



**Information Disclosure prepared according to
Subpart 3 of Part 4A of the Commerce Act 1986**

For the Assessment Period: 1 April 2009 – 31 March 2010



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I. Introduction

These Information Disclosure documents are submitted by Network Waitaki Ltd pursuant to subpart 3 of Part 4A of the Commerce Act 1986 in accordance with

- The Electricity Information Disclosure Requirements issued 31 March 2004, consolidating all amendments to 31 October 2008,
- The Electricity Distribution (Information Disclosure) Requirements 2008,
- The Electricity Information Disclosure Handbook (as amended 31 October 2008),
- The Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Lines Businesses (30 August 2004).

Part 4A of the Commerce Act 1986 provides for a regulatory regime for electricity lines businesses, which inter alia sets out provisions for an information disclosure regime in order to allow for public monitoring of lines operations and behaviour. The purpose of the information disclosure regime is to promote the efficient operation of markets directly related to electricity distribution and transmission services. This is to be achieved by ensuring that lines companies provide timely and reliable information about their business activities and make that information publicly accessible for interested parties.

II. Structure of Network Waitaki Ltd

For the purpose of regulatory compliance, Network Waitaki Ltd is a “Distribution business” and must accordingly comply with the regulatory requirements. Network Waitaki has no non-contiguous networks and is 100% consumer-controlled and therefore additional disclosures under clauses 6(1)(b) and 6(1)(c) of the Electricity Distribution (Information Disclosure) Requirement 2008 are not required.

III. Schedules

1. FS1 – Regulatory Profit Statement

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Network Waitaki	
		For Year Ended	2010	
5				
6	Income			
7				
8	Net Line Charge Revenue Received	10,259		
9	plus Discretionary Discounts and Customer Rebates	2,164		FS1a
10	Gross Line Charge Income		12,423	
11				
12				
13	Capital Contributions	1,190		
14	plus Net Value of Vested Assets	480		
15	Total Capital Contributions and Vested Assets		1,670	
16				
17	AC Loss Rental Rebates Received	153		
18	less AC Loss Rental Rebates Passed On	-		
19	Net AC loss rental income (deficit)		153	
20				
21				
22	Other Income	5		
23			5	
24				
25	Total regulatory income		14,251	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower	3,619		
31	plus Avoided Transmission Charges - payments to parties other than Transpower	178		
32	Total Transmission Costs		3,797	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads	398		
36	System Management and Operations	1,046		
37	Routine and Preventative Maintenance	974		to AM1
38	Refurbishment and Renewal Maintenance	409		to AM1
39	Fault and Emergency Maintenance	217		to AM1
40	Pass-through Costs	86		
41	Other	-		
42	Total Operational Expenditure		3,130	to MP2
43				
44				
45	Operational earnings		7,324	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	2,779		from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	70		from AV1
50	Total Regulatory Depreciation		2,849	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		4,475	to FS3
54				
55	less Regulatory Tax Allowance		(124)	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		1,292	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		5,891	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	2,164	
71	Line Charge Holidays and other Discretionary Discounts	-	
72	Total Discretionary Discounts and Customer Rebates		2,164

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges	-	
77	Operational Expenditure	4,036	
78	Subvention Payment	-	
79	Other related party expenditure	-	
80	Total Related Party Expenditure		4,036
81			
82			
83	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.		
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		Notes to be provided separately
94	within expenditure category:	Select one	
95			
96	Material item amount 2		Notes to be provided separately
97	within expenditure category:	Select one	
98			
99	Material item amount 3		Notes to be provided separately
100	within expenditure category:	Select one	
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		

Notes

FS1b: Related party expenditure summary - A separate note has been provided on page 5

FS1c: Operational Expenditure - A separate note has been provided on page 6

FS1e: Reclassified items in Operational Expenditure - Under the Transitional Provisions, this information is not required to be disclosed for the current year.

FS1b Related Party Summary

Associated Entity: NetCon Limited

- Network Waitaki Limited sold its 50% interest in NetCon Limited on 1 October 2008. Up until the sale NetCon Limited provided asset maintenance and construction services to Network Waitaki Limited. Services were charged on either a fixed price basis or "time and materials" basis.
- No debts were written off or forgiven and no transactions took place at nil or nominal value.
- During the year capital construction transactions carried out by NetCon totalled the following:

	Year Ended 31 March 2010 \$'000	Year Ended 31 March 2009 \$'000
Zone Substation	0	0
Distribution Lines & LV Lines	0	312
Distribution Switchgear	0	154
Distribution Transformers and Substations	0	74
Other Property, Plant and Equipment	0	13
<i>Other transactions between NetCon and Network Waitaki:</i>		
Maintenance of System Property, Plant & Equipment	0	651
Total	0	1,204

Subsidiary Entity: Network Waitaki Contracting Limited

- Network Waitaki Contracting Limited is a 100% wholly-owned subsidiary which started trading on 1 October 2008.
- Network Waitaki Limited purchased the assets, liabilities and goodwill of the Oamaru depot of NetCon Limited on 1 October 2008 and sold them to Network Waitaki Contracting Limited for the same value.
- Network Waitaki Contracting Limited provides asset maintenance and construction services to Network Waitaki Limited. Services are charged on either a fixed price basis or "time and materials" basis.
- For the period ended 31 March 2010 Network Waitaki paid Network Waitaki Contracting Limited \$4.036 million for asset maintenance and construction services (\$1.277 million 2009).
- No debts were written off or forgiven and no transactions took place at nil or nominal value.
- During the year, capital construction transactions carried out by Network Waitaki Contracting Limited totalled the following:

	Year Ended 31 March 2010 \$'000	Year Ended 31 March 2009 \$'000
Distribution Lines and Cables	2,536	377
Medium Voltage Switchgear	84	206
Distribution Transformers and Substations	123	81
Other Property, Plant and Equipment	95	1
<i>Other transactions between Network Waitaki Contracting and Network Waitaki:</i>		
Maintenance of System Property, Plant and Equipment	1,198	612
Total	4,036	1,277

FS1c : Operational Expenditure – Material items greater than 10% of the operational expenditure line item

Amount in \$'000	Material Items (greater than 10% of the Operational expenditure line item) Expenditure Category	Details
204	General Management, Administration and Overheads	Indirect Labour
85	General Management, Administration and Overheads	Directors' Fees
612	System Management and Operations	Labour
444	Routine and Preventative Maintenance	11 kV Maintenance
249	Routine and Preventative Maintenance	Tree Control
71	Routine and Preventative Maintenance	33 kV Maintenance
114	Refurbishment and Renewal Maintenance	33 kV Maintenance
98	Refurbishment and Renewal Maintenance	Distribution Transformer Maintenance
93	Refurbishment and Renewal Maintenance	LT Maintenance
87	Fault and Emergency Maintenance	11 Kv Faults
63	Fault and Emergency Maintenance	Fault Standby
52	Fault and Emergency Maintenance	LV Faults
54	Pass-through Costs	Rates
32	Pass-through Costs	Electricity Commission

2. FS2 – Regulatory Asset & Financing Statement

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Network Waitaki Limited	
5		For Year Ended	2010
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection	332	to AM1
9	System Growth	5,122	to AM1
10	Reliability, Safety and Environment	46	to AM1
11	Asset Replacement and Renewal	325	to AM1
12	Asset Relocations	-	to AM1
13	Total Capital Expenditure on System Fixed Assets	5,825	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	55	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	1,456	
21	plus Total Capital Expenditure on System Fixed Assets	5,825	
22	less Assets Commissioned in Year	5,056	from AV1
23	Works under construction at year end	2,225	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	63,136	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	238	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	1,547	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	64,920	
31			
32	plus System Fixed Assets Commissioned in Year	5,056	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	55	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	5,111	
36	Regulatory Asset Base investment in Current Financial Year - average	2,556	
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	67,476	to MP2

3. FS3 – Regulatory Tax Allowance Calculation

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref	Electricity Distribution Business: Network Waitaki		
		For Year Ended	2010
5			
6			
7			(\$000)
8	Earnings before interest and tax (EBIT)	4,475	from FS1
9			
10	add Total Regulatory Depreciation	2,849	from FS1
11	Other Permanent Differences - not deductible	94	
12	Other Temporary Adjustments - Current Period		
13		2,943	
15	less Non Taxable Capital Contributions and Vested Assets	1,670	
16	Tax Depreciation	2,409	
17	Deductible Discretionary Discounts and Customer Rebates	2,164	
18	Deductible Interest	1,490	from row 53
19	Other Permanent Differences - Non Taxable		
20	Other Temporary Adjustments - Prior Period	99	
21		7,832	
22			
23	Regulatory taxable income for Year	(414)	
24			
25	less Tax Losses Available at Start of Year	-	
26	Net taxable income	(414)	
27			
28	Statutory Tax Rate	30%	
29	Regulatory Tax Allowance	(124)	to FS1

Notes to Regulatory Tax Allowance Calculation

36	FS3a: Description of adjustments classified as "other"
37	
38	The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory
39	notes can be provided in a separate note if necessary).
40	
41	The other categories relate to the movement in ACC and employee entitlements provisions during the year.
42	
43	
44	
45	

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	1,490	\$000		to row 18
55					
56	Interest Tax Shield Adjustment	447	\$000		to MP2

The company has tax losses carried forward at the start of the year of \$1,577 which would have been shown in line 25. This tax loss has been included as regulatory profit/loss pre financing and distributions in prior years. Entering the \$1,577 into line 25 has the effect of increasing the regulatory profit/loss pre financing and distribution by \$1,577*30% or \$473. This income has been accounted for in prior years. Given the tax loss carried for has already been included in the ROI in prior years, the tax loss has been excluded from FR3.

4. AV1 – Annual Regulatory Valuation Roll-Forward Report

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref	Electricity Distribution Business:	Network Waitaki
5	For Year Ended:	2010
6	Year of most recent ODV	2004
7		
8		
9		
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49		

	ODV Year +	ODV Year +	ODV Year +	ODV Year +	ODV Year +	ODV Year +
	1	2	3	4	5	6
For Year Ending:	2005	2006	2007	2008	2009	2010
System Fixed Assets						
Regulatory Value at End of Previous Year*	45,668	46,805	52,550	57,096	60,614	63,136
plus						
Assets Commissioned	1,779	6,506	5,553	4,029	3,296	5,056
Gross Value of Vested Assets						480
Assets Acquired from (Sold to) a Non-EDB						
Asset Additions	1,779	6,506	5,553	4,029	3,296	5,536
plus						
Indexed Revaluation	1,230	1,572	1,334	1,922	1,800	1,292
less						
Depreciation of System Fixed Assets	1,872	1,957	2,159	2,285	2,497	2,580
Regulatory Value of Assets Decommissioned		376	182	148	77	199
Regulatory Depreciation (incl. value of assets decommissioned)	1,872	2,333	2,341	2,433	2,574	2,779
plus (minus)						
Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	-
less Sale of System Fixed Assets to another EDB	-	-	-	-	-	-
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-	-	-
plus (minus)						
Net Increase (Decrease) Due to Changes in Asset Register Information						
Regulatory Value of System Fixed Assets at Year End	46,805	52,550	57,096	60,614	63,136	67,185
Non-System Fixed Assets						
Regulatory value at end of previous year	65	56	473	390	296	238
plus Asset Additions		572	71	72	43	55
plus Revaluations						
less Depreciation (incl. value of assets decommissioned)	9	155	154	166	101	70
plus Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	-
Regulatory Value of Non-System Fixed Assets at Year end	56	473	390	296	238	223
Total Regulatory Asset Base Value (excluding FDC)	46,861	53,023	57,486	60,910	63,374	67,408

* The commencing figure for completing this schedule is the most recent ODV value
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
61	CPI at CPI reference date
62	Revaluation Rate
63	
64	System Fixed Assets: Regulatory Value at End of Previous Year
65	Indexed Revaluation of System Fixed Assets
66	
67	
68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB
69	For Year Ended
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

In the current year, due to improved understanding surrounding capital contributions, vested assets totalling \$479,831 have been able to be identified and differentiated from capital contributions and have been disclosed in the appropriate schedules.

Although vested assets were received in prior years, these vested assets have been included within the total regulatory asset base value in prior years, as a result there would be no effect on the total regulatory asset base value. Due to impracticalities in obtaining prior year vested asset amounts these have not been restated.

5. AV2 – Regulatory Valuation Disclosure by Asset Class

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

ref	Electricity Distribution Business: Network Waitaki							For Year Ended: 2010
6								
7								
8								
9								
10	Subtotals by Asset Class (for System Fixed Assets)							(\$000)
11	System Fixed Assets							
12								
13	Regulatory Value of System Fixed Assets (as per most recent ODV)	2,298	4,042	20,596	3,911	9,178	4,907	736
14								
15	Cumulative roll-forward since most recent ODV:							
16	Asset Additions							26,699
17	Indexed Revaluation (of System Fixed Assets)							9,150
18	less Regulatory Depreciation (of System Fixed Assets)							14,332
19	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB							-
20	Net Increase (Decrease) Due to Changes in Asset Register Information							-
21	Regulatory Value of System Fixed Assets at Year End							67,185

from AV1

from AV1

from AV1

from AV1

from AV1

from AV1

6. AV3 – System Fixed Assets Replacement Cost Roll-Forward Report

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

ref	Electricity Distribution Business:	Network Waitaki
5	For Year Ended:	2010
6	System Fixed Assets - Replacement Cost	
7		(\$000)
8	Replacement cost at end of previous year	130,816
9		
10	Asset Additions	5,536
11	Indexed Revaluation (of System Fixed Assets)	2,677
12	less Replacement Cost of Assets Decommissioned	778
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	138,251
16		
17		
18	System Fixed Assets - Depreciated Replacement Cost	
19		
20	Depreciated Replacement Cost at end of previous year	63,430
21		
22	Asset Additions	5,536
23	Indexed Revaluation (of System Fixed Assets)	1,298
24	less Depreciation of Replacement Cost	2,618
25	less Depreciated Replacement Cost of Assets Decommissioned	192
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	67,454

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

Notes to Price and Quality Measures

36	AV3a: New Asset Additions			
37				
38	Asset Additions - Depreciated Replacement Cost		5,536	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		-	
40				
41	Asset Additions - Replacement Cost		5,536	
42				

7. AV4 Business Merger, Acquisition or Sale – Regulatory Asset Base Disclosure

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

Electricity Distribution Business:	Network Waitaki Limited
------------------------------------	-------------------------

ref

6

Disclosure required? (YES or NIL DISCLOSURE):

NO DISCLOSURE REQUIRED

7

8

As at (date):

31/03/2010

9

Proportion of year following transfer of assets

0%

10

11

12

PART 1: Most recent ODV valuation of System Fixed Assets transferred

(\$000)

13

14

Replacement Cost (RC)

-

15

less Depreciation

-

16

Depreciated Replacement Cost (DRC)

-

-

-

-

-

-

-

-

-

17

less Optimisation adjustment

-

18

Optimised Depreciated Replacement Cost (ODRC)

-

-

-

-

-

-

-

-

-

19

less Economic Value Adjustment (EVA)

-

20

Most recent ODV value

-

-

-

-

-

-

-

-

-

21

22

23

24

25

26

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

(\$000)

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

less 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

-

-

to AV1

39

Sale of Assets to Another EDB

-

-

to AV1

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

-

to FS2

45

46

47

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

(\$000)

48

49

Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC

-

to AV3

50

Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC

-

to AV3

51

52

53

Signed by:

Selling Entity

54

55

Acquiring Entity

56

57

8. MP1 – Network Information

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref		Electricity Distribution Business:	Network Waitaki Limited
6			For Year Ended: 2010
7	Network Name:	Network Waitaki Limited	(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)
12	> 66kV	-	-
13	50kV & 66kV	-	-
14	33kV	151	8
15	SWER (all SWER voltages)	-	-
16	22kV (other than SWER)	-	-
17	6.6kV to 11kV (inclusive - other than SWER)	1,298	48
18	Low Voltage (< 1kV)	182	27
19	Total circuit length (for Supply)	1,631	83
20			to MP2
21	Dedicated Street Lighting Circuit Length	-	-
22			
23	Overhead Circuit Length by Terrain (at year end)		
24		(km)	(%)
25	Urban (only)	146	9%
26	Rural (only)	1,047	64%
27	Remote (only)	438	27%
28	Rugged (only)	-	0%
29	Rural & rugged (only)	-	0%
30	Remote & rugged (only)	-	0%
31	Unallocated overhead lines	-	0%
32	Total overhead length	1,631	100%
33			
34	Transformer capacity (at year end)		
35	Distribution Transformer Capacity (EDB Owned)	166 MVA	Previous Year 161
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	12 MVA	12
37	Total Distribution Transformer Capacity	178 MVA (to MP2)	173
38			
39	Zone Substation Transformer Capacity	132 MVA	99
40			
41	System Fixed Assets age (at year end)		
42	Average Age of System Fixed Assets	26 Years	
43	Average Expected Total Life of System Fixed Assets	50 Years	
44	Average Age as a Proportion of Average Expected Total Life	51%	
45			
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	26%	
47			
48			
49			
50			
51	Electricity demand		
52		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)
53	GXP Demand	51	58
54	plus Embedded Generation Output at HV and Above	-	
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	-	-
59	Maximum Distribution Transformer Demand	51	to MP2
60			
61	GXP Demand not Supplied at Subtransmission Level	-	
62	Embedded Generation Output - Connected to Subtransmission System	-	-
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-
64			
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	4	
66			
67	Five-Year System Maximum Demand Growth Forecast	9.4 % p.a.	
68			
69	Electricity volumes carried		
70		(GWh)	
71	Electricity Supplied from GXPs	261	
72	less Electricity Exports to GXPs	-	
73	plus Electricity Supplied from Embedded Generators	-	
74	less Net Electricity Supplied to (from) Other EDBs	-	
75	Electricity entering system for supply to customers' Connection Points	261	
76	less Electricity Supplied to Customers' Connection Points	241	to MP2
77	Electricity Losses (loss ratio)	20	7.7% %
78			
79	Electricity Supplied to Customers' Connection Points	241	
80	less Electricity Supplied to Largest 5 Connection Points	58	
81	Electricity supplied other than to Largest 5 Connection Points	183	76% %
82			
83	Load Factor	58% %	
84	Number of Connection Points (at year end)	12,257 ICPs	to MP2
85			
86	Intensity of service requirements		
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	30 kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	141 MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	7 ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	19,662 kWh/ICP	

9.MP2 – Performance Measures

REPORT MP2: PERFORMANCE MEASURES

ref

Electricity Distribution Business:

Network Waitaki Limited

5

For Year Ended:

2010

6

Performance comparators

7

Previous Years:

Current Financial Year

8

Current Yr - 3

Current Yr - 2

Current Yr - 1

9

Operational expenditure ratio

10

Total Operational Expenditure

3

3

3

\$m

from FS1

11

Replacement Cost of System Fixed Assets (at year end*)

124

131

138

\$m

from AV3

12

Ratio (%)

Not defined

2.42%

2.29%

2.26%

%

13

14

Capital expenditure ratio

15

Total Capital Expenditure on System Fixed Assets

4

4

6

\$m

from FS2

16

Replacement Cost of System Fixed Assets (at year end*)

124

131

138

\$m

from AV3

17

Ratio (%)

Not defined

3.23%

3.05%

4.21%

%

18

19

Capital expenditure growth ratio

20

Capital Expenditure: Customer Connection and System Growth

5

\$m

from FS2

21

Change in Total Distribution Transformer Capacity

6

8

5

MVA

from MP1

22

\$/kVA

Not defined

-

-

1,091

\$/kVA

23

24

Renewal expenditure ratio

25

Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal

1

\$m

from FS1 & 2

26

Regulatory Depreciation of System Fixed Assets

2

3

3

\$m

from AV1

27

Ratio (%)

Not defined

0%

0%

26%

%

28

29

Distribution Transformer Capacity Utilisation

30

Maximum Distribution Transformer Demand

43

46

47

51

MW

from MP1

31

Total Distribution Transformer Capacity (at year end*)

147

165

173

178

kVA

from MP1

32

Ratio (%)

29.3%

27.9%

27.2%

28.7%

%

33

34

Return on Investment

35

Regulatory Profit / Loss (pre-financing and distributions)

6

6

6

\$m

from FS1

36

less Interest Tax Shield Adjustment

1

1

0

\$m

from FS3

37

Adjusted Regulatory Profit

-

5

5

5

\$m

38

Regulatory Investment Value

61

64

67

\$m

from FS2

39

Ratio (%)

Not defined

8.20%

7.81%

8.07%

%

40

41

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

42

Expenditure comparison table

43

Expenditure metrics (\$ per):

44

45

Electricity

Maximum

Distribution

46

Supplied to

coincident

Transformer

47

Customers'

system

Capacity (EDB-

48

Connection

demand

Owned)

49

Points

(\$/MW)

(\$/MVA)

Total circuit

length (for

Supply)

(\$/km)

45

Capital Expenditure (\$ per

3,431

24

115,294

480

35,422

from FS2 & MP1

46

Operational Expenditure (\$ per

1,826

13

61,373

255

18,855

from FS1 & MP1

47

48

49

Notes

Current Financial Year Information

Current Financial Year information for “Operational Expenditure Ratio”, “Capital Expenditure Ratio”, “Return on Investment”, “Capital Expenditure Growth Ratio” and “Renewal Expenditure Growth Ratio” is automatically generated due to locked spreadsheet. There was no requirement to provide prior year information for these categories in the current year.

10. MP3 – Price and Quality Measures

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref	Electricity Distribution Business: Network Waitaki	
6	For Year Ended: 2010	
7	Network Name: Network Waitaki Limited	
9	Disclosure: Annual Disclosure - Requirement 6(1)	
10	QUALITY	
11	Interruptions	
12	Interruptions by class	
13	Class A	planned interruptions by Transpower
14	Class B	144 planned interruptions on the network
15	Class C	86 unplanned interruptions on the network
16	Class D	unplanned interruptions by Transpower
17	Class E	unplanned interruptions of network owned generation
18	Class F	unplanned interruptions of generation (non-network)
19	Class G	unplanned interruptions caused by other electricity industry participant
20	Class H	planned interruptions caused by other electricity industry participant
21	Total	230 Total of above
23	Interruption targets for Forecast Year	
24	Class B	2011 125 Current Financial Year +1
25	Class C	80 planned interruptions on the network
26		80 unplanned interruptions on the network
27	Average interruption targets for 5 Forecast Years	
28	Class B	2011-2015 125 Current Financial Year +1 to +5
29	Class C	80 planned interruptions on the network
30		80 unplanned interruptions on the network
31	Class C interruptions restored within	
32	≤3Hrs	>3hrs
33	69	17
34	Faults	
35	Faults per 100 circuit kilometres	
36	The total number of faults for Current Financial Year	4.90 in year 2010
37	The total number of faults forecast for the Forecast Year	4.64 in year 2011
38	The average annual number of faults forecast for the 5 Forecast Years	4.64 average over years 2011-2015
39	Fault Information per 100 circuit kilometres by Voltage and Type	
40	6.6kV & 11kV non-SWER	22kV non-SWER
41	SWER	33kV
42	50kV & 66kV	>66kV
43	Is this voltage part of the EDB system?	Yes No
44	Current Financial Year	5.87
45	Forecast Year	5.00
46	Average annual for 5 Forecast Years	5.00
47	Fault Information per 100 circuit kilometres by Voltage and Type	
48	6.6kV & 11kV non-SWER	22kV non-SWER
49	SWER	33kV
50	50kV & 66kV	>66kV
51	Underground	4.17
52	Overhead	5.93
53	Reliability	
54	Overall reliability	
55	Based on the total number of interruptions	SAIDI 64.29 SAIFI 1.46 CAIDI 43.94
56	Reliability by interruption class	
57	Class B	SAIDI 14.68 SAIFI 0.07 CAIDI 195.80
58	Class C	SAIDI 49.61 SAIFI 1.39 CAIDI 35.74
59	Targets for Forecast Year	
60	Class B	SAIDI 50.00 SAIFI 0.35 CAIDI 142.86
61	Class C	SAIDI 50.00 SAIFI 1.04 CAIDI 48.08
62	Average targets for 5 Forecast Years	
63	Class B	SAIDI 50.00 SAIFI 0.35 CAIDI 142.86
64	Class C	SAIDI 50.00 SAIFI 1.04 CAIDI 48.08
65	PRICES	
66	Price information by Connection Point Class	
67	Connection Point Class	
68	Small Connection Points	Medium Connection Points
69	Large Connection Points	Largest 5 Connection Points
70	Total	
71	Gross line charge income (\$000)	4,743 4,836 1,583 1,261 12,423
72	Electricity Supplied to Customers' Connection Points (MWh)	76,903 73,141 33,095 57,861 241,000
73	Number of Connection Points (ICPs) at year end	10,279 1,914 59 5 12,257
74	Unit Price (cents/kWh)	6.2 6.6 4.8 2.2 5.2
75	Relative Unit Price Index	1.00 1.07 0.78 0.35 0.84

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

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

The break point for large consumers is sites with time of use metering. Due to an absence of firm data a breakpoint between large and medium classes based on KVA could not be determined.

11. AM1 – Expenditure Forecasts and Reconciliation

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

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

A) Five year forecasts of expenditure

From most recent Asset Management Plan

	Actual for Current Financial Year	Forecast Years					
		year 1	year 2	year 3	year 4	year 5	
for year ended	2010	2011	2012	2013	2014	2015	
Capital Expenditure: Customer Connection	332	1,145	1,120	1,110	1,110	620	from FS2
Capital Expenditure: System Growth	5,122	4,205	8,157	7,100	4,590	835	from FS2
Capital Expenditure: Reliability, Safety and Environment	46	126	126	10	10	3,300	from FS2
Capital Expenditure: Asset Replacement and Renewal	325	645	945	945	945	110	from FS2
Capital Expenditure: Asset Relocations	-	135	135	135	135	135	from FS2
Subtotal - Capital Expenditure on asset management	5,825	6,256	10,483	9,300	6,790	5,000	
Operational Expenditure: Routine and Preventative Maintenance	974	715	715	714	714	714	from FS1
Operational Expenditure: Refurbishment and Renewal Maintenance	409	752	752	752	752	752	from FS1
Operational Expenditure: Fault and Emergency Maintenance	217	253	254	254	254	254	from FS1
Subtotal - Operational Expenditure on asset management	1,600	1,720	1,721	1,720	1,720	1,720	
Total direct expenditure on distribution network	7,425	7,976	12,204	11,020	8,510	6,720	
Overhead to Underground Conversion Expenditure							

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).

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	332	705	-52.9%	from row 10
Capital Expenditure: System Growth	5,122	5,321	-3.7%	from row 11
Capital Expenditure: Asset Replacement and Renewal	46	51	-9.8%	from row 12
Capital Expenditure: Reliability, Safety and Environment	325	913	-64.4%	from row 13
Capital Expenditure: Asset Relocations	-	135	-100.0%	from row 14
Subtotal - Capital Expenditure on asset management	5,825	7,125	-18.2%	
Operational Expenditure: Routine and Preventative Maintenance	974	1,032	-5.6%	from row 17
Operational Expenditure: Refurbishment and Renewal Maintenance	409	436	-6.2%	from row 18
Operational Expenditure: Fault and Emergency Maintenance	217	235	-7.7%	from row 19
Subtotal - Operational Expenditure on asset management	1,600	1,703	-6.0%	
Total direct expenditure on distribution network	7,425	8,828	-15.9%	

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):

Variance between previous forecast for the current financial year, and actual expenditure.

Capital Expenditure – Customer Connection

Network Waitaki has no control over the level of customer connection. The Asset Management Plan forecasted an expected level of capital expenditure relating to customer connection based on historical trends and economic data available at the time of preparing the plan. The variance in 'capital expenditure –customer connection' cost reflects the difference in consumer demanded for new connections and the assumptions made in the Asset Management Plan.

Capital Expenditure – Asset Replacement and Renewal

An error exists in the worksheet, which is password protected. The 'Capital Expenditure Asset Replacement and Renewal' cell is feeding of the 'Capital Expenditure Reliability, Safety and Environment' line in the top half of schedule.

The correct variance numbers are

	Actual	Forecast	Variance
Capital Expenditure - Asset Replacement and Renewal	325	913	-64.40%

The actual level of capital expenditure is lower than allowed for in the Assets Management Plan. This represents a review of the capital construction programme since the publication of the 2009 Asset Management Plan. This review highlighted the need to construct or replace line asset due to load growth as a higher priority than capital expenditure on asset replacement and renewal.

Capital Expenditure – Reliability, Safety and Environment

An error exists in the worksheet, which is password protected. The 'Capital expenditure Reliability, Safety and Environment' cell is feeding of 'Asset Replacement and Renewal' in the top half of schedule.

The correct variance numbers are

	Actual	Forecast	Variance
Capital Expenditure - Reliability, Safety and Environment	46	51	-9.80%

The Asset Management Plan allowed for the installing of fault indicators. The review of the capital construction programme reallocated the capital investment into other aspects of the network.

Capital Expenditure – Asset Relocation

The review of the capital construction programme reallocated the capital investment into other aspects of the network.

IV. Transitional Provisions

1. Direct and Indirect Line Charges

Year	2010	2009	2008	2007
Direct Line costs per Kilometre	1,332.70	1,154.63	942.84	1,004.92
Direct expenditure	2,284,252	2,157,559	1,849,138	2,014,481
System Length (Km)	1,714	1,869	1,961	2,005

Year	2010	2009	2008	2007
Indirect Line cost per consumer	68.65	68.23	63.34	57.87
Indirect expenditure	841,487	836,171	758,234	691,222
Total consumers	12,257	12,256	11,970	11,944

V. Auditor's Report



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AUDITOR'S INDEPENDENT ASSURANCE REPORT

To the Board of Directors of Network Waitaki Limited

REPORT ON NETWORK WAITAKI 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 Network Waitaki Limited (the company). The Auditor-General has appointed me, Robert Harris, using the staff and resources of PricewaterhouseCoopers, to provide an opinion on the compliance of the attached reports on pages 3 to 18 prepared by Network Waitaki Limited with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements) 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 Network Waitaki Limited has complied with the Requirements for the financial year ended 31 March 2010.

Use of this Independent Assurance Report

This independent assurance report has been prepared solely to provide assurance that the disclosure information prepared by Network Waitaki Limited complies with 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.

Scope and Limitations of the Engagement

We conducted the engagement in accordance with the New Zealand Institute of Chartered Accountants International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

In respect of disclosures of prospective financial information we conducted the engagement in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* (ISAE 3400). Where relevant, we have applied the principles of ISAE 3400 to the disclosure of prospective non-financial information.

This independent assurance report provides assurance that the disclosure information prepared by Network Waitaki Limited complies with the Requirements.

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 has been presented in all material respects in accordance with the Requirements. 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 Network Waitaki Limited.

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 Network Waitaki Limited's compliance with the Requirements are undertaken on a test basis, our engagement cannot be relied on to detect all instances where Network Waitaki Limited may not have complied with the Requirements. Our opinion has been formed on the above basis.

V. Auditor's Report (Continued)



This independent assurance report provides assurance that the disclosure information prepared by Network Waitaki Limited complies with the Requirements. Network Waitaki Limited's financial statements for the year ended 31 March 2010 have been subject to audit.

The audit opinion on the financial statements was unqualified.

Basis of Opinion

Our work in respect of any historical financial and non-financial amounts and disclosures that were audited under the financial statements audit has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements of Network Waitaki Limited.

Our work in respect of historical financial and non-financial 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.

In the case of 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 prospective financial and non-financial information has been calculated based on source data provided by Network Waitaki Limited. 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, the annual audit of the Network Waitaki Limited's financial statements carried out on behalf of the Auditor-General, and the provision of other professional advisory services, we have no relationship with or interests in Network Waitaki Limited.

Qualified Opinion

Report MP3: reliability statistics

The scope of our engagement was subject to the following limitation for the year ended 31 March 2010:

- There is no independent evidence available for the period to support the completeness and accuracy of recorded faults;

Because of this limitation, there are no practical audit procedures that we could adopt to confirm independently that all outage and ICP data was properly recorded for the purposes of inclusion in the amounts or details set out in the quality threshold: SAIDI and SAIFI statistics.

In these respects alone we have not obtained all the information and explanations that we have required.

In our opinion, Network Waitaki Limited has:

- except for the matters identified above, kept proper records to enable the complete and accurate compilation of required information in report MP3 in all material respects, as far as appears from our examination of those records;
- prepared disclosure information in report MP3 for the financial year ended 31 March 2010 that complies with the Requirements;

V. Auditor's Report (Continued)



- presented the historical financial information included in report MP3 for the financial year ended 31 March 2010 in accordance with the Requirements, in all material respects;
- compiled the historical non-financial information included in report MP3 in accordance with the guidance issued pursuant to the Requirements, and has calculated the historical non-financial information based on unaudited source data provided by Network Waitaki Limited; and
- presented the prospective financial and non-financial information in report MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2009 and the immediately preceding financial year, and has calculated the prospective financial and non-financial information based on unaudited source data provided by Network Waitaki Limited.

Unqualified Opinion

Reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP1, MP2 and AM1

In our opinion, Network Waitaki Limited has:

- kept proper records to enable the complete and accurate compilation of required information, as far as appears from our examination of those records;
- prepared disclosure information for the financial year ended 31 March 2010 that complies with the Requirements;
- presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, and AM1 for the financial year ended 31 March 2010 in accordance with the Requirements, in all material respects;
- compiled the historical non-financial information included in reports MP1 and MP2 in accordance with the guidance issued pursuant to the Requirements, and has calculated the historical non-financial information based on unaudited source data provided by Network Waitaki Limited; and
- presented the prospective financial and non-financial information in report AM1 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 has calculated the prospective financial and non-financial information based on unaudited source data provided by Network Waitaki Limited.

A handwritten signature in blue ink, appearing to read 'Robert Harris', is positioned above the printed name.

Robert Harris
Pricewaterhousecoopers
On behalf of the Auditor-General
119 Armagh Street, Christchurch
24 May 2010

Directors' Certificates

Certificate for Disclosed Information

We Clare Kearney and John Walker, directors of Network Waitaki Ltd certify that having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Network Waitaki Ltd 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 Measure Report;
- (x) Report MP3: Price and Quality Report; and
- (xi) Report AM1: Expenditure Forecasts and Reconciliation.



Clare Kearney Director



John Walker Director

Dated 24 May 2010