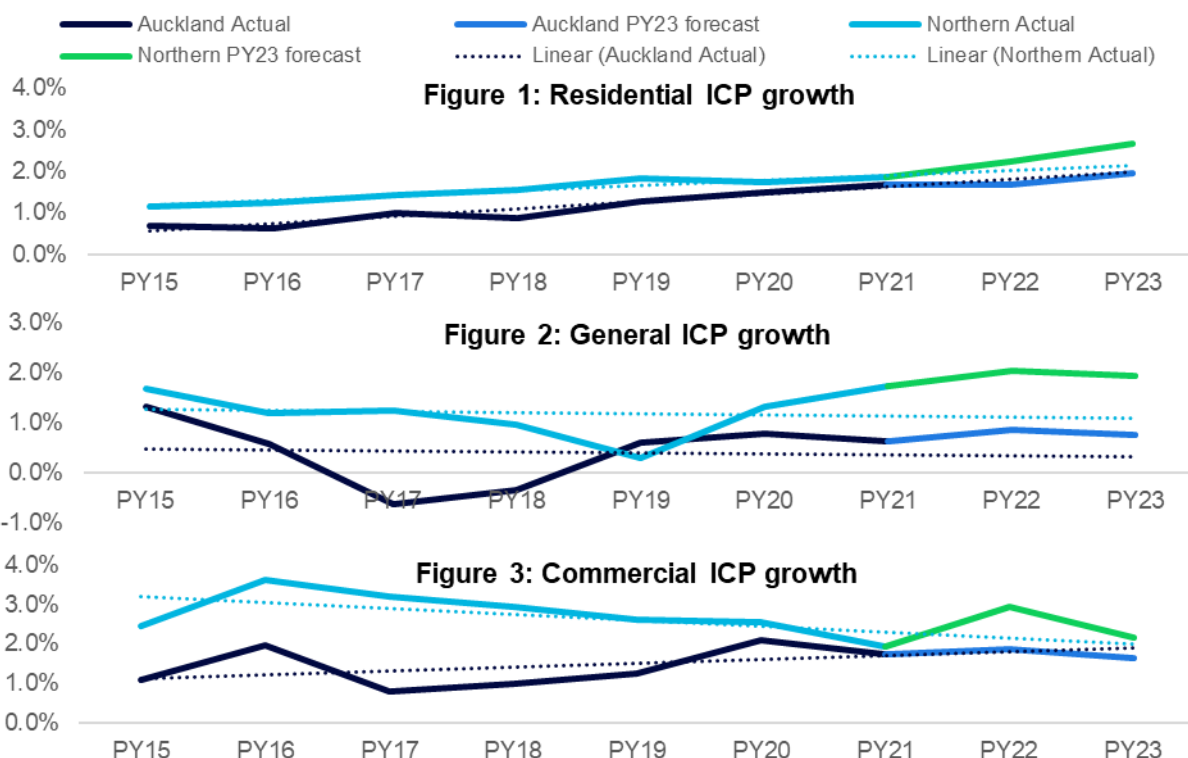
Vector produces network load forecasts as part of its Asset Management Plan (AMP). The same bottom-up approach is used for price setting to forecast monthly connections (ICPs), energy volumes, capacity, demand and power factor by consumer groups (residential, general and commercial)<sup>20</sup> and by network (Auckland and Northern). The latest forecast was prepared in October 2021 and is based on actual billed data to June 2021.

#### ICP forecasts

The forecast monthly total connections are driven by three areas: namely prior months total connections, gross connections and movements

- Gross connections are based on the Auckland Forecasting Centre's household and employment forecasts<sup>21</sup> which are converted into ICPs (by using the historic ratios of ICPs to household numbers (for residential) or to employment numbers (for general and commercial)).
- Movements are the historic monthly average from July 2019 to August 2021 of disconnections, reconnections, decommissioned and transfers to embedded networks.

Figures 1-3 show ICP growth for the consumer groups which illustrate that the growth in the forecast ICPs are reasonable when compared with the historic trends and fluctuations. PY is pricing year



<sup>20</sup> For further information on how consumer groups (and price categories) are defined, see our pricing methodology, available at [www.vector.co.nz/about-us/regulatory/disclosures-electricity/pricing-methodology](http://www.vector.co.nz/about-us/regulatory/disclosures-electricity/pricing-methodology).

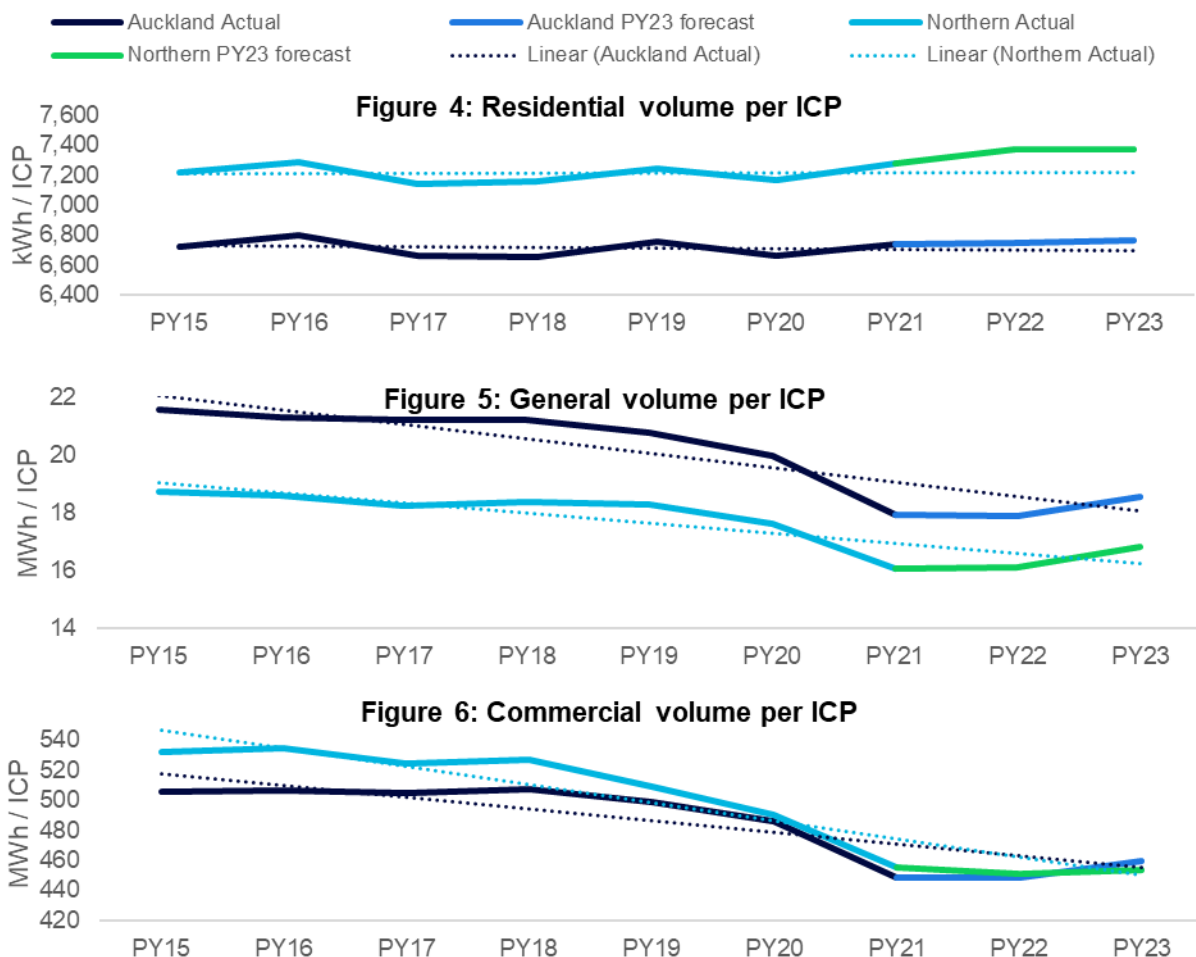
<sup>21</sup> The Auckland Forecasting Centre's household/employment forecasts consider Statistics NZ forecasts and local knowledge of building developments, council plans and strategy.

## Volume forecasts

Volume forecasts by consumer group are determined by using a machine learning forecasting model. This model includes the ICP forecasts and provides monthly forecast volumes.

- Residential and general volume data are available from July 2006 June 2021, whereas commercial volume data are from July 2011 to June 2021 (as volumes cannot be split between standard and non-standard ICPs prior to July 2011).
- Previously, the volume forecasts were determined by multiplying the forecasted monthly volume per ICP by the forecast number of ICPs. Forecasted volumes per ICP are calculated using historic annual trend lines and the annual amounts are allocated to each month based on their historic contributions.
- The machine learning forecasting model gives a more appropriate forecast than the trend analysis used previously as there's a higher degree of confidence in its ability to see known and unknown trends and allows for a more scientific modelling of weather and Covid-19 implications.

Figures 4-6 show volumes per ICP for the consumer groups which illustrate that the use of the machine learning model's forecasts are reasonable for the volume forecasts with Covid-19's impact shown in PY21.

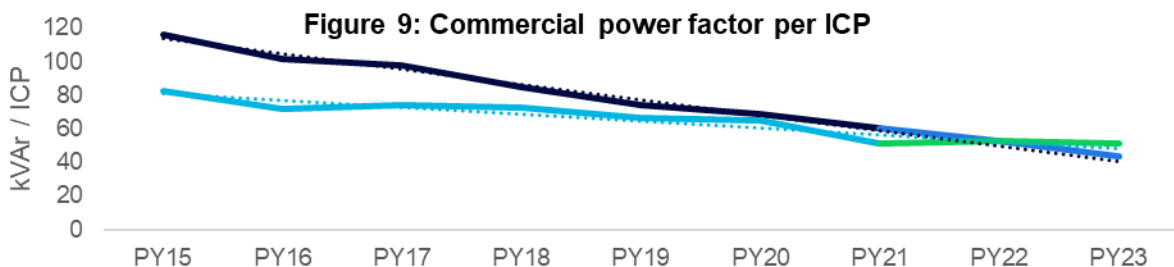
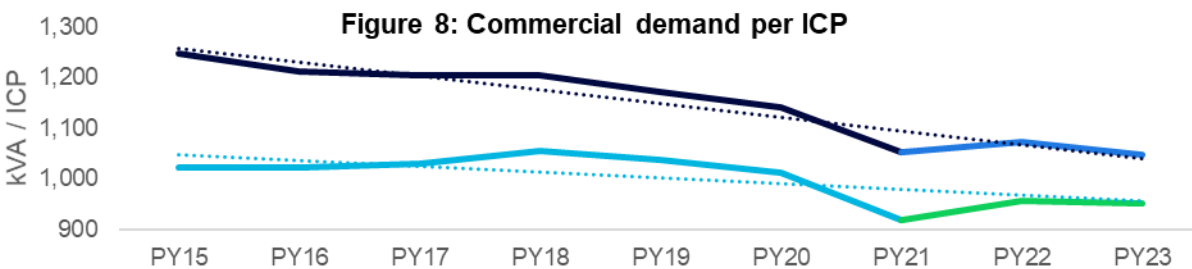
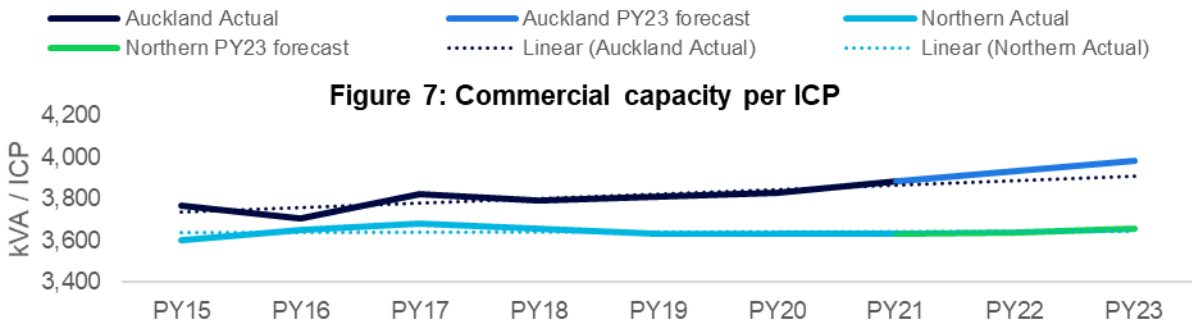


### Capacity, demand and power factor forecasts

Commercial capacity, demand and power factor forecasts are determined by multiplying the forecasted monthly quantity per ICP by the forecast number of ICPs. Forecasted capacities per ICP are calculated using historic monthly trend lines. Forecasted demand (or power factor) per ICP are calculated using historic annual trend lines and the annual amounts are allocated to each month based on their historic contributions.

- Capacity, demand and power factor data are reliably available from July 2014 to June 2021.
- Capacity trends used are monthly from July 2018 to June 2021. Demand and power factor annual trends used are from April 2017 to March 2020. Vector chose to use short-term trends as it can provide a better indication of where these quantities per ICP are likely to be as Auckland recovers post Covid-19. PY2021 was not included for demand and power factor due to the impact of Covid-19.
- The allocation of annual demand (or power factor) per ICP into monthly values is based on the average contribution to annual demand (or power factor) per ICP for that month using historic data (from PY2015 to PY2020).

Figures 7-9 show capacity, demand and power factor per ICP for the commercial consumer group which illustrate that the use of the historic trends are reasonable for the these forecasts with Covid-19's impact shown on demand in PY21.



## Price category quantity forecasts

For the 2023 assessment period, price category level quantities are required for all pricing components except injection volumes as these have a zero price so are not forecast.

The annual forecasts of connections, energy volumes, capacity, demand and power factor by consumer group are converted into the relevant billed quantities and apportioned into price category level quantities using the actual historic splits within the consumer groups.

Fixed quantities (number of days) is estimated using the average of year beginning and year end forecast ICPs for the 2023 assessment period multiplied by number of days in the year.

Volumetric quantities (kWh) is same as the annual energy volume forecast.

Capacity (kVA.days), demand (kVA.days) and power factor (kVAr.days) is estimated by using their annual forecasts multiplied the average days per month (365/12).

Actual price category level quantities for the 2022 assessment period were available from April 2021 to September 2021 when setting 2023 prices and these were used to apportion the relevant consumer group forecast quantities.

For residential and general consumers, modifications to ICP and volumes quantities were done to allow for a continued transition to the mandatory time of use (TOU) price categories for all ICPs except those with persistent metering issues. It is estimated that 97% and 86% of residential and general ICPs would be on TOU price categories based on October 2021 Electricity Authority metering statistics. No allowance was made for the expanded eligibility criteria for the residential controlled TOU price categories.<sup>22</sup>

For commercial consumers, new Zone Substation price categories have been created for high voltage consumers.<sup>23</sup> No quantities have been forecast for these price categories for the 2023 assessment period as it is anticipated that these categories will be primarily used by current non-standard priced consumers when their contracts end.

The 2023 forecast price categories level quantities can be found in Appendix 2.

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<sup>22</sup> The eligibility criteria for the residential controlled TOU price categories now includes smart electric vehicle chargers with IP addresses that are capable of being connected to Vector Ltd.'s distributed energy resources management system (DERMS).

<sup>23</sup> The Zone Substation price categories are for consumers that are connected directly from a Vector zone substation and/or have paid for their connection assets from Vector's high voltage (11kV or higher) network.

## Appendix 2: 2023 Line charges and forecast quantities

|                                                            | <i>Pi, 2023</i> | <i>Qi, 2023</i>      |
|------------------------------------------------------------|-----------------|----------------------|
| Northern charges between 1 April 2022 to 31 March 2023     |                 | \$223,153,633        |
| Auckland charges between 1 April 2022 to 31 March 2023     |                 | \$384,220,718        |
| Non-standard charges between 1 April 2022 to 31 March 2023 |                 | \$17,930,764         |
| <b>Total charges between 1 April 2022 to 31 March 2023</b> |                 | <b>\$625,305,115</b> |

### Northern line charges between 1 April 2022 to 31 March 2023

#### Residential - time of use

| Price category | Code       | Description                        | Units  | <i>Pi, 2023</i> | <i>Qi, 2023</i> | <i>Pi, 2023</i> | <i>Qi, 2023</i> |
|----------------|------------|------------------------------------|--------|-----------------|-----------------|-----------------|-----------------|
| WRHL           | WRHL-FIXD  | Fixed                              | \$/day | 0.3000          | 8,104,238       | \$              | 2,431,271       |
| WRHL           | WRHL-OFPK  | Volumetric, uncontrolled, off peak | \$/kWh | 0.0603          | 76,988,659      | \$              | 4,642,416       |
| WRHL           | WRHL-PEAK  | Volumetric, uncontrolled, peak     | \$/kWh | 0.1579          | 36,271,236      | \$              | 5,727,228       |
| WRHLC          | WRHLC-FIXD | Fixed                              | \$/day | 0.3000          | 38,273,112      | \$              | 11,481,933      |
| WRHLC          | WRHLC-OFPK | Volumetric, controlled, off peak   | \$/kWh | 0.0603          | 364,693,017     | \$              | 21,990,989      |
| WRHLC          | WRHLC-PEAK | Volumetric, controlled, peak       | \$/kWh | 0.1378          | 170,188,703     | \$              | 23,452,003      |
| WRHS           | WRHS-FIXD  | Fixed                              | \$/day | 1.1200          | 6,809,252       | \$              | 7,626,362       |
| WRHS           | WRHS-OFPK  | Volumetric, uncontrolled, off peak | \$/kWh | 0.0229          | 136,432,335     | \$              | 3,124,300       |
| WRHS           | WRHS-PEAK  | Volumetric, uncontrolled, peak     | \$/kWh | 0.1205          | 62,776,049      | \$              | 7,564,514       |
| WRHSC          | WRHSC-FIXD | Fixed                              | \$/day | 1.1200          | 25,582,606      | \$              | 28,652,519      |
| WRHSC          | WRHSC-OFPK | Volumetric, controlled, off peak   | \$/kWh | 0.0229          | 515,934,540     | \$              | 11,814,901      |
| WRHSC          | WRHSC-PEAK | Volumetric, controlled, peak       | \$/kWh | 0.1004          | 232,498,561     | \$              | 23,342,856      |

#### Residential - exemption

| Price category | Code      | Description              | Units  | <i>Pi, 2023</i> | <i>Qi, 2023</i> | <i>Pi, 2023</i> | <i>Qi, 2023</i> |
|----------------|-----------|--------------------------|--------|-----------------|-----------------|-----------------|-----------------|
| WRUL           | WRUL-FIXD | Fixed                    | \$/day | 0.3000          | 224,886         | \$              | 67,466          |
| WRUL           | WRUL-24UC | Volumetric, uncontrolled | \$/kWh | 0.0904          | 3,181,678       | \$              | 287,624         |
| WRCL           | WRCL-FIXD | Fixed                    | \$/day | 0.3000          | 1,062,049       | \$              | 318,615         |
| WRCL           | WRCL-AICO | Volumetric, controlled   | \$/kWh | 0.0842          | 16,673,185      | \$              | 1,403,882       |
| WRUS           | WRUS-FIXD | Fixed                    | \$/day | 1.1200          | 188,951         | \$              | 211,626         |
| WRUS           | WRUS-24UC | Volumetric, uncontrolled | \$/kWh | 0.0530          | 3,705,892       | \$              | 196,412         |
| WRCS           | WRCS-FIXD | Fixed                    | \$/day | 1.1200          | 709,898         | \$              | 795,085         |
| WRCS           | WRCS-AICO | Volumetric, controlled   | \$/kWh | 0.0468          | 19,297,412      | \$              | 903,119         |

#### General

| Price category | Code      | Description                        | Units          | <i>Pi, 2023</i> | <i>Qi, 2023</i> | <i>Pi, 2023</i> | <i>Qi, 2023</i> |
|----------------|-----------|------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|
| WBSU           | WBSU-FIXD | Fixed                              | \$/day/fitting | 0.0813          | 17,290,568      | \$              | 1,405,723       |
| WBSU           | WBSU-24UC | Volumetric                         | \$/kWh         | 0.0257          | 13,069,099      | \$              | 335,876         |
| WBSH           | WBSH-FIXD | Fixed                              | \$/day         | 1.1200          | 7,448,167       | \$              | 8,341,947       |
| WBSH           | WBSH-OFPK | Volumetric, uncontrolled, off peak | \$/kWh         | 0.0229          | 242,593,620     | \$              | 5,555,394       |
| WBSH           | WBSH-PEAK | Volumetric, uncontrolled, peak     | \$/kWh         | 0.1205          | 100,265,367     | \$              | 12,081,977      |
| WBSN           | WBSN-FIXD | Fixed                              | \$/day         | 1.1200          | 1,192,398       | \$              | 1,335,486       |
| WBSN           | WBSN-24UC | Volumetric                         | \$/kWh         | 0.0530          | 54,889,258      | \$              | 2,909,131       |

#### Low voltage

| Price category | Code      | Description  | Units      | <i>Pi, 2023</i> | <i>Qi, 2023</i> | <i>Pi, 2023</i> | <i>Qi, 2023</i> |
|----------------|-----------|--------------|------------|-----------------|-----------------|-----------------|-----------------|
| WLVN           | WLVN-FIXD | Fixed        | \$/day     | 5.9200          | 350,051         | \$              | 2,072,303       |
| WLVN           | WLVN-24UC | Volumetric   | \$/kWh     | 0.0340          | 126,149,283     | \$              | 4,289,076       |
| WLVN           | WLVN-CAPY | Capacity     | \$/kVA/day | 0.0396          | 51,931,004      | \$              | 2,056,468       |
| WLVN           | WLVN-PWRF | Power Factor | \$/kVA/day | 0.2917          | 286,302         | \$              | 83,514          |
| WLVH           | WLVH-FIXD | Fixed        | \$/day     | 11.1500         | 96,072          | \$              | 1,071,198       |
| WLVH           | WLVH-24UC | Volumetric   | \$/kWh     | 0.0053          | 128,350,272     | \$              | 680,256         |
| WLVH           | WLVH-CAPY | Capacity     | \$/kVA/day | 0.0396          | 25,895,022      | \$              | 1,025,443       |
| WLVH           | WLVH-DAMD | Demand       | \$/kVA/day | 0.2924          | 10,562,444      | \$              | 3,088,459       |
| WLVH           | WLVH-PWRF | Power Factor | \$/kVA/day | 0.2917          | 684,965         | \$              | 199,804         |

#### Transformer

| Price category | Code      | Description  | Units      | <i>Pi, 2023</i> | <i>Qi, 2023</i> | <i>Pi, 2023</i> | <i>Qi, 2023</i> |
|----------------|-----------|--------------|------------|-----------------|-----------------|-----------------|-----------------|
| WTXN           | WTXN-FIXD | Fixed        | \$/day     | 5.9200          | 51,196          | \$              | 303,083         |
| WTXN           | WTXN-24UC | Volumetric   | \$/kWh     | 0.0340          | 36,225,076      | \$              | 1,231,653       |
| WTXN           | WTXN-CAPY | Capacity     | \$/kVA/day | 0.0380          | 12,639,838      | \$              | 480,314         |
| WTXN           | WTXN-PWRF | Power Factor | \$/kVA/day | 0.2917          | 171,071         | \$              | 49,901          |
| WTXH           | WTXH-FIXD | Fixed        | \$/day     | 11.1500         | 107,588         | \$              | 1,199,603       |
| WTXH           | WTXH-24UC | Volumetric   | \$/kWh     | 0.0053          | 354,312,162     | \$              | 1,877,854       |
| WTXH           | WTXH-CAPY | Capacity     | \$/kVA/day | 0.0380          | 80,742,943      | \$              | 3,068,232       |
| WTXH           | WTXH-DAMD | Demand       | \$/kVA/day | 0.2807          | 29,566,799      | \$              | 8,299,401       |
| WTXH           | WTXH-PWRF | Power Factor | \$/kVA/day | 0.2917          | 1,348,513       | \$              | 393,361         |

### High voltage

| Price category | Code      | Description   | Units      | Pi,2023 | Qi,2023     | Pi,2023 Qi,2023 |
|----------------|-----------|---------------|------------|---------|-------------|-----------------|
| WHVN           | WHVN-FIXD | Fixed         | \$/day     | 5.9200  | -           | \$ -            |
| WHVN           | WHVN-24UC | Volumetric    | \$/kWh     | 0.0340  | -           | \$ -            |
| WHVN           | WHVN-CAPY | Capacity      | \$/kVA/day | 0.0365  | -           | \$ -            |
| WHVN           | WHVN-PWRF | Power Factor  | \$/kVA/day | 0.2917  | -           | \$ -            |
| WHVH           | WHVH-FIXD | Fixed         | \$/day     | 11.1500 | 9,388       | \$ 104,677      |
| WHVH           | WHVH-24UC | Volumetric    | \$/kWh     | 0.0053  | 118,757,271 | \$ 629,414      |
| WHVH           | WHVH-CAPY | Capacity      | \$/kVA/day | 0.0365  | 16,044,570  | \$ 585,627      |
| WHVH           | WHVH-DAMD | Demand        | \$/kVA/day | 0.2695  | 8,557,095   | \$ 2,306,137    |
| WHVH           | WHVH-DEXA | Excess demand | \$/kVA/day | 0.8030  | 22,183      | \$ 17,813       |
| WHVH           | WHVH-PWRF | Power Factor  | \$/kVA/day | 0.2917  | 135,028     | \$ 39,388       |

### Zone substation

| Price category | Code      | Description   | Units      | Pi,2023 | Qi,2023 | Pi,2023 Qi,2023 |
|----------------|-----------|---------------|------------|---------|---------|-----------------|
| WZSH           | WZSH-FIXD | Fixed         | \$/day     | -       | -       | \$ -            |
| WZSH           | WZSH-24UC | Volumetric    | \$/kWh     | 0.0058  | -       | \$ -            |
| WZSH           | WZSH-CAPY | Capacity      | \$/kVA/day | 0.1228  | -       | \$ -            |
| WZSH           | WZSH-DAMD | Demand        | \$/kVA/day | 0.1228  | -       | \$ -            |
| WZSH           | WZSH-DEXA | Excess demand | \$/kVA/day | 0.8000  | -       | \$ -            |
| WZSH           | WZSH-PWRF | Power Factor  | \$/kVA/day | 0.2917  | -       | \$ -            |

## Auckland line charges between 1 April 2022 to 31 March 2023

### Residential - time of use

| Price category | Code       | Description          | Units  | Pi,2023 | Qi,2023     | Pi,2023 Qi,2023 |
|----------------|------------|----------------------|--------|---------|-------------|-----------------|
| ARHL           | ARHL-FIXD  | Fixed                | \$/day | 0.3000  | 12,027,618  | \$ 3,608,285    |
| ARHL           | ARHL-OFPK  | Volumetric, off peak | \$/kWh | 0.0603  | 102,274,416 | \$ 6,167,147    |
| ARHL           | ARHL-PEAK  | Volumetric, peak     | \$/kWh | 0.1579  | 47,304,894  | \$ 7,469,443    |
| ARHLC          | ARHLC-FIXD | Fixed                | \$/day | 0.3000  | 58,716,920  | \$ 17,615,076   |
| ARHLC          | ARHLC-OFPK | Volumetric, off peak | \$/kWh | 0.0603  | 500,092,495 | \$ 30,155,577   |
| ARHLC          | ARHLC-PEAK | Volumetric, peak     | \$/kWh | 0.1378  | 230,129,918 | \$ 31,711,903   |
| ARHS           | ARHS-FIXD  | Fixed                | \$/day | 1.1200  | 7,162,309   | \$ 8,021,786    |
| ARHS           | ARHS-OFPK  | Volumetric, off peak | \$/kWh | 0.0229  | 143,263,827 | \$ 3,280,742    |
| ARHS           | ARHS-PEAK  | Volumetric, peak     | \$/kWh | 0.1205  | 64,785,290  | \$ 7,806,627    |
| ARHSC          | ARHSC-FIXD | Fixed                | \$/day | 1.1200  | 33,590,748  | \$ 37,621,637   |
| ARHSC          | ARHSC-OFPK | Volumetric, off peak | \$/kWh | 0.0229  | 675,222,583 | \$ 15,462,597   |
| ARHSC          | ARHSC-PEAK | Volumetric, peak     | \$/kWh | 0.1004  | 300,513,733 | \$ 30,171,579   |

### Residential - exemption

| Price category | Code      | Description              | Units  | Pi,2023 | Qi,2023    | Pi,2023 Qi,2023 |
|----------------|-----------|--------------------------|--------|---------|------------|-----------------|
| ARUL           | ARUL-FIXD | Fixed                    | \$/day | 0.3000  | 333,757    | \$ 100,127      |
| ARUL           | ARUL-24UC | Volumetric, uncontrolled | \$/kWh | 0.0904  | 3,759,860  | \$ 339,891      |
| ARCL           | ARCL-FIXD | Fixed                    | \$/day | 0.3000  | 1,629,349  | \$ 488,805      |
| ARCL           | ARCL-AICO | Volumetric, controlled   | \$/kWh | 0.0842  | 27,839,295 | \$ 2,344,069    |
| ARUS           | ARUS-FIXD | Fixed                    | \$/day | 1.1200  | 198,749    | \$ 222,598      |
| ARUS           | ARUS-24UC | Volumetric, uncontrolled | \$/kWh | 0.0530  | 3,179,932  | \$ 168,536      |
| ARCS           | ARCS-FIXD | Fixed                    | \$/day | 1.1200  | 932,117    | \$ 1,043,971    |
| ARCS           | ARCS-AICO | Volumetric, controlled   | \$/kWh | 0.0468  | 26,792,760 | \$ 1,253,901    |

### General

| Price category | Code      | Description          | Units          | Pi,2023 | Qi,2023     | Pi,2023 Qi,2023 |
|----------------|-----------|----------------------|----------------|---------|-------------|-----------------|
| ABSU           | ABSU-FIXD | Fixed                | \$/day/fitting | 0.0813  | 26,528,389  | \$ 2,156,758    |
| ABSU           | ABSU-24UC | Volumetric           | \$/kWh         | 0.0257  | 20,603,618  | \$ 529,513      |
| ABSH           | ABSH-FIXD | Fixed                | \$/day         | 1.1200  | 11,753,380  | \$ 13,163,786   |
| ABSH           | ABSH-OFPK | Volumetric, off peak | \$/kWh         | 0.0229  | 431,766,500 | \$ 9,887,453    |
| ABSH           | ABSH-PEAK | Volumetric, peak     | \$/kWh         | 0.1205  | 174,689,276 | \$ 21,050,058   |
| ABSN           | ABSN-FIXD | Fixed                | \$/day         | 1.1200  | 1,881,632   | \$ 2,107,427    |
| ABSN           | ABSN-24UC | Volumetric           | \$/kWh         | 0.0530  | 97,089,208  | \$ 5,145,728    |

### Low voltage

| Price category | Code      | Description  | Units      | Pi,2023 | Qi,2023     | Pi,2023 Qi,2023 |
|----------------|-----------|--------------|------------|---------|-------------|-----------------|
| ALVN           | ALVN-FIXD | Fixed        | \$/day     | 1.8300  | 886,215     | \$ 1,621,774    |
| ALVN           | ALVN-24UC | Volumetric   | \$/kWh     | 0.0553  | 288,595,115 | \$ 15,959,310   |
| ALVN           | ALVN-CAPY | Capacity     | \$/kVA/day | 0.0469  | 152,373,124 | \$ 7,146,300    |
| ALVN           | ALVN-PWRF | Power Factor | \$/kVA/day | 0.2917  | 238,725     | \$ 69,636       |
| ALVT           | ALVT-FIXD | Fixed        | \$/day     | -       | 524,133     | \$ -            |
| ALVT           | ALVT-24UC | Volumetric   | \$/kWh     | 0.0123  | 520,347,798 | \$ 6,400,278    |
| ALVT           | ALVT-CAPY | Capacity     | \$/kVA/day | 0.0469  | 136,051,996 | \$ 6,380,839    |
| ALVT           | ALVT-DAMD | Demand       | \$/kVA/day | 0.3123  | 43,949,743  | \$ 13,725,505   |
| ALVT           | ALVT-PWRF | Power Factor | \$/kVA/day | 0.2917  | 2,686,397   | \$ 783,622      |

### Transformer

| Price category | Code      | Description  | Units      | Pi,2023 | Qi,2023       | Pi,2023 | Qi,2023    |
|----------------|-----------|--------------|------------|---------|---------------|---------|------------|
| ATXN           | ATXN-FIXD | Fixed        | \$/day     | 1.8300  | 62,561        | \$      | 114,486    |
| ATXN           | ATXN-24UC | Volumetric   | \$/kWh     | 0.0553  | 26,593,128    | \$      | 1,470,600  |
| ATXN           | ATXN-CAPY | Capacity     | \$/kVA/day | 0.0450  | 16,271,078    | \$      | 732,198    |
| ATXN           | ATXN-PWRF | Power Factor | \$/kVA/day | 0.2917  | 10,841        | \$      | 3,162      |
| ATXT           | ATXT-FIXD | Fixed        | \$/day     | -       | 362,269       | \$      | -          |
| ATXT           | ATXT-24UC | Volumetric   | \$/kWh     | 0.0123  | 1,123,685,255 | \$      | 13,821,329 |
| ATXT           | ATXT-CAPY | Capacity     | \$/kVA/day | 0.0450  | 257,120,968   | \$      | 11,570,444 |
| ATXT           | ATXT-DAMD | Demand       | \$/kVA/day | 0.2998  | 89,276,352    | \$      | 26,765,050 |
| ATXT           | ATXT-PWRF | Power Factor | \$/kVA/day | 0.2917  | 2,776,871     | \$      | 810,013    |

### High voltage

| Price category | Code      | Description   | Units      | Pi,2023 | Qi,2023     | Pi,2023 | Qi,2023   |
|----------------|-----------|---------------|------------|---------|-------------|---------|-----------|
| AHVN           | AHVN-FIXD | Fixed         | \$/day     | 1.8300  | 2,607       | \$      | 4,770     |
| AHVN           | AHVN-24UC | Volumetric    | \$/kWh     | 0.0553  | 641,155     | \$      | 35,456    |
| AHVN           | AHVN-CAPY | Capacity      | \$/kVA/day | 0.0432  | 606,210     | \$      | 26,188    |
| AHVN           | AHVN-PWRF | Power Factor  | \$/kVA/day | 0.2917  | 3,876       | \$      | 1,131     |
| AHVT           | AHVT-FIXD | Fixed         | \$/day     | -       | 54,741      | \$      | -         |
| AHVT           | AHVT-24UC | Volumetric    | \$/kWh     | 0.0123  | 424,981,389 | \$      | 5,227,271 |
| AHVT           | AHVT-CAPY | Capacity      | \$/kVA/day | 0.0432  | 66,902,476  | \$      | 2,890,187 |
| AHVT           | AHVT-DAMD | Demand        | \$/kVA/day | 0.2878  | 31,989,045  | \$      | 9,206,447 |
| AHVT           | AHVT-DEXA | Excess demand | \$/kVA/day | 0.9504  | 41,875      | \$      | 39,798    |
| AHVT           | AHVT-PWRF | Power Factor  | \$/kVA/day | 0.2917  | 1,096,682   | \$      | 319,902   |

### Zone substation

| Price category | Code      | Description   | Units      | Pi,2023 | Qi,2023 | Pi,2023 | Qi,2023 |
|----------------|-----------|---------------|------------|---------|---------|---------|---------|
| AZST           | AZST-FIXD | Fixed         | \$/day     | -       | -       | \$      | -       |
| AZST           | AZST-24UC | Volumetric    | \$/kWh     | 0.0058  | -       | \$      | -       |
| AZST           | AZST-CAPY | Capacity      | \$/kVA/day | 0.1228  | -       | \$      | -       |
| AZST           | AZST-DAMD | Demand        | \$/kVA/day | 0.1228  | -       | \$      | -       |
| AZST           | AZST-DEXA | Excess demand | \$/kVA/day | 0.8000  | -       | \$      | -       |
| AZST           | AZST-PWRF | Power Factor  | \$/kVA/day | 0.2917  | -       | \$      | -       |

### Non-standard line charges between 1 April 2022 to 31 March 2023

Non-standard consumers have a quantity of one for price compliance. This is because they are charged an annual line charge, billed monthly, that covers their capital contribution, upstream distribution costs and transmission costs.

| Price category | Code    | Description | Units   | Pi,2023      | Qi,2023 | Pi,2023 | Qi,2023   |
|----------------|---------|-------------|---------|--------------|---------|---------|-----------|
| NS             | WN23-1  | Fixed       | \$/year | \$ 491,164   | 1       | \$      | 491,164   |
| NS             | WN23-2  | Fixed       | \$/year | \$ 676,569   | 1       | \$      | 676,569   |
| NS             | WN23-3  | Fixed       | \$/year | \$ -         | 1       | \$      | -         |
| NS             | AN23-1  | Fixed       | \$/year | \$ -         | 1       | \$      | -         |
| NS             | AN23-2  | Fixed       | \$/year | \$ 1,366,017 | 1       | \$      | 1,366,017 |
| NS             | AN23-3  | Fixed       | \$/year | \$ 2,356,382 | 1       | \$      | 2,356,382 |
| NS             | AN23-4  | Fixed       | \$/year | \$ -         | 1       | \$      | -         |
| NS             | AN23-5  | Fixed       | \$/year | \$ 1,142,488 | 1       | \$      | 1,142,488 |
| NS             | AN23-6  | Fixed       | \$/year | \$ 867,823   | 1       | \$      | 867,823   |
| NS             | AN23-7  | Fixed       | \$/year | \$ 873,378   | 1       | \$      | 873,378   |
| NS             | AN23-8  | Fixed       | \$/year | \$ 1,161,711 | 1       | \$      | 1,161,711 |
| NS             | AN23-9  | Fixed       | \$/year | \$ 303,374   | 1       | \$      | 303,374   |
| NS             | AN23-10 | Fixed       | \$/year | \$ 802,340   | 1       | \$      | 802,340   |
| NS             | AN23-11 | Fixed       | \$/year | \$ 1,388,274 | 1       | \$      | 1,388,274 |
| NS             | AN23-12 | Fixed       | \$/year | \$ -         | 1       | \$      | -         |
| NS             | AN23-13 | Fixed       | \$/year | \$ 462,800   | 1       | \$      | 462,800   |
| NS             | AN23-14 | Fixed       | \$/year | \$ 874,928   | 1       | \$      | 874,928   |
| NS             | AN23-15 | Fixed       | \$/year | \$ 1,479,761 | 1       | \$      | 1,479,761 |
| NS             | AN23-16 | Fixed       | \$/year | \$ 803,468   | 1       | \$      | 803,468   |
| NS             | AN23-17 | Fixed       | \$/year | \$ 456,879   | 1       | \$      | 456,879   |
| NS             | AN23-18 | Fixed       | \$/year | \$ 77,731    | 1       | \$      | 77,731    |
| NS             | AN23-19 | Fixed       | \$/year | \$ 661,720   | 1       | \$      | 661,720   |
| NS             | AN23-20 | Fixed       | \$/year | \$ 69,467    | 1       | \$      | 69,467    |
| NS             | AN23-21 | Fixed       | \$/year | \$ -         | 1       | \$      | -         |
| NS             | AN23-22 | Fixed       | \$/year | \$ -         | 1       | \$      | -         |
| NS             | AN23-23 | Fixed       | \$/year | \$ -         | 1       | \$      | -         |
| NS             | AN23-24 | Fixed       | \$/year | \$ 719,071   | 1       | \$      | 719,071   |
| NS             | AN23-25 | Fixed       | \$/year | \$ 376,590   | 1       | \$      | 376,590   |
| NS             | AN23-26 | Fixed       | \$/year | \$ 271,721   | 1       | \$      | 271,721   |
| NS             | AN23-27 | Fixed       | \$/year | \$ 247,107   | 1       | \$      | 247,107   |

## Appendix 3: Directors' certification

### Schedule 6: Form of Director's Certificate for Annual Price-Setting Compliance Statement

Clause 11.2(c)

I, Jonathan Mason, being director of Vector Limited certify that, having made all reasonable enquiry, to the best of my knowledge and belief, the attached annual price-setting compliance statement of Vector 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, and all forecasts used in the calculations for forecast revenue from prices and forecast allowable revenue are reasonable with the following qualifications:

1. As noted in the attached statement, Vector and the Commerce Commission are working to resolve questions of interpretation of the Input Methodologies relating to the calculation of certain IRIS inputs and the treatment of certain commissioned assets.
2. The calculation of forecast allowable revenue in the attached statement is consistent with Vector's audited Information Disclosures and external advice.
3. Vector has set prices for the 2023 assessment period such that, regardless of the resolution of these issues, forecast revenue from prices will not exceed forecast allowable revenue.

  
\_\_\_\_\_  
Director

24 February 2022

Date

Note: Section 103(2) of the Commerce Act 1986 provides that no person shall attempt to deceive or knowingly mislead the Commission in relation to any matter before it. It is an offence to contravene section 103(2) and any person who does so is liable on summary conviction to a fine not exceeding \$100,000 in the case of an individual or \$300,000 in the case of a body corporate.