

WESTPOWER LIMITED

Electricity Distribution (Information Disclosure) Requirements

For The Year Ended 31 March 2010

24 August 2010

SCHEDULE 13
FORM 1 – CERTIFICATE FOR DISCLOSED INFORMATION

Pursuant to Requirement 11(1)

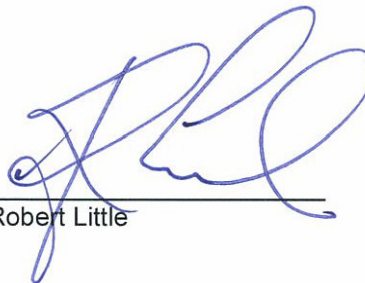
We, Suzanne Peta Merriman and Hugh Robert Little, Directors of Westpower Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Westpower Limited prepared for the purposes of requirement 3, 4, 6 and 7(5) of the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 complies with those Requirements –

- (i) Report FS1: Regulatory Profit Report;
- (ii) Report FS2: Regulatory Asset and Financing Report;
- (iii) Report FS3: Regulatory Tax Allowance Report;
- (iv) Report AV1: Annual Regulatory Valuation Roll-Forward Report;
- (v) Report AV2: Valuation Disclosure by Asset Class (for System Fixed Assets);
- (vi) Report AV3: System Fixed Assets Replacement Cost Roll – Forward Report;
- (vii) Report AV4: Merger or Acquisition Regulatory Asset Base Disclosure;
- (viii) Report MP1: Network Information Report;
- (ix) Report MP2: Performance Measures Report;
- (x) Report MP3: Price and Quality Report; and
- (xi) Report AM1: Expenditure Forecasts and Reconciliation.

Signed By:



Suzanne Peta Merriman



Hugh Robert Little

Date: 24 August 2010

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Westpower	
		For Year Ended	2010	
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6	Income			
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REPORT FS1: REGULATORY PROFIT STATEMENT (cont)

Notes to Regulatory Profit Statement

69	FS1a: Discretionary Discounts: Customer Rebates and other line charge adjustments		(\$000)
70	Customer Rebates		
71	Line Charge Holidays and other Discretionary Discounts		
72	Total Discretionary Discounts and Customer Rebates		-

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	6,475	
78	Subvention Payment		
79	Other related party expenditure		
80	Total Related Party Expenditure		6,475
81	<i>N.B.: The additional Related Party information that is required to be disclosed in accordance with Section 3 of the Information Disclosure Handbook is to be disclosed by way of a separate note to this Schedule and forms part of this Schedule.</i>		
82			
83			
84			

87	FS1c: Operational Expenditure notes		(\$000)
88			
89	Merger and Acquisition Expenses		
90	Merger and Acquisition Expenses (not to be included in Operational Expenditure)		
91			
92	Material items (if greater than 10% of the Operational Expenditure line item)		
93	Material item amount 1	655	<i>Notes to be provided separately</i>
94	within expenditure category:	General Management, Administration	
95			
96	Material item amount 2	1,240	<i>Notes to be provided separately</i>
97	within expenditure category:	System Management and Operations	
98			
99	Material item amount 3	749	<i>Notes to be provided separately</i>
100	within expenditure category:	Refurbishment and Renewal Maintena	
101			
102	<i>(further disclosures to be provided on separate page if required)</i>		
103			

106	FS1d: Vested Assets		(\$000)
107	Consideration Paid for Vested Assets		

110	FS1e: Reclassified items in Operational Expenditure		(\$000)
111	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
112	Previous classification:	Select one	
113	New classification:	Select one	
114			
115			(\$000)
116	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
117	Previous classification:	Select one	
118	New classification:	Select one	
119			
120			(\$000)
121	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
122	Previous classification:	Select one	
123	New classification:	Select one	
124			
	<i>to be repeated as required for multiple reclassifications</i>		

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Westpower	
5		For Year Ended	2010
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection	156	to AM1
9	System Growth	1,034	to AM1
10	Reliability, Safety and Environment	1,433	to AM1
11	Asset Replacement and Renewal	2,897	to AM1
12	Asset Relocations	68	to AM1
13	Total Capital Expenditure on System Fixed Assets	5,588	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	-	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	2,817	
21	plus Total Capital Expenditure on System Fixed Assets	5,588	
22	less Assets Commissioned in Year	6,232	from AV1
23	Works under construction at year end	2,173	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	102,407	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	543	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	2,509	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	105,459	
31			
32	plus System Fixed Assets Commissioned in Year	6,232	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	-	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	6,232	
36	Regulatory Asset Base investment in Current Financial Year - average	3,116	
37			
38	plus (minus) where a merger or acquisition has taken place within the year		
39	Adjustment for merger, acquisition or sale to another EDB	-	from AV4
40			
41	Regulatory Investment Value	108,575	to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Westpower	
5			For Year Ended	2010
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Notes to Regulatory Tax Allowance Calculation

36	FS3a: Description of adjustments classified as "other"
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38	The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory notes can be provided in a separate note if necessary).
39	
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48	FS3b: Financing assumptions (for Deductible Interest and Interest Tax Shield calculation)			
49				
50	Standard Debt Leverage Assumption (debt/total assets)	40%	%	
51				
52	Standard Cost of Debt Assumption	5.52%	%	
53				
54	Deductible Interest	2,397	\$000	to row 18
55				
56	Interest Tax Shield Adjustment	719	\$000	to MP2

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref		Electricity Distribution Business: Westpower					
5		For Year Ended: 2010					
6		Year of most recent ODV 2004					
7		(\$000)					
8		ODV Year +	ODV Year +	ODV Year +	ODV Year +	ODV Year +	ODV Year +
9		1	2	3	4	5	6
10		2005	2006	2007	2008	2009	2010
11	System Fixed Assets						
12	Regulatory Value at End of Previous Year*	63,643	71,485	80,923	82,924	95,377	102,407 to FS2
13	plus						
14	Assets Commissioned	7,913	8,339	1,509	11,099	5,846	6,232 to FS2
15	Gross Value of Vested Assets	664	1,054	942	1,441	1,314	469 to FS1
16	Assets Acquired from (Sold to) a Non-EDB						to FS2
17	Asset Additions	8,577	9,393	2,451	12,540	7,160	6,701
18	plus						
19	Indexed Revaluation	1,715	2,400	2,054	2,791	2,832	2,096 to FS1
20	less						
21	Depreciation of System Fixed Assets	1,898	2,056	2,203	2,576	2,749	2,903
22	Regulatory Value of Assets Decommissioned	552	299	301	302	213	249
23	Regulatory Depreciation (incl. value of assets decommissioned)	2,450	2,355	2,504	2,878	2,962	3,152 to FS1
24							
25	plus (minus)						
26	Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	- from AV4
27	less Sale of System Fixed Assets to another EDB	-	-	-	-	-	- from AV4
28	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-	-	-
29							
30	plus (minus)						
31	Net Increase (Decrease) Due to Changes in Asset Register Information						
32							
33	Regulatory Value of System Fixed Assets at Year End	71,485	80,923	82,924	95,377	102,407	108,052
34							
35	Non-System Fixed Assets						
36	Regulatory value at end of previous year	272	248	203	729	650	543
37							
38	plus Asset Additions	17		593	48		to FS2
39	plus Revaluations						to FS1
40	less Depreciation (incl. value of assets decommissioned)	41	45	67	127	107	86 to FS1
41	plus Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	from AV4
42	Regulatory Value of Non-System Fixed Assets at Year end	248	203	729	650	543	457
43							
44							
45	Total Regulatory Asset Base Value (excluding FDC)	71,733	81,126	83,653	96,027	102,950	108,509
46							
47							
48	* The commencing figure for completing this schedule is the most recent ODV value						
49	Note: Additional columns to be added if required						

Notes to Annual Regulatory Valuation Roll-forward Report

57	AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets						
58	CPI as at date of ODV	928					
59							
60	For Year Ended	2005	2006	2007	2008	2009	2010
61	CPI at CPI reference date	953	985	1010	1044	1075	1097
62	Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%	2.05%
63							
64	System Fixed Assets: Regulatory Value at End of Previous Year	63,643	71,485	80,923	82,924	95,377	102,407
65	Indexed Revaluation of System Fixed Assets	1,715	2,400	2,054	2,791	2,832	2,096 to FS1, AV1

68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB	(\$000)					
69	For Year Ended	2005	2006	2007	2008	2009	2010
70	Acquisition of System Fixed Assets from another EDB						
71	Sale of System Fixed Assets to another EDB						
72	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB						

REPORT AV2: REGULATORY VALUATION DISCLOSURE BY ASSET CLASS
(for System Fixed Assets)

Electricity Distribution Business: **Westpower**
 For Year Ended: **2010**

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Subtotals by Asset Class (for System Fixed Assets)

(\$000)

	Subtransmission	Zone Substations	Distribution & LV Lines	Distribution & LV Cables	Distribution Substations and Transformers	Distribution Switchgear	Other System Fixed Assets	Total for System Fixed Assets (per AV1)	
System Fixed Assets									
Regulatory Value of System Fixed Assets (as per most recent ODV)	8,463	11,713	25,446	5,339	8,984	1,400	2,298	63,643	from AV1
Cumulative roll-forward since most recent ODV:									
Asset Additions								46,822	from AV1
Indexed Revaluation (of System Fixed Assets)								13,888	from AV1
less Regulatory Depreciation (of System Fixed Assets)								16,301	from AV1
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-	from AV1
Net Increase (Decrease) Due to Changes in Asset Register Information								-	from AV1
Regulatory Value of System Fixed Assets at Year End								108,052	from AV1

REPORT AV3: SYSTEM FIXED ASSETS REPLACEMENT COST ROLL-FORWARD REPORT

ref	Electricity Distribution Business:	Westpower	
5		For Year Ended:	2010
6	System Fixed Assets - Replacement Cost		
7		(\$000)	
8	Replacement cost at end of previous year	159,788	
9			
10	Asset Additions	6,701	AV3a
11	Indexed Revaluation (of System Fixed Assets)	3,270	
12	less Replacement Cost of Assets Decommissioned	1,164	
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
14	Net Increase (Decrease) Due to Changes in Asset Register Information		
15	Replacement cost of System Fixed Assets at year end	168,595	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	102,407	
21			
22	Asset Additions	6,701	AV3a
23	Indexed Revaluation (of System Fixed Assets)	2,096	
24	less Depreciation of Replacement Cost	2,903	
25	less Depreciated Replacement Cost of Assets Decommissioned	249	
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
27	Net Increase (Decrease) Due to Changes in Asset Register Information		
28	Depreciated replacement cost of System Fixed Assets at year end	108,052	

REPORT AV3: SYSTEM FIXED ASSETS REPLACEMENT COST ROLL-FORWARD REPORT (cont)

Notes to Price and Quality Measures

36	AV3a: New Asset Additions		
37			
38	Asset Additions - Depreciated Replacement Cost	6,701	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	Asset Additions - Replacement Cost	6,701	
42			

REPORT AV4: BUSINESS MERGER, ACQUISITION OR SALE - REGULATORY ASSET BASE DISCLOSURE

Electricity Distribution Business: Westpower

6 **Disclosure required? (YES or NIL DISCLOSURE):** NO DISCLOSURE REQUIRED

8
9 As at (date):
10 Proportion of year following transfer of assets: 0%

12 **PART 1: Most recent ODV valuation of System Fixed Assets transferred** (\$000)

	Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transforme	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
13 Replacement Cost (RC)								-
14								
15 less Depreciation								-
16 Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
17								
18 less Optimisation adjustment								-
19 Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
20								
21 less Economic Value Adjustment (EVA)								-
22 Most recent ODV value	-	-	-	-	-	-	-	-
23								
24								
25								

26 **PART 2: Valuation disclosure for transferred assets by Asset Class (at transfer date)**

	Total for System Fixed Assets	Non-System Fixed Assets	Total RAB value (excl. FDC)
27 Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
28			
29 Cumulative roll-forward since most recent ODV:			
30 Asset Additions			
31 Indexed Revaluation (of System Fixed Assets)			
32 less Regulatory Depreciation (of System Fixed Assets)			
33 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
34 Net Increase (Decrease) due to Changes in Asset Register Information			
35 RAB Value of Transferred Assets at Transfer Date	-		-
36			
37 Acquisition of Assets from Another EDB	-	-	to AV1
38 Sale of Assets to Another EDB	-	-	to AV1
39			
40 RAB Value of Transferred Assets at Transfer Date	-		
41 "p" factor (proportion of year following transfer of assets)	0%		
42 Adjustment for merger, acquisition or sale to another EDB		-	to FS2
43			
44			
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46			

47 **PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred**

	RC & DRC values of System Fixed Assets at transfer date	RAB value of acquired/(sold) assets
48 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC	-	-
49 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC	-	-
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Signed by: Selling Entity
Acquiring Entity

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Westpower		
6		For Year Ended:	2010	
7	Network Name:	Total Business (enter "Total Business" or name of network)		
9	Disclosure:	Annual Disclosure - Requirement 6(1)		
10	Circuit Length by Operating Line Voltage (at year end)	Overhead (km)	Underground (km)	Total (km)
12	> 66kV	9		9
13	50kV & 66kV	61		61
14	33kV	265	1	266
15	SWER (all SWER voltages)			-
16	22kV (other than SWER)			-
17	6.6kV to 11kV (inclusive - other than SWER)	1,472	57	1,529
18	Low Voltage (< 1kV)	169	96	265
19	Total circuit length (for Supply)	1,976	154	2,130
20				to MP2
21	Dedicated Street Lighting Circuit Length			-
22				
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)	
24	Urban (only)	137	7%	
25	Rural (only)	1,361	69%	
26	Remote (only)	160	8%	
27	Rugged (only)	3	0%	
28	Rural & rugged (only)	285	14%	
29	Remote & rugged (only)	30	2%	
30	Unallocated overhead lines		0%	
31	Total overhead length	1,976	100%	
32				
33				
34	Transformer capacity (at year end)			Previous Year
35	Distribution Transformer Capacity (EDB Owned)	147	MVA	146
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	27	MVA	27
37	Total Distribution Transformer Capacity	174	MVA (to MP2)	173
38				
39	Zone Substation Transformer Capacity	209	MVA	204
40				
41	System Fixed Assets age (at year end)			
42	Average Age of System Fixed Assets	18	Years	
43	Average Expected Total Life of System Fixed Assets	52	Years	
44	Average Age as a Proportion of Average Expected Total Life	34%	%	
45				
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	12%	%	
47				
48				
49				
50				
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
52				
53	GXP Demand	35	62	
54	plus Embedded Generation Output at HV and Above	18		
55	Maximum System Demand	53		
56	less Net Transfers to (from) Other EDBs at HV and Above			
57	Demand on system for supply to customers' Connection Points	53		
58	less Subtransmission Customers' Connection Point Demand	15	16	
59	Maximum Distribution Transformer Demand	38		to MP2
60				
61	GXP Demand not Supplied at Subtransmission Level			
62	Embedded Generation Output - Connected to Subtransmission System	13	14	
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only			
64				
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	1		
66				
67	Five-Year System Maximum Demand Growth Forecast	5.8	% p.a.	
68				
69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	221		
71	less Electricity Exports to GXPs			
72	plus Electricity Supplied from Embedded Generators	88		
73	less Net Electricity Supplied to (from) Other EDBs			
74	Electricity entering system for supply to customers' Connection Points	309		
75	less Electricity Supplied to Customers' Connection Points	294		to MP2
76	Electricity Losses (loss ratio)	15	4.7%	%
77				
78	Electricity Supplied to Customers' Connection Points	294		
79	less Electricity Supplied to Largest 5 Connection Points	125		
80	Electricity supplied other than to Largest 5 Connection Points	169	58%	%
81				
82	Load Factor	67%	%	
83				
84	Number of Connection Points (at year end)	12,782	ICPs	to MP2
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	18	kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	138	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	6	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	23,030	kWh/ICP	

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: **Westpower**
For Year Ended: **2010**

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Performance comparators

		Previous Years:			Current Financial Year	
		Current Yr - 3	Current Yr - 2	Current Yr - 1		
Operational expenditure ratio						
	Total Operational Expenditure		6	7	7	\$m from FS1
	Replacement Cost of System Fixed Assets (at year end*)		149	160	169	\$m from AV3
	Ratio (%)	Not defined	4.35%	4.40%	4.38%	%
Capital expenditure ratio						
	Total Capital Expenditure on System Fixed Assets		5	8	6	\$m from FS2
	Replacement Cost of System Fixed Assets (at year end*)		149	160	169	\$m from AV3
	Ratio (%)	Not defined	3.69%	4.87%	3.31%	%
Capital expenditure growth ratio						
	Capital Expenditure: Customer Connection and System Growth				1	\$m from FS2
	Change in Total Distribution Transformer Capacity				1	MVA from MP1
	\$/kVA	Not defined	Not defined	Not defined	1,190	\$/kVA
Renewal expenditure ratio						
	Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal				4	\$m from FS1 & 2
	Regulatory Depreciation of System Fixed Assets				3	\$m from AV1
	Ratio (%)	Not defined	Not defined	Not defined	122%	%
Distribution Transformer Capacity Utilisation						
	Maximum Distribution Transformer Demand	42	33	36	38	MW from MP1
	Total Distribution Transformer Capacity (at year end*)	136	160	173	174	kVA from MP1
	Ratio (%)	30.9%	20.6%	20.8%	21.8%	%
Return on Investment						
	Regulatory Profit / Loss (pre-financing and distributions)		10	8	6	\$m from FS1
	less Interest Tax Shield Adjustment		1	1	1	\$m from FS3
	Adjusted Regulatory Profit	-	10	7	6	\$m
	Regulatory Investment Value		91	101	109	\$m from FS2
	Ratio (%)	Not defined	10.41%	6.94%	5.30%	%

* If a Merger or Asset Transfer with another EDB was entered into during the year, the denominators are calculated as time-weighted averages.

Expenditure comparison table

		Expenditure metrics (\$ per):					
		Total circuit length (for Supply) (\$/km)	Electricity Supplied to Customers' Connection Points (\$/MWh)	Maximum coincident system demand (\$/MW)	Connection Point (\$/ICP)	Distribution Transformer Capacity (EDB-Owned) (\$/MVA)	
	Capital Expenditure (\$) per	2,623	19	105,434	437	38,014	from FS2 & MP1
	Operational Expenditure (\$) per	3,470	25	139,453	578	50,279	from FS1 & MP1

REPORT MP3: PRICE & QUALITY MEASURES
 (Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **Westpower**
 For Year Ended: **2010**

Network Name: **Total Business**
 Disclosure: **Annual Disclosure - Requirement 6(1)**

QUALITY

Interruptions

Interruptions by class

Class A	3	planned interruptions by Transpower:
Class B	104	planned interruptions on the network
Class C	110	unplanned interruptions on the network
Class D	3	unplanned interruptions by Transpower
Class E		unplanned interruptions of network owned generation
Class F		unplanned interruptions of generation (non-network)
Class G		unplanned interruptions caused by other electricity industry participant
Class H		planned interruptions caused by other electricity industry participant
Total	220	Total of above

Interruption targets for Forecast Year

	2011	Current Financial Year +1
Class B	104	planned interruptions on the network
Class C	108	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

	2011-2015	Current Financial Year +1 to +5
Class B	94	planned interruptions on the network
Class C	98	unplanned interruptions on the network

Class C interruptions restored within

	≤3Hrs	>3hrs
	50	60

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	5.31	in year	2010
The total number of faults forecast for the Forecast Year	5.00	in year	2011
The average annual number of faults forecast for the 5 Forecast Years	4.40	average over years	2011-2015

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER		22kV non-SWER	SWER	33kV	50kV & 66kV		>66kV
	Yes	No				Yes	Yes	
Is this voltage part of the EDB system?								
Current Financial Year	5.75				9.02	-		11.25
Forecast Year	6.16				2.81	2.94		7.41
Average annual for 5 Forecast Years	5.45				2.47	2.64		6.70

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	-			-	-	-
Overhead	5.98			9.05	-	11.25

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	279.31	2.02	138.27

Reliability by interruption class

	SAIDI	SAIFI	CAIDI
Class B	54.18	0.18	301.00
Class C	225.12	1.84	122.35

Targets for Forecast Year

	SAIDI	SAIFI	CAIDI
Class B	60.00	0.68	88.24
Class C	115.00	1.31	87.79

Average targets for 5 Forecast Years

	SAIDI	SAIFI	CAIDI
Class B	60.00	0.68	88.24
Class C	115.00	1.31	87.79

PRICES

Price information by Connection Point Class

	Connection Point Class				Total	
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points		
Gross line charge income (\$000)	7,893	5,028	1,887	3,491	18,299	from FS1
Electricity Supplied to Customers' Connection Points (MWh)	82,831	61,628	24,994	124,920	294,373	from MP1
Number of Connection Points (ICPs) at year end	11,911	845	21	5	12,782	from MP1
Unit Price (cents/kWh)	9.5	8.2	7.5	2.8	6.2	
Relative Unit Price Index	1.00	0.86	0.79	0.29	0.65	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

89	MP3a: Connection Point Class breakpoints	
90		
91	Connection Point Class breakpoints methodology	Metering installation category based breakpoints
92		
93	kVA based breakpoints - additional disclosure	
94	Breakpoint between small and medium classes	15 kVA
95	Breakpoint between large and medium classes	200 kVA
96		

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

Electricity Distribution Business: **Westpower**
 For Year Ended **2010**
 (\$000)

A) Five year forecasts of expenditure

From most recent Asset Management Plan

ref		Actual for Current Financial Year	Forecast Years					
			year 1	year 2	year 3	year 4	year 5	
	<i>for year ended</i>	2010	2011	2012	2013	2014	2015	
8	Capital Expenditure: Customer Connection	156	204	215	223	237	246	from FS2
9	Capital Expenditure: System Growth	1,034	535	2,117	2,695	3,425	3,657	from FS2
10	Capital Expenditure: Reliability, Safety and Environment	1,433	3,139	3,321	2,561	2,002	865	from FS2
11	Capital Expenditure: Asset Replacement and Renewal	2,897	1,778	1,278	768	706	837	from FS2
12	Capital Expenditure: Asset Relocations	68						from FS2
13	Subtotal - Capital Expenditure on asset management	5,588	5,656	6,931	6,247	6,370	5,605	
14	Operational Expenditure: Routine and Preventative Maintenance	3,115	3,313	3,360	3,412	3,603	3,812	from FS1
15	Operational Expenditure: Refurbishment and Renewal Maintenance	952	1,061	1,056	1,062	1,149	1,087	from FS1
16	Operational Expenditure: Fault and Emergency Maintenance	874	875	891	943	995	1,056	from FS1
17	Subtotal - Operational Expenditure on asset management	4,941	5,249	5,307	5,417	5,747	5,955	
18	Total direct expenditure on distribution network	10,529	10,905	12,238	11,664	12,117	11,560	
19	Overhead to Underground Conversion Expenditure							
20	<i>The Electricity Distribution Business is to provide the amount of Overhead to Underground Conversion Expenditure included in each of the above Expenditure Categories (explanatory notes can be provided in a separate note if necessary).</i>							

B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure

ref		Actual for Current Financial Year (a)	Previous forecast for Current Financial Year (b)	% Variance (a)/(b)-1	
32	Capital Expenditure: Customer Connection	156	163	-4.3%	from row 10
33	Capital Expenditure: System Growth	1,034	1,170	-11.6%	from row 11
34	Capital Expenditure: Reliability, Safety and Environment	1,433	2,066	-30.6%	from row 12
35	Capital Expenditure: Asset Replacement and Renewal	2,897	3,221	-10.1%	from row 13
36	Capital Expenditure: Asset Relocations	68	-	Not defined	from row 14
37	Subtotal - Capital Expenditure on asset management	5,588	6,620	-15.6%	
38	Operational Expenditure: Routine and Preventative Maintenance	3,115	3,009	3.5%	from row 17
39	Operational Expenditure: Refurbishment and Renewal Maintenance	952	1,318	-27.8%	from row 18
40	Operational Expenditure: Fault and Emergency Maintenance	874	807	8.3%	from row 19
41	Subtotal - Operational Expenditure on asset management	4,941	5,134	-3.8%	
42	Total direct expenditure on distribution network	10,529	11,754	-10.4%	

Explanation of variances

Distribution Business must provide a brief explanation for any line item variance of more than 10%

Explanatory notes (can be provided in a separate note if necessary): [See explanatory notes attached.](#)

**WESTPOWER LIMITED
INFORMATION DISCLOSURE FOR THE YEAR ENDED 31 MARCH 2010**

EXPLANATORY NOTES

FS1C OPERATIONAL EXPENDITURE NOTES

General Management, Administration and Overheads

This balance includes a representation fee paid to Electronet Services for management, accounting, IT and admin services (\$537,000) and consultancy fees (\$118,000) including consultation on Commerce Commission requirements.

System Management and Operations

This balance includes a representation fee (\$1,240,000) paid to Electronet Services for engineering services, network management and network operations.

Refurbishment and Renewals Maintenance

This balance includes \$398,000 for substation maintenance including transformer refurbishment and \$351,000 for ad hoc pole replacement arising from condition assessment activity.

MP2 DISTRIBUTION TRANSFORMER CAPACITY UTILISATION

The change in the methodology used to calculate the utilisation factor in the latest information disclosure requirements has resulted in a significant change in Westpower's reported ratio. In previous periods, subtransmission customers' connection point demand was included in Maximum Distribution Transformer Demand. The value of subtransmission demand for 2010 is 15MW (2009 11MW, 2008 11MW).

In addition non-EDB owned distribution transformer capacity has been included in Total Distribution Transformer Capacity. Non-EDB owned transformer capacity for 2010 is 27 MVA (2009 27 MVA, 2008 20MVA).

The effect of these changes in methodology is to decrease the utilisation ratio for 2010 from 36.1% to 21.8% (2009 from 32.2% to 20.8%, 2008 31.4% to 20.6%).

AM1 EXPLANATION OF VARIANCES

Capital Expenditure – System Growth

Transformer purchases during the year were achieved under budget by the purchase of surplus transformers from another Electricity Lines Business. The transformers were completely reconditioned and tested prior to installation on Westpower's network.

Capital Expenditure – Reliability, Safety and Environment

16 projects totaling \$459,000 were not commenced during the year. As a result of planning investigations 3 projects totaling \$245,000 were cancelled as alternative solutions were found. 7 projects totaling \$75,000 were cancelled or deferred due to technological uncertainty. The remaining 6 projects were deferred due to delays in projects involving external parties or resourcing.

Capital Expenditure – Asset Replacement and Renewal

16 projects totaling \$355,000 were not commenced during the year. 3 projects totaling \$153,000 were not commenced due to reduced customer driven upgrade requirements. 5 projects totaling \$52,000 were delayed due to technological uncertainty. 8 projects were delayed due to lack of resourcing or cancelled following preliminary investigations.

Capital Expenditure – Asset Relocations

Asset Relocations are customer driven and were not budgeted for.

Operation Expenditure – Refurbishment and Renewal Maintenance

Refurbishment and Renewal expenditure is driven by condition assessment activity. Projects totaling \$396,000 were not commenced or were under budget due to reduced network requirements.

**WESTPOWER LIMITED
 INFORMATION DISCLOSURE - TRANSITIONAL REQUIREMENTS
 FOR THE YEAR ENDED 31 MARCH 2010**

RELATED PARTIES

All transactions with related parties were conducted on an arms length basis at normal commercial terms.

No related party debts have been written off or forgiven during the year.

ElectroNet Services Limited

The contracting and management subsidiary of Westpower Limited, ElectroNet Services, has provided the following services for the period 1 April 2009 to 31 March 2010:

	2010 \$000	2009 \$000
Construction of subtransmission assets	1,163	1,820
Construction of zone substations	1,300	1,788
Construction of distribution lines and cables	1,266	1,551
Construction of medium voltage switchgear	714	994
Construction of distribution transformers	302	494
Construction of distribution substations	60	60
Construction of low voltage lines and cables	211	152
Construction of other fixed assets	426	444
	<u>5,442</u>	<u>7,303</u>
Maintenance of assets	4,675	4,803
Asset management services	1,231	1,140
Other Services	533	514
	<u>11,881</u>	<u>13,760</u>
Balance Outstanding 31 March	1,578	2,776

Mitton Electronet Limited

The electrical engineering consulting subsidiary of ElectroNet Services Limited, Mitton Electronet, has provided the following services for the period 1 April 2009 to 31 March 2010.

	2010 \$000	2009 \$000
Construction of zone substations	86	141
Construction of medium voltage switchgear	4	4
Construction of other fixed assets	7	41
	<u>97</u>	<u>186</u>
Maintenance of assets	36	45
Asset management services	0	44
	<u>133</u>	<u>275</u>
Balance Outstanding 31 March	16	59

EFFICIENCY PERFORMANCE MEASURES

	2010	2009	2008	2007
(a) Direct lines costs per kilometre	\$2,822.01	\$2,644.06	\$2,290.10	\$1,960.18
Direct Expenditure	\$6,016,535	\$5,597,476	\$4,772,574	\$4,086,972
System Length	2,132	2,117	2,084	2,085
(b) Indirect lines costs per electricity consumer*	\$107.55	\$113.69	\$108.17	\$107.86
Indirect Expenditure	\$1,374,726	\$1,434,479	\$1,342,873	\$1,315,028
Total Consumers*	12,782	12,617	12,414	12,192

* Number of consumers based on ICP connections

Auditor's Independent Assurance Report

To the readers of Westpower Limited

Report on Westpower Limited's compliance with the Electricity Distribution (Information Disclosure) Requirements 2008 for the financial year ended 31 March 2010

The Auditor-General is the auditor of Westpower Limited (the Company). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to provide an opinion on the compliance of the attached reports on pages 1 to 17 prepared by the Company with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements), on her behalf, for the financial year ended 31 March 2010. In this independent assurance report the attached reports are called the "disclosure information".

Respective responsibilities

The Board of Directors is responsible for preparing disclosure information which complies with the Requirements.

Clause 10 of the Requirements requires the Auditor-General to provide an opinion that the disclosure information prepared by the Company complies with and is presented in all material respects in accordance with the Requirements for the financial year ended 31 March 2010.

Limitations and use of this independent assurance report

This independent assurance report has been prepared solely to discharge the Auditor-General's responsibilities under the Requirements for the financial year ended 31 March 2010. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

Material misstatements, whether caused by fraud or error, are differences or omissions of amounts and disclosures that would affect a user's overall understanding of the disclosure information prepared by the Company.

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 financial year and the procedures performed in respect of the Company's compliance with the Requirements 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 Requirements. Our opinion has been formed on the above basis.

Basis of opinion

Our work has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information complies with and has been presented in all material respects in accordance with the Requirements. We also included an assessment of the significant estimates and judgements, if any, made by the Company in the preparation of the disclosure information.

Historical financial and non-financial information

We conducted the engagement in accordance with the Standard on Assurance Engagements 3100: Compliance Engagements issued by the New Zealand Institute of Chartered Accountants.

Our work in respect of amounts and disclosures that were audited under the financial statement audit has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements of the Company.

Our work in respect of amounts and disclosures that were not audited under the financial statement audit, has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information has been presented in all material respects in accordance with the Requirements.

Prospective financial and non-financial information

Our work has been limited to assessing whether the information has been presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2010 and the immediately preceding financial year, and that the information has been calculated based on source data provided by the Company, whilst acknowledging it is likely that actual results will vary from those forecasted, since anticipated events frequently do not occur as expected (and those variations may be significant). We have not performed audit procedures on the source data.

Independence

When carrying out the engagement we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants. We also complied with the Independent auditor provisions on independence, as specified in clause 2(1) of the Requirements.

Other than the engagement and the annual audit of the Company's financial statements carried out on behalf of the Auditor-General, we have no relationship with or interests in the Company.

Unqualified opinions

We have obtained all the information and explanations we have required.

In our opinion:

- the Company has kept proper records to enable the complete and accurate compilation of required information, in all material respects, as far as appears from our examination of those records; and
- the disclosure information prepared by the Company for the financial year ended 31 March 2010 complies with the Requirements.

Historical financial and non-financial information

In our opinion, the Company has:

- presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2010 that complies with the Requirements, in all material respects; and
- compiled the historical non-financial information included in reports MP1, MP2 and MP3 in accordance with the guidance (if any) issued pursuant to the Requirements, and has calculated the historical non-financial information based on un-audited source data provided by the Company.

Prospective financial and non-financial information

In our opinion, the Company has:

- presented the information in reports AM1 and MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2010 and the immediately preceding financial year; and
- calculated the prospective financial and non-financial information based on un-audited source data provided by the Company.



S M Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
24 August 2010

Matters relating to the electronic presentation of the disclosure information

This audit report relates to the disclosure information of Westpower Limited (the Company) for the year ended 31 March 2010 included on the Company's website. The Company's Board of Directors is responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the disclosure information since it was initially presented on the website.

The audit report refers only to the disclosure information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from this disclosure information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited disclosure information and related audit report dated 24 August 2010 to confirm the information included in the audited disclosure information presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.