



Company Name Westpower Limited

Schedule 14a Mandatory Explanatory Notes on Forecast Information

(In this Schedule, clause references are to the Electricity Distribution Information Disclosure Determination 2012 – as amended and consolidated 3 April 2018.)

1. This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.
2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

Commentary on difference between nominal and constant price capital expenditure forecasts (Schedule 11a)

3. In the box below, comment on the difference between nominal and constant price capital expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11a.

Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts

The following inflation factors have been applied in calculating the nominal expenditure forecasts on Schedule 11a

- Network Capital Expenditure 2%
- These inflation factors take in to account the forecast movement in prices for key inputs including labour, materials, and plant costs.

West Coast's Locally Owned Electricity Distributor

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Commentary on difference between nominal and constant price operational expenditure forecasts (Schedule 11b)

4. In the box below, comment on the difference between nominal and constant price operational expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11b.

Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts

The following inflation factors have been applied in calculating the nominal expenditure forecasts on Schedule 11b

- Network Operational Expenditure 2%
- Non-Network Operational Expenditure 1-2%
- These inflation factors take in to account the forecast movement in prices for key inputs including labour, materials, and plant costs.