



Independent Auditor's Report

To the Directors of Electricity Ashburton Limited and the Commerce Commission

Assurance Report Pursuant to Electricity Distribution Information Disclosure Determination 2012

We have completed our assurance engagement in respect of the compliance of Electricity Ashburton Limited, trading as EA Networks, (the 'Company') with the Electricity Distribution Disclosure Information Determination 2012 (the 'Determination') in preparing Schedules 1 to 4, 5a to 5g, 6a and 6b, 7, the SAIDI and SAIFI information disclosed in Schedule 10 and the explanatory notes in boxes 1 to 12 in Schedule 14 ('the Schedules') for the disclosure year ended 31 March 2018.

Directors' Responsibilities

The Directors are responsible on behalf of the Company for compliance with the Determination.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditors' Responsibilities

Our responsibility is to express an opinion on whether the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2018 and report our opinion to you.

Our engagement has been conducted in accordance with ISAE (NZ) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and SAE 3100 (Revised) *Compliance Engagements* to obtain reasonable assurance that the Company has complied in all material respects with the Determination in the preparation of the Schedules for the year ended 31 March 2018. Our procedures included analytical procedures, evaluating the appropriateness of assumptions used and whether they have been consistently applied, agreement of the Schedules to, or reconciling with, source systems and underlying records, an assessment of the significant judgements made by the Company in the preparation of the disclosure information and evaluation of the overall adequacy of the presentation of supporting information and explanations. These procedures have been undertaken to form an opinion as to whether the Company has complied, in all material respects, with the Determination in the preparation of the Schedules for the year ended 31 March 2018.

Use of Report

This report has been prepared for the Directors in accordance with clause 2.8.1(1) of the Determination and is provided solely to assist you in establishing that compliance requirements have been met. Our report should not be used for any other purpose. We acknowledge that the Directors will provide the report to the Commerce Commission in accordance with clause 2.8.1(1)(a) of the Determination.

PricewaterhouseCoopers

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The report has been prepared in accordance with the scope and terms of our letter of engagement with the Company dated 4 July 2018. The terms and conditions form part of this report and are applicable to the Commerce Commission. A copy of the terms and conditions will be provided to the Commerce Commission on request. Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors, or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the year and the procedures performed in respect of the Company's compliance with the Determination are undertaken on a test basis, our engagement cannot be relied on to detect all instances where the Company may not have complied with the Determination. The opinion expressed in this report has been formed on the above basis.

Independence

We are independent of the Company. Our firm carries out other services for the Company in the areas of the annual audit of the Company's financial statements, assignments in the areas of compliance with other regulatory requirements of the Commerce Act 1986 and the provision of other advisory services. The provision of these other services has not impaired our independence.

Basis for Qualified Opinion on Schedules 10(i) to 10(iv)

As described in Box 14 of Schedule 14, there are inherent limitations in the ability of the Company to collect and record the network reliability information specifically the interconnection points ('ICP's') affected by an interruption and the duration of the interruption used in calculating the amounts required to be disclosed in Schedules 10(i) to 10(iv). Consequently there is no independent evidence available to support the accuracy of the ICP's affected and duration of an interruption. Controls over the accuracy of ICP and interruption data included in the SAIDI and SAIFI outage statistics are limited throughout the year.

There are no practical audit procedures that we could adopt to independently confirm the accuracy of the ICP data used to record the number of ICP's affected and duration of the interruption for the purposes of inclusion in the amounts relating to SAIDI and SAIFI outage statistics set out in Schedules 10(i) to 10(iv). Because of the potential effect of the limitation described above, we are unable to form an opinion as to the accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(iv). In this respect alone we have not obtained all the recorded evidence and explanations that we have required.

Qualified Opinion

In our opinion, except for the matters described in the Basis of Qualified Opinion paragraph above:

- As far as appears from our examination, proper records have been kept by the Company to enable the complete and accurate compilation of the Schedules;
- The information used in the preparation of the Schedules has been properly extracted from the Company's accounting and other records and has been sourced where appropriate, from the Company's financial and non-financial systems; and
- The Company has complied, in all material respects, with the Determination in preparing the Schedules.

A handwritten signature in blue ink that reads 'Primate Howard Cooper'.

Chartered Accountants
29 August 2018

Christchurch, New Zealand