

WESTPOWER LIMITED

Electricity Distribution (Information Disclosure) Requirements

For The Year Ended 31 March 2012

December 2012

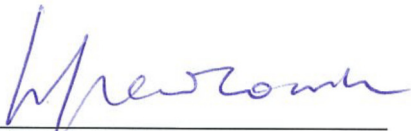
SCHEDULE 13
FORM 1 – CERTIFICATE FOR DISCLOSED INFORMATION

Pursuant to Requirement 11(1)

We, Michael John Newcombe and Suzanne Peta Merriman, 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:



Michael John Newcombe

Suzanne Peta Merriman

Date: December 2012

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Westpower Limited	
				For Year Ended
				2012
5				
6	Income			
7				(\$000)
8	Net Line Charge Revenue Received		17,394	
9	plus Discretionary Discounts and Customer Rebates		1,992	FS1a
10	Gross Line Charge Income		19,386	
11				
12				
13	Capital Contributions		43	
14	plus Net Value of Vested Assets		726	
15	Total Capital Contributions and Vested Assets		769	
16				
17	AC Loss Rental Rebates Received		282	
18	less AC Loss Rental Rebates Passed On			
19	Net AC loss rental income (deficit)		282	
20				
21				
22	Other Income		532	
23			532	
24				
25	Total regulatory income		20,969	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower		3,180	
31	plus Avoided Transmission Charges - payments to parties other than Transpower		1,075	
32	Total Transmission Costs		4,255	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads		1,726	
36	System Management and Operations		1,477	
37	Routine and Preventative Maintenance		3,493	to AM1
38	Refurbishment and Renewal Maintenance		413	to AM1
39	Fault and Emergency Maintenance		790	to AM1
40	Pass-through Costs		96	
41	Other			
42	Total Operational Expenditure		7,995	to MP2
43				
44				
45	Operational earnings		8,719	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)		3,392	from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)		88	from AV1
50	Total Regulatory Depreciation		3,480	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		5,239	to FS3
54				
55	less Regulatory Tax Allowance		(446)	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		1,801	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		7,486	to MP2

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	1,992	
71	Line Charge Holidays and other Discretionary Discounts		
72	Total Discretionary Discounts and Customer Rebates		1,992

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	6,867	
78	Subvention Payment		
79	Other related party expenditure		
80	Total Related Party Expenditure		6,867
81			
82			
83	<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>		
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	1,156	Notes to be provided separately
94	within expenditure category:	General Management, Administration	
95			
96	Material item amount 2	1,477	Notes to be provided separately
97	within expenditure category:	System Management and Operation	
98			
99	Material item amount 3	171	Notes to be provided separately
100	within expenditure category:	Refurbishment and Renewal Maintenance	
101			
102			(further disclosures to be provided on separate page if required)
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			

to be repeated as required for multiple reclassifications

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Westpower Limited	For Year Ended	2012	
5					
6					
7	Capital Expenditure on System Fixed Assets (by primary purpose)			(\$000)	
8	Customer Connection	191			to AM1
9	System Growth	375			to AM1
10	Reliability, Safety and Environment	1,082			to AM1
11	Asset Replacement and Renewal	2,875			to AM1
12	Asset Relocations	72			to AM1
13	Total Capital Expenditure on System Fixed Assets			4,595	to AM1
14					
15					
16	Capital Expenditure on Non-System Fixed Assets			229	from AV1
17					
18					
19	Capital works roll-forward (for System Fixed Assets)				
20	Works Under Construction at Beginning of Year	1,289			
21	plus Total Capital Expenditure on System Fixed Assets	4,595			
22	less Assets Commissioned in Year	4,851			from AV1
23	Works under construction at year end			1,033	
24					
25					
26	Regulatory Investment Value calculation				
27	System Fixed Assets: regulatory value at end of Previous Year	114,657			from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	388			from AV1
29	Finance During Construction Allowance (on System Fixed assets)	2,809			2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year			117,855	
31					
32	plus System Fixed Assets Commissioned in Year	4,851			from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-			from AV1
34	Non-System Fixed Assets: Asset Additions	229			from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	5,080			
36	Regulatory Asset Base investment in Current Financial Year - average			2,540	
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			120,395	to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Westpower Limited	
5			For Year Ended	2012
6				
7				(\$000)
8		Earnings before interest and tax (EBIT)	5,239	from FS1
9				
10	add	Total Regulatory Depreciation	3,480	from FS1
11		Other Permanent Differences - not deductible	4	
12		Other Temporary Adjustments - Current Period	2	
13			3,486	
15	less	Non Taxable Capital Contributions and Vested Assets	769	
16		Tax Depreciation	4,731	
17		Deductible Discretionary Discounts and Customer Rebates	1,992	
18		Deductible Interest	2,803	from row 53
19		Other Permanent Differences - Non Taxable		
20		Other Temporary Adjustments - Prior Period	24	
21			10,319	
22				
23		Regulatory taxable income for Year	(1,594)	
24				
25	less	Tax Losses Available at Start of Year		
26		Net taxable income	(1,594)	
27				
28		Statutory Tax Rate	28%	
29		Regulatory Tax Allowance	(446)	to FS1

Notes to Regulatory Tax Allowance Calculation

36 FS3a: Description of adjustments classified as "other"

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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).

48 FS3b: Financing assumptions (for Deductible Interest and Interest Tax Shield calculation)

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Standard Debt Leverage Assumption (debt/total assets)	40%	%	
Standard Cost of Debt Assumption	5.82%	%	
Deductible Interest	2,803	\$000	to row 18
Interest Tax Shield Adjustment	785	\$000	to MP2

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

		Electricity Distribution Business: Westpower Limited								
									For Year Ended: 2012	
									Year of most recent ODV 2004	
									(\$'000)	
		ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year		
		+ 1	+ 2	+ 3	+ 4	+ 5	+ 6	+ 7	+ 8	
		2005	2006	2007	2008	2009	2010	2011	2012	
9		For Year Ending:								
11	System Fixed Assets									
12	Regulatory Value at End of Previous Year*	63,643	71,485	80,923	82,924	95,377	102,407	108,052	114,657	to FS2
13	plus									
14	Assets Commissioned	7,913	8,339	1,509	11,099	5,846	6,232	4,840	4,851	to FS2
15	Gross Value of Vested Assets	664	1,054	942	1,441	1,314	469	342	726	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	5,182	5,577	
18	plus									
19	Indexed Revaluation	1,715	2,400	2,054	2,791	2,832	2,096	4,826	1,801	to FS1
20	less									
21	Depreciation of System Fixed Assets	1,898	2,056	2,203	2,576	2,749	2,903	3,020	3,100	
22	Regulatory Value of Assets Decommissioned	552	299	301	302	213	249	383	292	
23	Regulatory Depreciation (incl. value of assets decommissioned)	2,450	2,355	2,504	2,878	2,962	3,152	3,403	3,392	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	114,657	118,643	
34										
35	Non-System Fixed Assets									
36	Regulatory value at end of previous year	272	248	203	729	650	543	457	388	
37										
38	plus Asset Additions	17		593	48				229	to FS2
39	plus Revaluations									to FS1
40	less Depreciation (incl. value of assets decommissioned)	41	45	67	127	107	86	69	88	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	388	529	
43										
44										
45	Total Regulatory Asset Base Value (excluding FDC)	71,733	81,126	83,653	96,027	102,950	108,509	115,045	119,172	
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	2011	2012	
61	CPI at CPI reference date	953	985	1010	1044	1075	1097	1146	1164	
62	Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%	2.05%	4.47%	1.57%	
63										
64	System Fixed Assets: Regulatory Value at End of Previous Year	63,643	71,485	80,923	82,924	95,377	102,407	108,052	114,657	
65	Indexed Revaluation of System Fixed Assets	1,715	2,400	2,054	2,791	2,832	2,096	4,826	1,801	

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	2011	2012
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 Limited**
 For Year Ended: **2012**

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 21

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								57,581	from AV1
Indexed Revaluation (of System Fixed Assets)								20,515	from AV1
less Regulatory Depreciation (of System Fixed Assets)								23,096	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								118,643	from AV1

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

ref	Electricity Distribution Business:	Westpower Limited
5		For Year Ended: 2012
6	System Fixed Assets - Replacement Cost	
7		(\$000)
8	Replacement cost at end of previous year	179,987
9		
10	Asset Additions	5,577
11	Indexed Revaluation (of System Fixed Assets)	2,827
12	less Replacement Cost of Assets Decommissioned	1,413
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
14	Net Increase (Decrease) Due to Changes in Asset Register Information	
15	Replacement cost of System Fixed Assets at year end	186,978
16		
17		
18	System Fixed Assets - Depreciated Replacement Cost	
19		
20	Depreciated Replacement Cost at end of previous year	114,657
21		
22	Asset Additions	5,577
23	Indexed Revaluation (of System Fixed Assets)	1,801
24	less Depreciation of Replacement Cost	3,100
25	less Depreciated Replacement Cost of Assets Decommissioned	292
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
27	Net Increase (Decrease) Due to Changes in Asset Register Information	
28	Depreciated replacement cost of System Fixed Assets at year end	118,643

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	5,577
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	
40		
41	Asset Additions - Replacement Cost	5,577
42		

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

Electricity Distribution Business: Westpower Limited

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

As at (date):

Proportion of year following transfer of assets 0%

PART 1: Most recent ODV valuation of System Fixed Assets transferred (\$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
14 Replacement Cost (RC)								-
15								
16 <i>less</i> Depreciation								-
17 Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
18								
19 <i>less</i> Optimisation adjustment								-
20 Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
21								
22 <i>less</i> Economic Value Adjustment (EVA)								-
23 Most recent ODV value	-	-	-	-	-	-	-	-
24								

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			
28 Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
29			
30 Cumulative roll-forward since most recent ODV:			
31 Asset Additions			
32 Indexed Revaluation (of System Fixed Assets)			
33 <i>less</i> Regulatory Depreciation (of System Fixed Assets)			
34 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
35 Net Increase (Decrease) due to Changes in Asset Register Information			
36 RAB Value of Transferred Assets at Transfer Date	-		-
37			
38 Acquisition of Assets from Another EDB	-	-	<i>to AV1</i>
39 Sale of Assets to Another EDB	-	-	<i>to AV1</i>
40			
41			
42 RAB Value of Transferred Assets at Transfer Date	-		
43 "p" factor (proportion of year following transfer of assets)	0%		
44 Adjustment for merger, acquisition or sale to another EDB		-	<i>to FS2</i>
45			

PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred (\$000)

	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	-	-	<i>to AV3</i>
49 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC	-	-	<i>to AV3</i>
50			

52 Signed by: Selling Entity

53

54

55 Acquiring Entity

56

57

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref		Electricity Distribution Business:	Westpower Limited	
6			For Year Ended:	2012
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)			
11		Overhead (km)	Underground (km)	Total (km)
12	> 66kV	9		9
13	50kV & 66kV	61		61
14	33kV	268	1	269
15	SWER (all SWER voltages)			-
16	22kV (other than SWER)			-
17	6.6kV to 11kV (inclusive - other than SWER)	1,477	63	1,540
18	Low Voltage (< 1kV)	177	137	314
19	Total circuit length (for Supply)	1,992	201	2,193
20				to MP2
21	Dedicated Street Lighting Circuit Length			
22				-
23	Overhead Circuit Length by Terrain (at year end)			
24		(km)	(%)	
25	Urban (only)	156	8%	
26	Rural (only)	1,380	69%	
27	Remote (only)	151	8%	
28	Rugged (only)	7	0%	
29	Rural & rugged (only)	271	14%	
30	Remote & rugged (only)	27	1%	
31	Unallocated overhead lines		0%	
32	Total overhead length	1,992	100%	
34	Transformer capacity (at year end)			
35	Distribution Transformer Capacity (EDB Owned)	150	MVA	Previous Year 153
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	34	MVA	27
37	Total Distribution Transformer Capacity	184	MVA (to MP2)	180
39	Zone Substation Transformer Capacity	256	MVA	209
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%	%	
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	12%	%	
51	Electricity demand			
53	GXP Demand	33	Maximum coincident system demand (MW)	59
54	plus Embedded Generation Output at HV and Above	18		
55	Maximum System Demand	51		
56	less Net Transfers to (from) Other EDBs at HV and Above			
57	Demand on system for supply to customers' Connection Points	51		
58	less Subtransmission Customers' Connection Point Demand	12		13
59	Maximum Distribution Transformer Demand	39		to MP2
61	GXP Demand not Supplied at Subtransmission Level			
62	Embedded Generation Output - Connected to Subtransmission System	12		13
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only			
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)			
67	Five-Year System Maximum Demand Growth Forecast	2.0	% p.a.	

69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	210		
71	<i>less</i> Electricity Exports to GXPs			
72	<i>plus</i> Electricity Supplied from Embedded Generators	88		
73	<i>less</i> Net Electricity Supplied to (from) Other EDBs			
74	Electricity entering system for supply to customers' Connection Points	298		
75	<i>less</i> Electricity Supplied to Customers' Connection Points	284		to MP2
76	Electricity Losses (loss ratio)	14	4.8% %	
77				
78	Electricity Supplied to Customers' Connection Points	284		
79	<i>less</i> Electricity Supplied to Largest 5 Connection Points	117		
80	Electricity supplied other than to Largest 5 Connection Points	167	59% %	
81				
82	Load Factor	67% %		
83				
84	Number of Connection Points (at year end)	13,025	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)	129	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	6	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	21,775	kWh/ICP	

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: **Westpower Limited**
For Year Ended: **2012**

Performance comparators

	Previous Years:			Current Financial Year		
	Current Yr - 3	Current Yr - 2	Current Yr - 1			
Operational expenditure ratio						
<i>Total Operational Expenditure</i>	7	7	8	8	\$m	from FS1
<i>Replacement Cost of System Fixed Assets (at year end*)</i>	160	169	180	187	\$m	from AV3
Ratio (%)	4.40%	4.38%	4.19%	4.28%	%	
Capital expenditure ratio						
<i>Total Capital Expenditure on System Fixed Assets</i>	8	6	4	5	\$m	from FS2
<i>Replacement Cost of System Fixed Assets (at year end*)</i>	160	169	180	187	\$m	from AV3
Ratio (%)	4.87%	3.31%	2.20%	2.46%	%	
Capital expenditure growth ratio						
<i>Capital Expenditure: Customer Connection and System Growth</i>		1	0	1	\$m	from FS2
<i>Change in Total Distribution Transformer Capacity</i>		1	6	4	MVA	from MP1
\$/kVA	Not defined	1,190	78	142	\$/kVA	
Renewal expenditure ratio						
<i>Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal</i>		4	3	3	\$m	from FS1 & 2
<i>Regulatory Depreciation of System Fixed Assets</i>		3	3	3	\$m	from AV1
Ratio (%)	Not defined	122%	94%	97%	%	
Distribution Transformer Capacity Utilisation						
<i>Maximum Distribution Transformer Demand</i>	36	38	38	39	MW	from MP1
<i>Total Distribution Transformer Capacity (at year end*)</i>	173	174	180	184	kVA	from MP1
Ratio (%)	20.8%	21.8%	21.1%	21.2%	%	
Return on Investment						
<i>Regulatory Profit / Loss (pre-financing and distributions)</i>	8	6	9	7	\$m	from FS1
<i>less Interest Tax Shield Adjustment</i>	1	1	1	1	\$m	from FS3
<i>Adjusted Regulatory Profit</i>	7	6	9	7	\$m	
<i>Regulatory Investment Value</i>	101	109	114	120	\$m	from FS2
Ratio (%)	6.94%	5.30%	7.50%	5.57%	%	

* 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	2,200	17	94,588	370	32,160	from FS2 & MP1
Operational Expenditure (\$) per	3,646	28	156,765	614	53,300	from FS1 & MP1

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **Westpower Limited**

For Year Ended: **2012**

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

QUALITY

Interruptions

Interruptions by class

Class	Value	Description
Class A		planned interruptions by Transpower
Class B	124	planned interruptions on the network
Class C	118	unplanned interruptions on the network
Class D	5	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	247	Total of above

Interruption targets for Forecast Year

Class	2013	Current Financial Year +1
Class B	103	planned interruptions on the network
Class C	115	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

Class	2013-2017	Current Financial Year +1 to +5
Class B	93	planned interruptions on the network
Class C	104	unplanned interruptions on the network

Class C interruptions restored within

	≤3Hrs	>3hrs
	83	35

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	5.38	in year	2012
The total number of faults forecast for the Forecast Year	5.71	in year	2013
The average annual number of faults forecast for the 5 Forecast Years	5.71	average over years	2013-2017

Fault Information per 100 circuit kilometres by Voltage and Type

Is this voltage part of the EDB system?	6.6kV & 11kV non-SW		22kV non-SW	SW	33kV	50kV & 66kV	>66kV
	Yes	No	No	No	Yes	Yes	Yes
Current Financial Year	7.21				2.60	-	-
Forecast Year	6.74				4.71	1.31	4.47
Average annual for 5 Forecast Years	6.74				4.71	1.31	4.47

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SW	22kV non-SW	SW	33kV	50kV & 66kV	>66kV
Underground	6.98			2.60		
Overhead	12.70			-		

Reliability

Overall reliability

	SAIDI	SAIFI	CAIDI
Based on the total number of interruptions	146.20	2.75	53.00

Reliability by interruption class

	SAIDI	SAIFI	CAIDI
Class B	44.26	0.19	235.00
Class C	92.09	1.68	55.00

Targets for Forecast Year

	SAIDI	SAIFI	CAIDI
Class B	60.00	0.68	88.00
Class C	115.00	1.31	88.00

Average targets for 5 Forecast Years

	SAIDI	SAIFI	CAIDI
Class B	60.00	0.68	88.00
Class C	115.00	1.31	88.00

70 **PRICES**

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Price information by Connection Point Class

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		<i>Connection Point Class</i>					
		Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total	
75	Gross line charge income (\$000)	8,572	5,663	1,914	3,237	19,386	<i>from FS1</i>
76	Electricity Supplied to Customers' Connection Points (MWh)	81,279	63,443	22,158	116,736	283,616	<i>from MP1</i>
77	Number of Connection Points (ICPs) at year end	12,166	834	20	5	13,025	<i>from MP1</i>
78	Unit Price (cents/kWh)	10.5	8.9	8.6	2.8	6.8	
79	Relative Unit Price Index	1.00	0.85	0.82	0.26	0.65	
80							
81							

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

89 **MP3a: Connection Point Class breakpoints**

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Connection Point Class breakpoints methodology

Metering installation category based breakpoints

kVA based breakpoints - additional disclosure

Breakpoint between small and medium classes

15 kVA

Breakpoint between large and medium classes

200 kVA

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

Electricity Distribution Business: **Westpower Limited**
 For Year Ended **2012**
 (\$000)

A) Five year forecasts of expenditure
 From most recent Asset Management Plan

for year ended	Actual for Current Financial Year	Forecast Years					
		year 1	year 2	year 3	year 4	year 5	
	2012	2013	2014	2015	2016	2017	
Capital Expenditure: Customer Connection	191	500	159	167	176	187	from FS2
Capital Expenditure: System Growth	375	509	539	571	607	643	from FS2
Capital Expenditure: Reliability, Safety and Environment	1,082	2,539	526	455	500	422	from FS2
Capital Expenditure: Asset Replacement and Renewal	2,875	2,414	1,235	611	881	727	from FS2
Capital Expenditure: Asset Relocations	72	-	50	-	-	-	from FS2
Subtotal - Capital Expenditure on asset management	4,595	5,962	2,509	1,804	2,164	1,979	
Operational Expenditure: Routine and Preventative Maintenance	3,493	3,602	3,771	3,823	3,844	3,968	from FS1
Operational Expenditure: Refurbishment and Renewal Maintenance	413	578	590	645	646	682	from FS1
Operational Expenditure: Fault and Emergency Maintenance	790	843	889	942	993	1,051	from FS1
Subtotal - Operational Expenditure on asset management	4,696	5,023	5,250	5,410	5,483	5,701	
Total direct expenditure on distribution network	9,291	10,985	7,759	7,214	7,647	7,680	
Overhead to Underground Conversion Expenditure	14						

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).

Undergrounding expenditure included in Capital Expenditure: Asset Replacement and Renewal

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

	Actual for Current Financial Year (a)	Previous forecast for Current Financial Year (b)	% Variance (a)/(b)-1	
Capital Expenditure: Customer Connection	191	215	-11.2%	from row 10
Capital Expenditure: System Growth	375	647	-42.0%	from row 11
Capital Expenditure: Reliability, Safety and Environment	1,082	1,453	-25.5%	from row 12
Capital Expenditure: Asset Replacement and Renewal	2,875	3,417	-15.9%	from row 13
Capital Expenditure: Asset Relocations	72		Not defined	from row 14
Subtotal - Capital Expenditure on asset management	4,595	5,512	-16.6%	
Operational Expenditure: Routine and Preventative Maintenance	3,493	3,737	-6.5%	from row 17
Operational Expenditure: Refurbishment and Renewal Maintenance	413	546	-24.4%	from row 18
Operational Expenditure: Fault and Emergency Maintenance	790	904	-12.6%	from row 19
Subtotal - Operational Expenditure on asset management	4,696	5,407	-13.1%	
Total direct expenditure on distribution network	9,291	10,919	-14.9%	

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):

WESTPOWER LIMITED
INFORMATION DISCLOSURE FOR THE YEAR ENDED 31 MARCH 2012

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 (\$665,000), software charges (\$183,000) and consultancy fees (\$308,000) including consultation on Commerce Commission requirements.

System Management and Operations

This balance includes a representation fee (\$1,477,000) paid to Electronet Services for engineering services, network management and network operations.

Refurbishment and Renewal Maintenance

This balance includes \$67,000 for ad hoc service pole replacement arising from condition assessment activity and \$104,000 for transformer site maintenance.

Fault and Emergency Maintenance

This balance includes \$155,000 for fault standby services provided by Electronet Services.

AM1 EXPLANATION OF VARIANCES

Capital Expenditure – Customer Connection

Connection expenditure is driven by customer demand. The number of connections has decreased from last year along with the average cost per connection.

Capital Expenditure – Growth

New transformer purchases and upgrade expenditure was less than expected due to reduced customer and load demand.

Capital Expenditure – Reliability, Safety and Environment

5 projects were only partially completed or cancelled following a reassessment of requirements. 3 projects were delayed with only the design and scoping completed or awaiting sign off of easements.

Capital Expenditure – Asset Replacement and Renewal

6 projects were cancelled or only partially completed following reassessment of requirements while another project was not completed during the financial period with expenditure carried over to the next financial year.

Asset Replacement and Renewal Expenditure includes replacement of condemned poles. The budget for this expenditure has been reclassified from Operational Refurbishment and Renewal expenditure.

Operational Expenditure – Refurbishment and Renewal

Zone substation works were deferred due to other project commitments. Other works were unable to be carried out due to delays with the associated earth testing programme.

Operations Expenditure – Faults and Emergency Maintenance

The reduced fault and emergency maintenance is a reflection of reduced storm related damage and other incidents on the network during the year.

WESTPOWER LIMITED
INFORMATION DISCLOSURE - TRANSITIONAL REQUIREMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 2011 to 31 March 2012:

	2012 \$000	2011 \$000
Construction of subtransmission assets	712	493
Construction of zone substations	631	582
Construction of distribution lines and cables	1,194	1,225
Construction of medium voltage switchgear	676	693
Construction of distribution transformers	327	331
Construction of distribution substations	128	112
Construction of low voltage lines and cables	144	141
Construction of other fixed assets	401	221
	<u>4,213</u>	<u>3,798</u>
Maintenance of assets	4,572	4,482
Asset management services	1,476	1,303
Other Services	640	524
	<u>10,901</u>	<u>10,107</u>
Balance Outstanding 31 March	1,388	1,578

Mitton Electronet Limited

The electrical engineering consulting subsidiary of ElectroNet Services Limited, Mitton Electronet, has provided the following services for the period 1 April 2011 to 31 March 2012.

	2012 \$000	2011 \$000
Construction of zone substations	95	97
Construction of distribution lines and cables	1	3
Construction of medium voltage switchgear		
Construction of other fixed assets	8	3
	<u>104</u>	<u>103</u>
Maintenance of assets	63	91
Other	116	8
	<u>283</u>	<u>202</u>
Balance Outstanding 31 March	86	29

Auditor's independent assurance report

To the readers of Westpower Limited's

Report for the financial year ended 31 March 2012 regarding Westpower Limited's compliance with the Electricity Distribution (Information Disclosure) Requirements 2008

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 her behalf, on the company's report for the financial year ended 31 March 2012 on pages 1 to 18 regarding compliance with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements). In this independent assurance report we refer to the company's report as the "disclosure information". The disclosure information comprises both historical and prospective financial and non-financial information.

Respective responsibilities

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

Clause 10 of the Requirements requires the Auditor-General to provide an opinion on whether the disclosure information prepared by the company complies with and is presented in all material respects in accordance with the Requirements.

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 2012. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

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

The company's financial statements for the year ended 31 March 2012 have been subject to audit. The audit opinion on the financial statements of the company for the year ended 31 March 2012 was unmodified and was dated 29 June 2012.

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.

A matter is material if it would affect a user's overall understanding of the disclosure information prepared by the company.

Historical financial and non-financial information

Our work on the historical financial and non-financial information has been carried out in accordance with the Standard on Assurance Engagements (New Zealand) 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 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 on the prospective financial and non-financial information 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 2012 and the immediately preceding financial year, and that the information has been calculated based on source data provided by the company. We have not performed audit procedures on the source data.

We acknowledge that 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).

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.

Opinion

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 2012 complies with the Requirements.

Historical financial and non-financial information

In our opinion, the company has:

- presented the historical financial information in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2012 in all material respects in compliance with the Requirements, 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 prospective financial and non-financial 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 2012 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.



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
12 December 2012

Matters relating to the electronic publication of the audited electricity distribution disclosures

This audit report relates to the electronic publication of the electricity distribution disclosures of Westpower Limited (the company) for the year ended 31 March 2012.

We have not been engaged to report on the integrity of any website on which the electricity distribution disclosures have been published. We accept no responsibility for any changes that may have occurred to the electricity distribution disclosures since they were initially approved and published.

This audit report refers only to the electricity distribution disclosures named above. If readers of this audit report are concerned with the inherent risks arising from electronic data communication they should refer to the original published hard copy of the electricity distribution disclosures and related audit report dated 12 December 2012 to confirm the information included in the electricity distribution disclosures published on this website.

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