



**INDEPENDENT ASSURANCE REPORT
TO THE DIRECTORS OF ALPINE ENERGY LIMITED AND TO THE COMMERCE COMMISSION
ON THE DISCLOSURE INFORMATION
FOR THE DISCLOSURE YEAR ENDED 31 MARCH 2025
AS REQUIRED BY THE
ELECTRICITY DISTRIBUTION INFORMATION DISCLOSURE (AMENDMENTS RELATED TO
IM REVIEW 2023) AMENDMENT DETERMINATION 2024 [2024] NZCC 31**

Alpine Energy Limited (the company) is required to disclose certain information under the Electricity Distribution Information Disclosure (Amendments related to IM Review 2023) Amendment Determination 2024 [2024] NZCC 31 (the Determination) and to procure an assurance report by an independent auditor in terms of section 2.8.1 of the Determination.

The Auditor-General is the auditor of the company.

The Auditor-General has appointed me, Elizabeth Adriana (Adri) Smit, using the staff and resources of PricewaterhouseCoopers, to undertake a reasonable assurance engagement, on his behalf, on whether the information prepared by the company for the disclosure year ended 31 March 2025 (the Disclosure Information) complies, in all material respects, with the Determination.

The Disclosure Information that falls within the scope of the assurance engagement are:

- Schedules 1 to 4 (excluding 3a),¹ 5a to 5h, 6a and 6b, 7, 10 and 10a (limited to the SAIDI and SAIFI information) and 14 (limited to the explanatory notes in boxes 1 to 11) of the Determination.
- Clause 2.3.6 of the Determination and clauses 2.2.11(1)(g), 2.2.11(5) and 2.2.11(6) of the Electricity Distribution Services Input Methodologies Determination 2012 (consolidated 23 April 2024) (the IM Determination), in respect of the basis for valuation of related party transactions (the Related Party Transaction Information).

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, in all material respects:

- as far as appears from an examination, proper records to enable the complete and accurate compilation of the Disclosure Information have been kept by the company;
- as far as appears from an examination, the information used in the preparation of the Disclosure Information has been properly extracted from the company's accounting and other records, sourced from the company's financial and non-financial systems;
- the Disclosure Information complies, in all material respects, with the Determination; and
- the basis for valuation of related party transactions complies with the Determination and the IM Determination.

Basis for Qualified Opinion

As described in box 1 of Schedule 15, 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 the Schedules 10(i) to 10(vi) and 10a. Consequently, there is no independent evidence available to support the completeness and accuracy of recorded faults, and control over the completeness and accuracy of interconnection point ('ICP') data included in the SAIDI and SAIFI calculations was limited throughout the year.

There are no practical audit procedures that we could adopt to independently confirm that all the faults and ICP data were properly recorded for the purposes of inclusion in the amounts relating to quality measures set out in Schedules 10(i) to 10(vi) and 10a.

¹ Schedule 3a requirement applies from 1 April 2025, which is the beginning of disclosure year 2026. As such, the first disclosures will be due in 2026.



Because of the potential effect of these limitations, we are unable to obtain sufficient appropriate audit evidence to confirm the completeness and accuracy of the data that forms the basis of the compilation of Schedules 10(i) to 10(vi) and 10a.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)") and the Standard on Assurance Engagements (SAE) 3100 (Revised) *Compliance Engagements* ("SAE 3100 (Revised)"), issued by the New Zealand Auditing and Assurance Standards Board.

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

Key Assurance Matters

Key assurance matters are those matters that, in our professional judgement, required significant attention when carrying out the assurance engagement during the current disclosure year. These matters were addressed in the context of our compliance engagement, and in forming our opinion. We do not provide a separate opinion on these matters.

Key Assurance Matter	How our procedures addressed the key assurance matter
<p>Regulatory asset base</p> <p>The Regulatory Asset Base (RAB), as set out in Schedule 4, reflects the value of Alpine Energy Limited's electricity distribution assets. These are valued using an indexed historic cost methodology prescribed by the Determination. It is a measure which is used widely and is key to measuring Alpine Energy Limited's return on investment and therefore important when monitoring financial performance or setting electricity distribution prices.</p> <p>The RAB inputs, as set out in the IM Determination, are similar to those used in the measurement of fixed assets in the financial statements, however, there are a number of different requirements and complexities which require careful consideration.</p> <p>Due to the importance of the RAB within the regulatory regime, the incentives to overstate the RAB value, and complexities within the regulations, we have considered it to be a key area of focus.</p>	<p>We have obtained an understanding of the compliance requirements relevant to the RAB as set out in the Determination and the IM Determination.</p> <p>Our procedures over the regulatory asset base included the following:</p> <p>Assets commissioned</p> <ul style="list-style-type: none"> • We considered the nature of the assets commissioned during the period, as per the regulatory fixed asset register, to identify any specific cost or asset type exclusions, as set out in the Determination, which are required to be removed from the RAB; • We reconciled the assets commissioned, as per the regulatory fixed asset register, to the asset additions disclosed in the audited annual financial statements and investigated any material reconciling items; and • We tested a sample of assets commissioned during the disclosure period for appropriate asset category classification. <p>Depreciation</p> <ul style="list-style-type: none"> • We compared the spreadsheet formula utilised to calculate regulatory depreciation expense with IM Determination clause 2.2.5; • We compared the standard asset lives by asset category to those set out in the IM Determination; and • We have performed a reasonableness test to ensure regulatory depreciation expense is calculated in line with IM Determination clause 2.2.5.

Key Assurance Matter	How our procedures addressed the key assurance matter
	<p>Revaluation</p> <ul style="list-style-type: none"> • We recalculated the revaluation rate set out in the IM Determination using the relevant Consumer Price Index indices taken from the Statistics New Zealand website; and • We tested the mathematical accuracy of the revaluation calculation performed by management. <p>Disposals</p> <ul style="list-style-type: none"> • We considered the nature of the asset disposals within the accounting fixed asset register and tested a sample of RAB disposals to ensure disposals in the RAB meet the definition of a disposal per the IM Determination.
<p>Cost and Asset Allocation</p> <p>The Determination relates to information concerning the supply of electricity distribution services. In addition to the regulated supply of electricity, Alpine Energy Limited also supplies customers with other unregulated services such as metering services.</p> <p>As set out in schedules 5d, 5e, 5f and 5g, costs and asset values that relate to electricity distribution services regulated under the Determination should comprise:</p> <ul style="list-style-type: none"> • All of the costs directly attributable to the regulated goods or services; and • An allocated portion of the costs that are not directly attributable. <p>The IM Determination set out rules and processes for allocating costs and assets which are not directly attributable to either regulated or unregulated services. A number of screening tests apply which must be considered when deciding on the appropriate allocation method.</p> <p>Alpine Energy Limited has applied the Accounting-Based Allocation Approach Methodology (ABAA) utilising proxy cost and asset allocators to allocate the asset values and operating costs that are not directly attributable where causal relationships could not be identified.</p>	<p>We obtained an understanding of Alpine Energy Limited's cost and asset allocation processes and the methodologies applied.</p> <p>Our procedures over cost and asset allocation included:</p> <ul style="list-style-type: none"> • Reconciling the regulated and unregulated financial information to the audited financial statements. <p>Classification as directly/not directly attributable</p> <ul style="list-style-type: none"> • Considering the appropriateness of the costs allocated as directly attributable, based on the nature and our understanding of the business to determine the reasonableness of the directly attributable classification; • Testing a sample of transactions to ensure their classification as either directly attributable or not directly attributable costs are appropriate and in line with the Determination, as amended; • Inspecting the fixed asset register to identify any asset classes which based on their nature and our understanding of the business could be considered assets directly attributable to a specific business unit; and • Testing a sample of assets commissioned to ensure their classification as either directly attributable or not directly attributable are appropriate and in line with the Determination, as amended, by inspecting the related invoice.

Key Assurance Matter	How our procedures addressed the key assurance matter
Given the judgement involved in the application of the cost and asset allocation methodologies we consider it a key assurance matter.	Appropriateness of the allocators used for not directly attributable costs and assets <ul style="list-style-type: none"> Considering the appropriateness of the cost and asset causal and proxy allocators used in applying the ABAA to not directly attributable costs including inspecting supporting documentation and recalculating proxy allocators; Understanding why causal relationships could not be identified in allocating some costs or assets and ensuring appropriate disclosure has been included outlining these in Schedule 14; and Recalculating the split between not directly attributable costs and asset values allocated to electricity distribution services and non-electricity distribution services.

Directors' responsibilities

The directors of the company are responsible in accordance with the Determination for:

- the preparation of the Disclosure Information; and
- the Related Party Transaction Information.

The directors of the company are also responsible for the identification of risks that may threaten compliance with the schedules and clauses identified above and controls which will mitigate those risks and monitor ongoing compliance.

Auditor's responsibilities

Our responsibilities in terms of clauses 2.8.1(1)(b)(vi) and (vii), 2.8.1(1)(c) and 2.8.1(1)(d) are to express an opinion on whether:

- as far as appears from an examination, the information used in the preparation of the audited Disclosure Information has been properly extracted from the company's accounting and other records, sourced from its financial and non-financial systems;
- as far as appears from an examination, proper records to enable the complete and accurate compilation of the audited Disclosure Information required by the Determination have been kept by the company and, if not, the records not so kept;
- the company complied, in all material respects, with the Determination in preparing the audited Disclosure Information; and
- the company's basis for valuation of related party transactions in the disclosure year has complied, in all material respects, with clause 2.3.6 of the Determination and clauses 2.2.11(1)(g), 2.2.11(5) and 2.2.11(6) of the IM Determination.

To meet these responsibilities, we planned and performed procedures in accordance with ISAE (NZ) 3000 (Revised) and SAE 3100 (Revised), to obtain reasonable assurance about whether the company has complied, in all material respects, with the Disclosure Information (which includes the Related Party Transaction Information) required to be audited by the Determination.

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



Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with the Determination may occur and not be detected.

A reasonable assurance engagement throughout the disclosure year does not provide assurance on whether compliance with the Determination will continue in the future.

Restricted use

This report has been prepared for use by the directors of the company and the Commerce Commission in accordance with clause 2.8.1(1)(a) of the Determination and is provided solely for the purpose of establishing whether the compliance requirements have been met. We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors of the company and the Commerce Commission, or for any other purpose than that for which it was prepared.

Independence and quality control

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

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

The Auditor-General, and his employees, PricewaterhouseCoopers and its partners and employees may deal with the company on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms within the ordinary course of trading activities of the company, this engagement, the assurance engagement on the Default Price-Quality Path, assurance engagements on regulatory compliance with the Commerce Act 1986 and the annual audit of the company's financial statements and performance information, we have no relationship with, or interests in, the company.

A handwritten signature in black ink, appearing to read 'Adri Smit', with a large, stylized 'A' and a horizontal line extending to the right.

Elizabeth Adriana (Adri) Smit
PricewaterhouseCoopers
On behalf of the Auditor-General
Christchurch, New Zealand
29 August 2025