



2022 Annual Price-Setting Compliance Statement

For the assessment period
1 April 2021 - 31 March 2022

31 March 2021

Pursuant to:

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

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1. INTRODUCTION

1.1 Background

The 2022 assessment period is the second assessment period of the Electricity Distribution Services Default Price-Quality Path Determination 2020 (“the Determination”)¹ and covers the 12 months to 31 March 2022.

This annual price-setting compliance statement (“the Statement”) is submitted to the Commerce Commission by Vector Limited (“Vector”) before the start of the 2022 assessment period pursuant to clauses 11.1-11.3 of the Determination.

Under clause 8.4 of the Determination, for the second to fifth assessment periods, Vector’s forecast revenue from prices must not exceed the lesser of:

- the forecast allowable revenue for the 2022 assessment period; and
- the forecast revenue from prices for the 2021 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 and published on 31 March 2021. 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 2022 assessment period.

1.3 Disclaimer

The information contained in the Statement is accurate at the time of preparation, 17 December 2020.

The information contained in the Statement has been prepared for the express purpose of complying with the requirements of clauses 11.1-11.3 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.

¹ 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.

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 2022 assessment period; and
- the forecast revenue from prices for the 2021 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 2022 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 2022		
Formula: $FRFP_{2022} \leq MFAR_{2022}$		
Component	Description	Value (\$000)
FRFP ₂₀₂₂	Forecast revenue from prices 2022	602,980
MFAR ₂₀₂₂	Maximum forecast allowable revenue 2022	622,107
Result:		\$602,980 ≤ \$622,107

The method of calculation of forecast revenue from prices for the 2022 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 2022		
Formula: $FRFP_{2022} = \sum P_{i,2022} Q_{i,2022}$		
Component	Description	Value (\$000)
$\sum P_{i,2022} Q_{i,2022}$	Prices 2022 x forecast quantities 2022 ²	602,980
FRFP₂₀₂₂:	Forecast revenue from prices 2022	602,980

The method of calculation of maximum allowable revenue for the 2022 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 2022		
Formula: $MFAR_{2022} = \min(FAR_{2022}, AFRFP_{2022})$		
Component	Description	Value (\$000)
FAR ₂₀₂₂	Forecast allowable revenue 2022	645,843
AFRFP ₂₀₂₂	Allowable forecast revenue from prices 2022	622,107
MFAR₂₀₂₂	Maximum forecast allowable revenue 2022	622,107

² An outline of how quantities are forecast is included in Appendix 1. Details of $\sum P_{i,2022} Q_{i,2022}$ are included in Appendix 2.

The method of calculation of forecast allowable revenue for the 2022 assessment period is set out in Schedule 1.5 of the Determination and presented with Vector values in Table 4 below.

Table 4: Forecast allowable revenue 2022		
Formula: $FAR_{2022} = FNAR_{2022} + FPRC_{2022} + OWAB_{2022} + PTBA_{2022}$		
Component	Description	Value (\$000)
FNAR ₂₀₂₂	Forecast net allowable revenue 2022 ³	396,288
FPRC ₂₀₂₂	Forecast pass-through and recoverable costs 2022 ⁴	248,759
OWAB ₂₀₂₂	Opening wash-up account balance 2022 ⁵	-
PTBA ₂₀₂₂	Pass-through balance allowance 2022 ⁶	796
FAR₂₀₂₂:	Forecast allowable revenue 2022 ⁷	645,843

The method of calculation of allowable forecast revenue from prices for the 2022 assessment period is set out under clause 8.4 of the Determination and presented with Vector values in Table 5 below.

Table 5: Allowable forecast revenue from prices 2022		
Formula: $AFRFP_{2022} = FRFP_{2021} \times (1 + \text{limit})$		
Component	Description	Value (\$000)
FRFP ₂₀₂₁	Forecast revenue from prices 2021 ⁸	565,552
FRFP ₂₀₂₁ × limit	Limit on annual percentage change (10%)	56,555
AFRFP₂₀₂₂	Allowable forecast revenue from prices 2022	622,107

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.⁹ 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.¹⁰ Schedule 1.5 (3) of the Determination requires that all forecasts of pass-through

³ Forecast net allowable revenue is set out in schedule 1.4 of the Determination.

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

⁵ The opening wash-up account balance is nil for the first and second assessment periods, as set out schedule 1.7 of the Determination.

⁶ Details of the pass-through balance allowance are included in section 2.3.

⁷ There is ambiguity in the Input Methodologies as to how certain inputs used to calculate incremental rolling incentive scheme (“IRIS”) incentive adjustment 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 2022 in this statement is consistent with Vector’s audited Information Disclosures and external advice. However, given the possible calculations of forecast allowable revenue 2022 are above the forecast revenue from prices, there is no impact on price path compliance.

⁸ Forecast revenue from prices for 31 March 2021 is from the 2021 Annual Price-Setting Compliance Statement (available at <https://www.vector.co.nz/about-us/regulatory/disclosures-electricity/price-quality-path>).

⁹ The revenue wash-up drawn down amount is the opening wash-up account balance which is nil for the first and second assessment periods, as set out schedule 1.7 of the Determination.

¹⁰ 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

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 2022 assessment period. All other pass-through and recoverable costs not included Table 6 are not applicable to Vector for the 2022 assessment periods.

Table 6: Forecast pass-through and recoverable costs 2022			
Cost type	Description	Forecast method	2022 (\$000)
Pass-through costs	Local Authority rates	Historic plus 5% (as publicly announced) plus 9 months of a proposed \$10.5m targeted rate ¹¹	16,325
	Commerce Act levy	Based on the Commission's Part 4 energy funding consultation paper ¹² and historic trend of total industry levy with an increased portion attributable to Vector due to growth in Vector's Regulatory Asset Base	2,328
	Electricity Authority levy	From current trend and proposed EA appropriation	1,752
	Utility Disputes levy	Historic trend	380
	Total pass-through costs		
Recoverable costs	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	15,349
	Transpower electricity lines service charges	As notified by Transpower	172,113
	Transpower new investment charges	As notified by Transpower	7,881
	Distributed generation allowance	Based on demand and Transpower's 2022 interconnection rates	1,028
	Quality incentive allowance	Determined from the 2020 assessment period and adjusted for the time value of money	(4,449)
	Fire and Emergency New Zealand levy	Historic plus 2% (proxy for forecast CPI)	579
	CAPEX wash-up	As per the Commission's financial model, updated commissioned asset value	35,473
	Total recoverable costs		
Total forecast pass-through and recoverable costs excluding revenue wash-up drawn down amount			248,759

¹¹ Auckland Council is proposing to levy a targeted 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.

¹² Available at https://comcom.govt.nz/_data/assets/pdf_file/0024/229830/Part-4-energy-levy-funding-consultation-paper-10-Dec-2020.pdf.

2.3 Pass-through balance allowance

Forecast allowable revenue includes the recovery of the pass-through balance allowance which is defined in clause 4.2 of the Determination. The pass-through balance allowance used to set prices for the 2022 assessment period is presented in Table 7 below using a different formula to the 2021 assessment period.

Table 7: Pass-through balance allowance 2022		
Formula: $PTBA_{2022} = (ePTB_{2020} - PTB_{2020}) \times (1 + WACC)^2$		
Component	Description	Value (\$000)
ePTB ₂₀₂₀	Estimated pass-through balance as of 31 March 2020 ¹³	9,465
- PTB ₂₀₂₀	Actual pass-through balance as of 31 March 2020 ¹⁴	(8,732)
(ePTB ₂₀₂₀ - PTB ₂₀₂₀) × WACC ²	67th percentile estimate of post-tax WACC (4.23%) ¹⁵	63
PTBA₂₀₂₂:	Pass-through balance allowance 2022	796

¹³ Estimated pass-through balance for 31 March 2020 is from the 2021 Annual Price-Setting Compliance Statement (available at <https://www.vector.co.nz/about-us/regulatory/disclosures-electricity/price-quality-path>).

¹⁴ Actual pass-through balance for 31 March 2020 is from the 2020 Annual Compliance Statement (available at <https://www.vector.co.nz/about-us/regulatory/disclosures-electricity/price-quality-path>).

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

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)¹⁶ and by network (Auckland and Northern).

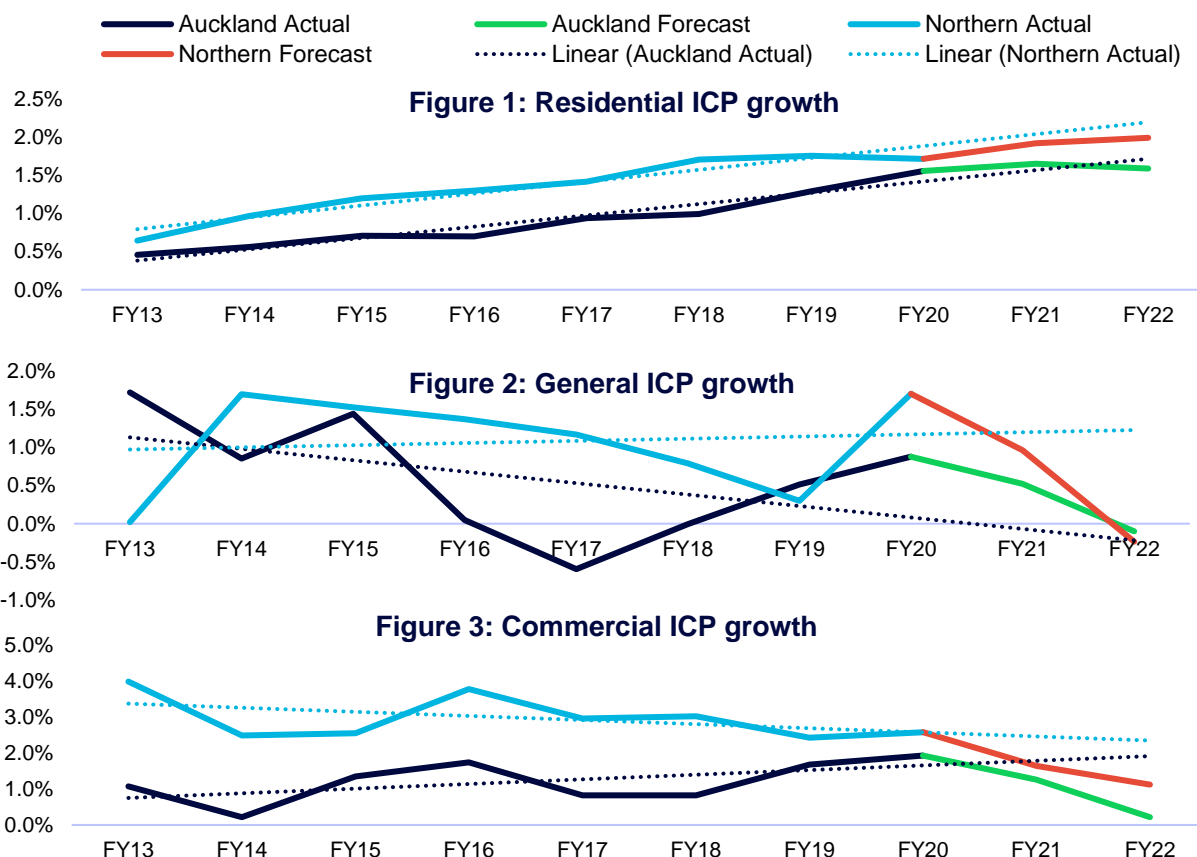
The latest forecast was prepared in October 2020 and is based on actual billed data to August 2020 and accrued data for September 2020.

We calculate the forecast monthly total connections by the following formula:

Forecast monthly total connections = Prior months total connections + gross connections – movements

- Gross connections are based on the Auckland Forecasting Centre's household and employment forecasts¹⁷ 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 2018 to August 2020 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.



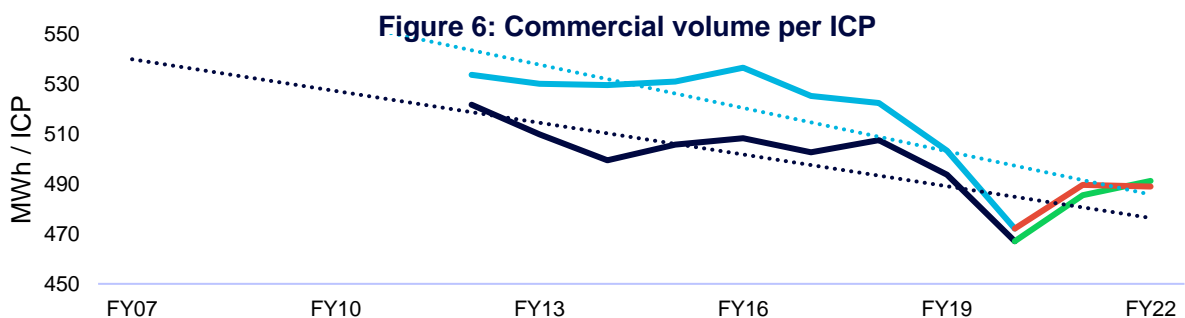
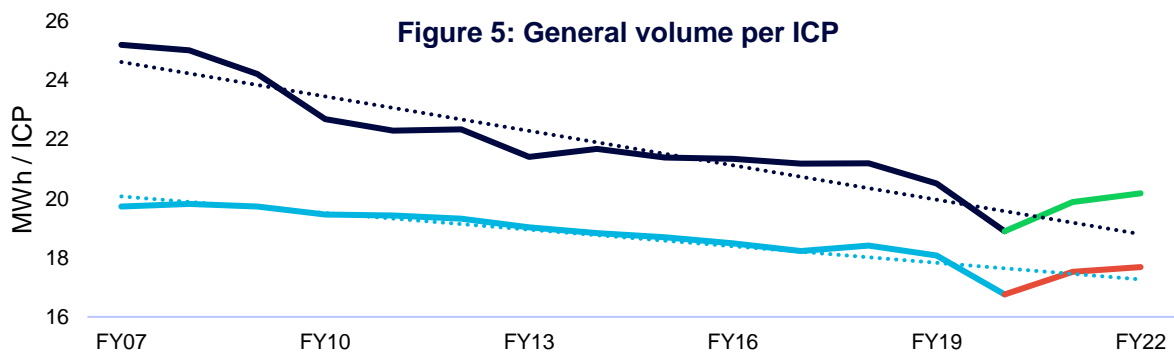
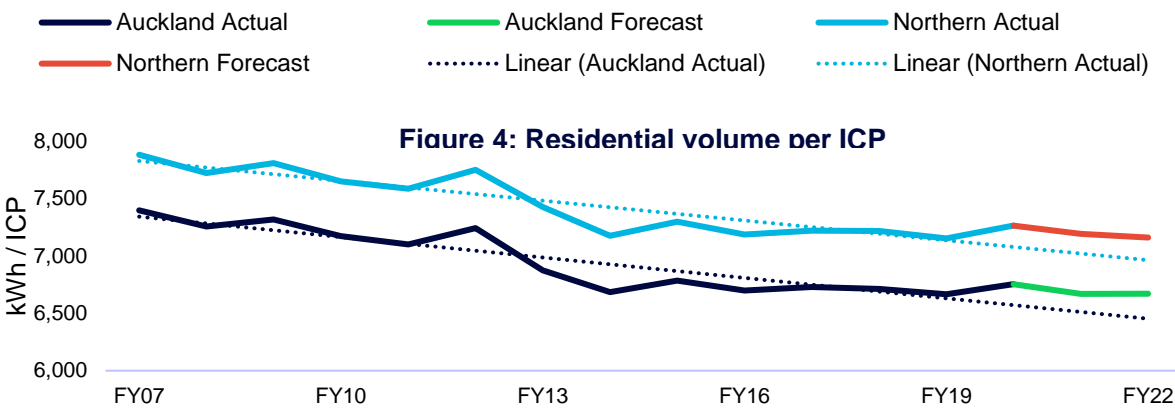
¹⁶ For further information on how consumer groups (and price categories) are defined, see our pricing methodology, available at www.vector.co.nz/about-us/regulatory/disclosures-electricity/pricing-methodology.

¹⁷ The Auckland Forecasting Centre's household/employment forecasts consider Statistics NZ forecasts and local knowledge of building developments, council plans and strategy.

Volume forecasts by consumer group are 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.

- Residential and general volume data are available from financial year (FY) 2007 to FY2020, whereas commercial volume trends are from FY2012 to FY2020 (as volumes cannot be split between standard and non-standard ICPs prior to FY2012).
- Residential, general and commercial volume trends used are from FY2014 to FY2019. We have changed to using a shorter term trend as we believe the more recent history is more likely to give a better indication of where volumes per ICP are likely to be as Auckland recovers post Covid-19. FY2020 is excluded to remove Covid-19's direct impact on the volume per ICP trends.
- The allocation of annual volume per ICP into monthly values is based on the average contribution to annual volume per ICP for that month using historic data (from FY2012 to FY2019).

Figures 4-6 show volumes per ICP for the consumer groups which illustrate that the use of the historic trends are reasonable for the volume forecasts with Covid-19's impact shown in FY20.

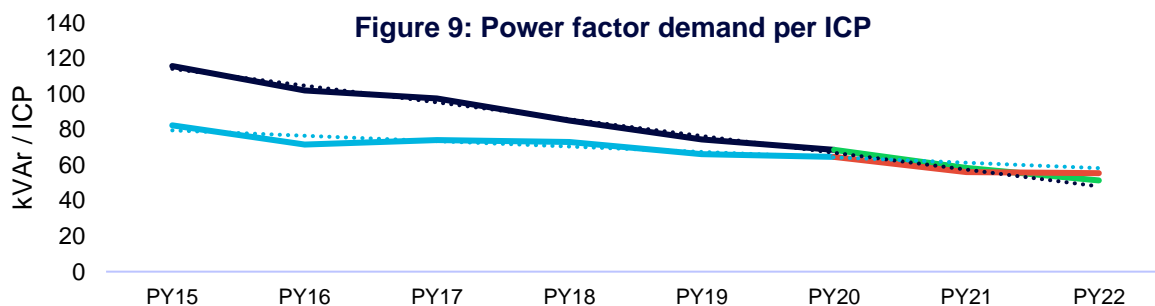
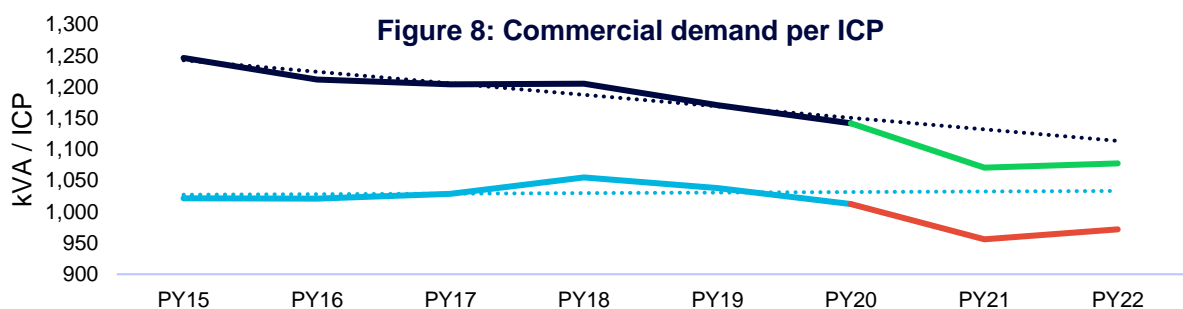
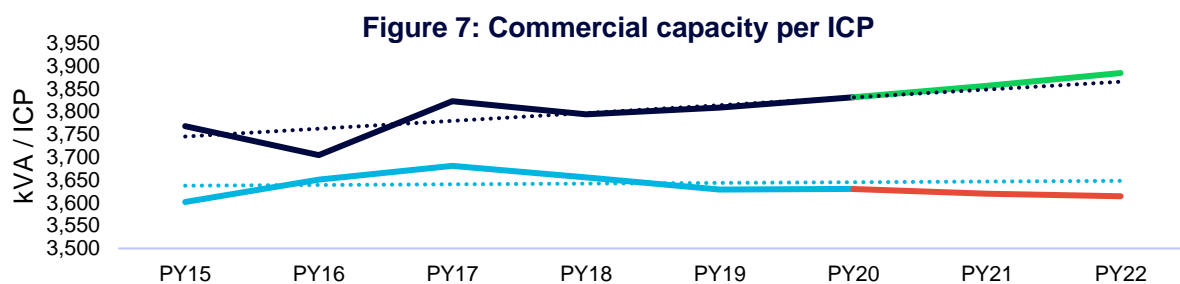


Commercial capacity, demand and power factor forecasts are determined by multiplying the forecasted monthly quantity per ICP by the forecast number of ICPs. Forecasted capacities per ICP are calculated using historic monthly trend lines. Forecasted demand (or power factor) per ICP are calculated using 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 pricing year (PY) 2015 to PY2020.
- Capacity trends used are monthly from July 2018 to August 2020. Demand and power factor annual trends used are from PY2018 to PY2020. Short-term trends are used as we believe the more recent history is more likely to give a better indication of where these quantities per ICP are likely to be as Auckland recovers post 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 PY2019).

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 these forecasts with Covid-19's impact shown on demand in PY21.

— Auckland Actual — Auckland Forecast — Northern Actual
— Northern Forecast ⋯ Linear (Auckland Actual) ⋯ Linear (Northern Actual)



Price category quantity forecasts

For the 2022 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 2022 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 2021 assessment period were available from April 2020 to October 2020 when setting 2022 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;

- our 2022 mandatory time of use (TOU) price categories for all ICPs except those with persistent metering issues; and
- the estimated consumers moving to and from residential low user price categories.

It is estimated that 97.3% and 86.2% of residential and general ICPs would be on TOU price categories based on October 2020 Electricity Authority metering statistics. It is estimated that 5% net of ICPs will move from standard to low user price categories based on the trend over the last few years.

The 2022 forecast price categories level quantities can be found in Appendix 2.

Appendix 2: 2022 Line charges and forecast quantities

	Pi,2022 Qi,2022
Northern charges between 1 April 2021 to 31 March 2022	\$211,086,446
Auckland charges between 1 April 2021 to 31 March 2022	\$374,057,410
Non-standard charges between 1 April 2021 to 31 March 2022	\$17,836,242
Total charges between 1 April 2021 to 31 March 2022	\$602,980,098

Northern line charges between 1 April 2021 to 31 March 2022

Residential - time of use

Price category	Code	Description	Units	Pi,2022	Qi,2022	Pi,2022 Qi,2022
WRHL	WRHL-FIXD	Fixed	\$/day	0.1500	7,398,268	\$ 1,109,740
WRHL	WRHL-OFPK	Volumetric, uncontrolled, off peak	\$/kWh	0.0658	73,032,589	\$ 4,805,544
WRHL	WRHL-PEAK	Volumetric, uncontrolled, peak	\$/kWh	0.1647	33,877,329	\$ 5,579,596
WRHLC	WRHLC-FIXD	Fixed	\$/day	0.1500	38,549,022	\$ 5,782,353
WRHLC	WRHLC-OFPK	Volumetric, controlled, off peak	\$/kWh	0.0658	380,410,574	\$ 25,031,016
WRHLC	WRHLC-PEAK	Volumetric, controlled, peak	\$/kWh	0.1446	176,648,551	\$ 25,543,380
WRHS	WRHS-FIXD	Fixed	\$/day	1.0900	5,692,543	\$ 6,204,871
WRHS	WRHS-OFPK	Volumetric, uncontrolled, off peak	\$/kWh	0.0230	107,594,917	\$ 2,474,683
WRHS	WRHS-PEAK	Volumetric, uncontrolled, peak	\$/kWh	0.1219	48,202,818	\$ 5,875,923
WRHSC	WRHSC-FIXD	Fixed	\$/day	1.0900	24,966,781	\$ 27,213,791
WRHSC	WRHSC-OFPK	Volumetric, controlled, off peak	\$/kWh	0.0230	471,942,466	\$ 10,854,677
WRHSC	WRHSC-PEAK	Volumetric, controlled, peak	\$/kWh	0.1018	211,366,956	\$ 21,517,156

Residential - exemption

Price category	Code	Description	Units	Pi,2022	Qi,2022	Pi,2022 Qi,2022
WRUL	WRUL-FIXD	Fixed	\$/day	0.1500	205,296	\$ 30,794
WRUL	WRUL-24UC	Volumetric, uncontrolled	\$/kWh	0.0963	3,073,477	\$ 295,976
WRCL	WRCL-FIXD	Fixed	\$/day	0.1500	1,104,346	\$ 165,652
WRCL	WRCL-AICO	Volumetric, controlled	\$/kWh	0.0901	18,065,841	\$ 1,627,732
WRUS	WRUS-FIXD	Fixed	\$/day	1.0900	157,964	\$ 172,180
WRUS	WRUS-24UC	Volumetric, uncontrolled	\$/kWh	0.0535	3,488,974	\$ 186,660
WRCS	WRCS-FIXD	Fixed	\$/day	1.0900	658,168	\$ 717,404
WRCS	WRCS-AICO	Volumetric, controlled	\$/kWh	0.0473	19,028,473	\$ 900,047

General

Price category	Code	Description	Units	Pi,2022	Qi,2022	Pi,2022 Qi,2022
WBSU	WBSU-FIXD	Fixed	\$/day/fitting	0.0800	16,282,027	\$ 1,302,562
WBSU	WBSU-24UC	Volumetric	\$/kWh	0.0257	20,355,774	\$ 523,143
WBSH	WBSH-FIXD	Fixed	\$/day	1.0900	7,136,438	\$ 7,778,717
WBSH	WBSH-OFPK	Volumetric, uncontrolled, off peak	\$/kWh	0.0230	241,263,572	\$ 5,549,062
WBSH	WBSH-PEAK	Volumetric, uncontrolled, peak	\$/kWh	0.1219	98,431,211	\$ 11,998,765
WBSN	WBSN-FIXD	Fixed	\$/day	1.0900	1,142,492	\$ 1,245,317
WBSN	WBSN-24UC	Volumetric	\$/kWh	0.0535	54,382,691	\$ 2,909,474

Low voltage

Price category	Code	Description	Units	Pi,2022	Qi,2022	Pi,2022 Qi,2022
WLVN	WLVN-FIXD	Fixed	\$/day	6.0400	334,331	\$ 2,019,358
WLVN	WLVN-24UC	Volumetric	\$/kWh	0.0351	127,123,543	\$ 4,462,036
WLVN	WLVN-CAPY	Capacity	\$/kVA/day	0.0356	49,168,665	\$ 1,750,404
WLVN	WLVN-PWRF	Power Factor	\$/kVAr/day	0.2917	315,502	\$ 92,032
WLVH	WLVH-FIXD	Fixed	\$/day	11.3700	95,788	\$ 1,089,108
WLVH	WLVH-24UC	Volumetric	\$/kWh	0.0054	134,511,903	\$ 726,364
WLVH	WLVH-CAPY	Capacity	\$/kVA/day	0.0356	25,221,766	\$ 897,895
WLVH	WLVH-DAMD	Demand	\$/kVA/day	0.2759	10,420,062	\$ 2,874,895
WLVH	WLVH-PWRF	Power Factor	\$/kVAr/day	0.2917	699,072	\$ 203,919

Transformer

Price category	Code	Description	Units	Pi,2022	Qi,2022	Pi,2022 Qi,2022
WTXN	WTXN-FIXD	Fixed	\$/day	5.9200	48,873	\$ 289,331
WTXN	WTXN-24UC	Volumetric	\$/kWh	0.0344	36,962,889	\$ 1,271,523
WTXN	WTXN-CAPY	Capacity	\$/kVA/day	0.0349	11,783,791	\$ 411,254
WTXN	WTXN-PWRF	Power Factor	\$/kVAr/day	0.2917	172,260	\$ 50,248
WTXH	WTXH-FIXD	Fixed	\$/day	11.1500	102,830	\$ 1,146,557
WTXH	WTXH-24UC	Volumetric	\$/kWh	0.0053	372,208,397	\$ 1,972,705
WTXH	WTXH-CAPY	Capacity	\$/kVA/day	0.0349	77,024,198	\$ 2,688,145
WTXH	WTXH-DAMD	Demand	\$/kVA/day	0.2704	28,961,202	\$ 7,831,109
WTXH	WTXH-PWRF	Power Factor	\$/kVAr/day	0.2917	1,341,485	\$ 391,311

High voltage

Price category	Code	Description	Units	Pi,2022	Oi,2022	Pi,2022	Oi,2022
WHVN	WHVN-FIXD	Fixed	\$/day	5.7400	-	\$	-
WHVN	WHVN-24UC	Volumetric	\$/kWh	0.0334	-	\$	-
WHVN	WHVN-CAPY	Capacity	\$/kVA/day	0.0339	-	\$	-
WHVN	WHVN-PWRF	Power Factor	\$/kVAr/day	0.2917	-	\$	-
WHVH	WHVH-FIXD	Fixed	\$/day	10.8200	8,896	\$	96,252
WHVH	WHVH-24UC	Volumetric	\$/kWh	0.0051	123,675,637	\$	630,746
WHVH	WHVH-CAPY	Capacity	\$/kVA/day	0.0339	14,791,267	\$	501,424
WHVH	WHVH-DAMD	Demand	\$/kVA/day	0.2623	8,450,793	\$	2,216,643
WHVH	WHVH-DEXA	Excess demand	\$/kVA/day	0.7458	25,370	\$	18,921
WHVH	WHVH-PWRF	Power Factor	\$/kVAr/day	0.2917	198,997	\$	58,047

Auckland line charges between 1 April 2021 to 31 March 2022

Residential - time of use

Price category	Code	Description	Units	Pi,2022	Oi,2022	Pi,2022	Oi,2022
ARHL	ARHL-FIXD	Fixed	\$/day	0.1500	10,783,730	\$	1,617,560
ARHL	ARHL-OFPK	Volumetric, off peak	\$/kWh	0.0658	101,848,702	\$	6,701,645
ARHL	ARHL-PEAK	Volumetric, peak	\$/kWh	0.1647	45,607,932	\$	7,511,626
ARHLC	ARHLC-FIXD	Fixed	\$/day	0.1500	59,436,102	\$	8,915,415
ARHLC	ARHLC-OFPK	Volumetric, off peak	\$/kWh	0.0658	557,410,498	\$	36,677,611
ARHLC	ARHLC-PEAK	Volumetric, peak	\$/kWh	0.1446	255,318,230	\$	36,919,016
ARHS	ARHS-FIXD	Fixed	\$/day	1.0900	6,084,554	\$	6,632,164
ARHS	ARHS-OFPK	Volumetric, off peak	\$/kWh	0.0230	111,430,651	\$	2,562,905
ARHS	ARHS-PEAK	Volumetric, peak	\$/kWh	0.1219	48,681,968	\$	5,934,332
ARHSC	ARHSC-FIXD	Fixed	\$/day	1.0900	32,942,617	\$	35,907,453
ARHSC	ARHSC-OFPK	Volumetric, off peak	\$/kWh	0.0230	600,473,270	\$	13,810,885
ARHSC	ARHSC-PEAK	Volumetric, peak	\$/kWh	0.1018	266,398,551	\$	27,119,372

Residential - exemption

Price category	Code	Description	Units	Pi,2022	Oi,2022	Pi,2022	Oi,2022
ARUL	ARUL-FIXD	Fixed	\$/day	0.1500	299,240	\$	44,886
ARUL	ARUL-24UC	Volumetric, uncontrolled	\$/kWh	0.0963	3,666,411	\$	353,075
ARCL	ARCL-FIXD	Fixed	\$/day	0.1500	1,695,013	\$	254,252
ARCL	ARCL-AICO	Volumetric, controlled	\$/kWh	0.0901	31,562,192	\$	2,843,753
ARUS	ARUS-FIXD	Fixed	\$/day	1.0900	168,842	\$	184,037
ARUS	ARUS-24UC	Volumetric, uncontrolled	\$/kWh	0.0535	3,184,501	\$	170,371
ARCS	ARCS-FIXD	Fixed	\$/day	1.0900	868,426	\$	946,584
ARCS	ARCS-AICO	Volumetric, controlled	\$/kWh	0.0473	28,769,300	\$	1,360,788

General

Price category	Code	Description	Units	Pi,2022	Oi,2022	Pi,2022	Oi,2022
ABSU	ABSU-FIXD	Fixed	\$/day/fitting	0.0800	26,025,036	\$	2,082,003
ABSU	ABSU-24UC	Volumetric	\$/kWh	0.0257	34,751,131	\$	893,104
ABSH	ABSH-FIXD	Fixed	\$/day	1.0900	11,573,597	\$	12,615,221
ABSH	ABSH-OFPK	Volumetric, off peak	\$/kWh	0.0230	461,589,650	\$	10,616,562
ABSH	ABSH-PEAK	Volumetric, peak	\$/kWh	0.1219	179,686,691	\$	21,903,808
ABSN	ABSN-FIXD	Fixed	\$/day	1.0900	1,852,850	\$	2,019,606
ABSN	ABSN-24UC	Volumetric	\$/kWh	0.0535	102,663,730	\$	5,492,510

Low voltage

Price category	Code	Description	Units	Pi,2022	Oi,2022	Pi,2022	Oi,2022
ALVN	ALVN-FIXD	Fixed	\$/day	1.8700	847,513	\$	1,584,850
ALVN	ALVN-24UC	Volumetric	\$/kWh	0.0568	255,705,051	\$	14,524,047
ALVN	ALVN-CAPY	Capacity	\$/kVA/day	0.0441	127,382,109	\$	5,617,551
ALVN	ALVN-PWRF	Power Factor	\$/kVAr/day	0.2917	287,361	\$	83,823
ALVT	ALVT-24UC	Volumetric	\$/kWh	0.0126	570,478,595	\$	7,188,030
ALVT	ALVT-CAPY	Capacity	\$/kVA/day	0.0441	139,568,304	\$	6,154,962
ALVT	ALVT-DAMD	Demand	\$/kVA/day	0.3063	45,417,091	\$	13,911,255
ALVT	ALVT-PWRF	Power Factor	\$/kVAr/day	0.2917	3,127,497	\$	912,291

Transformer

Price category	Code	Description	Units	Pi,2022	Oi,2022	Pi,2022	Oi,2022
ATXN	ATXN-FIXD	Fixed	\$/day	1.8300	58,758	\$	107,528
ATXN	ATXN-24UC	Volumetric	\$/kWh	0.0557	23,433,921	\$	1,305,269
ATXN	ATXN-CAPY	Capacity	\$/kVA/day	0.0432	13,430,236	\$	580,186
ATXN	ATXN-PWRF	Power Factor	\$/kVAr/day	0.2917	12,752	\$	3,720
ATXT	ATXT-24UC	Volumetric	\$/kWh	0.0123	1,181,332,887	\$	14,530,395
ATXT	ATXT-CAPY	Capacity	\$/kVA/day	0.0432	251,934,843	\$	10,883,585
ATXT	ATXT-DAMD	Demand	\$/kVA/day	0.3001	88,479,040	\$	26,552,560
ATXT	ATXT-PWRF	Power Factor	\$/kVAr/day	0.2917	3,295,457	\$	961,285

High voltage

Price category	Code	Description	Units	Pi,2022	Qi,2022	Pi,2022	Qi,2022
AHVN	AHVN-FIXD	Fixed	\$/day	1.7700	2,568	\$	4,546
AHVN	AHVN-24UC	Volumetric	\$/kWh	0.0540	629,454	\$	33,991
AHVN	AHVN-CAPY	Capacity	\$/kVA/day	0.0419	524,118	\$	21,961
AHVN	AHVN-PWRF	Power Factor	\$/kVAr/day	0.2917	5,771	\$	1,683
AHVT	AHVT-24UC	Volumetric	\$/kWh	0.0119	437,548,981	\$	5,206,833
AHVT	AHVT-CAPY	Capacity	\$/kVA/day	0.0419	60,242,860	\$	2,524,176
AHVT	AHVT-DAMD	Demand	\$/kVA/day	0.2910	30,587,357	\$	8,900,921
AHVT	AHVT-DEXA	Excess demand	\$/kVA/day	0.9218	53,284	\$	49,117
AHVT	AHVT-PWRF	Power Factor	\$/kVAr/day	0.2917	1,104,908	\$	322,302

Non-standard line charges between 1 April 2021 to 31 March 2022

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,2022	Qi,2022	Pi,2022	Qi,2022
NS	WN22-1	Fixed	\$/year	\$ 497,785	1	\$	497,785
NS	WN22-2	Fixed	\$/year	\$ 643,509	1	\$	643,509
NS	WN22-3	Fixed	\$/year	\$ -	1	\$	-
NS	AN22-1	Fixed	\$/year	\$ -	1	\$	-
NS	AN22-2	Fixed	\$/year	\$1,168,616	1	\$	1,168,616
NS	AN22-3	Fixed	\$/year	\$2,181,786	1	\$	2,181,786
NS	AN22-4	Fixed	\$/year	\$ -	1	\$	-
NS	AN22-5	Fixed	\$/year	\$1,178,704	1	\$	1,178,704
NS	AN22-6	Fixed	\$/year	\$ 873,625	1	\$	873,625
NS	AN22-7	Fixed	\$/year	\$ 678,321	1	\$	678,321
NS	AN22-8	Fixed	\$/year	\$1,130,470	1	\$	1,130,470
NS	AN22-9	Fixed	\$/year	\$ 383,268	1	\$	383,268
NS	AN22-10	Fixed	\$/year	\$ 784,767	1	\$	784,767
NS	AN22-11	Fixed	\$/year	\$1,448,167	1	\$	1,448,167
NS	AN22-12	Fixed	\$/year	\$ 410,042	1	\$	410,042
NS	AN22-13	Fixed	\$/year	\$ 460,130	1	\$	460,130
NS	AN22-14	Fixed	\$/year	\$ 806,519	1	\$	806,519
NS	AN22-15	Fixed	\$/year	\$1,392,028	1	\$	1,392,028
NS	AN22-16	Fixed	\$/year	\$ 825,110	1	\$	825,110
NS	AN22-17	Fixed	\$/year	\$ 453,672	1	\$	453,672
NS	AN22-18	Fixed	\$/year	\$ 73,793	1	\$	73,793
NS	AN22-19	Fixed	\$/year	\$ 737,549	1	\$	737,549
NS	AN22-20	Fixed	\$/year	\$ 161,394	1	\$	161,394
NS	AN22-21	Fixed	\$/year	\$ 406,051	1	\$	406,051
NS	AN22-22	Fixed	\$/year	\$ 66,274	1	\$	66,274
NS	AN22-23	Fixed	\$/year	\$ -	1	\$	-
NS	AN22-24	Fixed	\$/year	\$ -	1	\$	-
NS	AN22-25	Fixed	\$/year	\$ -	1	\$	-
NS	AN22-26	Fixed	\$/year	\$ 700,738	1	\$	700,738
NS	AN22-27	Fixed	\$/year	\$ 373,925	1	\$	373,925

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 2022 assessment period such that, regardless of the resolution of these issues, forecast revenue from prices will not exceed forecast allowable revenue.



Director

31 March 2021

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.