



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

For the Assessment Period: 1 April 2011 – 31 March 2012



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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 Ltd	
5		For Year Ended	2012	
6	Income			
7			(\$000)	
8	Net Line Charge Revenue Received	10,601		
9	plus Discretionary Discounts and Customer Rebates	894		FS1a
10	Gross Line Charge Income		11,495	
11				
12				
13	Capital Contributions	585		
14	plus Net Value of Vested Assets	52		
15	Total Capital Contributions and Vested Assets		637	
16				
17	AC Loss Rental Rebates Received	250		
18	less AC Loss Rental Rebates Passed On	-		
19	Net AC loss rental income (deficit)		250	
20				
21				
22	Other Income	14		
23			14	
24				
25	Total regulatory income		12,395	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower	3,643		
31	plus Avoided Transmission Charges - payments to parties other than Transpower	186		
32	Total Transmission Costs		3,829	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads	475		
36	System Management and Operations	1,339		
37	Routine and Preventative Maintenance	577		to AM1
38	Refurbishment and Renewal Maintenance	940		to AM1
39	Fault and Emergency Maintenance	231		to AM1
40	Pass-through Costs	108		
41	Other			
42	Total Operational Expenditure		3,670	to MP2
43				
44				
45	Operational earnings		4,896	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	3,032		from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	87		from AV1
50	Total Regulatory Depreciation		3,119	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		1,777	to FS3
54				
55	less Regulatory Tax Allowance		(691)	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		1,168	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		3,637	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	-	
71	Line Charge Holidays and other Discretionary Discounts	894	
72	Total Discretionary Discounts and Customer Rebates		894

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	2,966	
78	Subvention Payment		
79	Other related party expenditure		
80	Total Related Party Expenditure		2,966
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:		
95			
96	Material item amount 2		Notes to be provided separately
97	within expenditure category:		
98			
99	Material item amount 3		Notes to be provided separately
100	within expenditure category:		
101			
102			
103			(further disclosures to be provided on separate page if required)

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

FS1b Related Party Summary

Subsidiary Entity: Network Waitaki Contracting Limited

- Network Waitaki Contracting Limited is a 100 per cent wholly-owned.
- 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 2012 Network Waitaki Limited paid Network Waitaki Contracting Limited \$2.966 million for asset maintenance and construction services (\$4.265 million in 2011).
- 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 2012 (\$'000)	Year Ended 31 March 2011 (\$'000)
Distribution Lines and Cables	1,016	2,675
Medium Voltage Switchgear	221	215
Distribution Transformers and Substations	394	362
Other Property, Plant and Equipment	24	112
<i>Other transactions between Network Waitaki Contracting Limited and Network Waitaki Limited:</i>		
Maintenance of System Property, Plant and Equipment	1,311	901
Total	2,966	4,265

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 Category	expenditure line item) Details
258	General Management, Administration and Overheads	Indirect Labour
92	General Management, Administration and Overheads	Directors Fees
702	System Management and Operations	Labour
49	Routine and Preventative Maintenance	11kV Patrols and Inspections
223	Routine and Preventative Maintenance	Zone Sub Maintenance
0	Refurbishment and Renewal Maintenance	11kV Major Maintenance
0	Refurbishment and Renewal Maintenance	LT Major Maintenance
0	Refurbishment and Renewal Maintenance	Tree Control
1517	Fault and Emergency Maintenance	Fault Standby
0	Fault and Emergency Maintenance	Total 11kV Faults
0	Fault and Emergency Maintenance	Total LV Faults
60	Pass-through Costs	Local Body Rates
34	Pass-through Costs	EA Levies
13	Pass-through Costs	Commerce Act Levies

2. FS2 – Regulatory Asset & Financing Statement

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Network Waitaki Ltd	
5		For Year Ended	2012
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection	341	to AM1
9	System Growth	847	to AM1
10	Reliability, Safety and Environment	757	to AM1
11	Asset Replacement and Renewal	1,088	to AM1
12	Asset Relocations	68	to AM1
13	Total Capital Expenditure on System Fixed Assets	3,101	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	366	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	126	
21	plus Total Capital Expenditure on System Fixed Assets	3,101	
22	less Assets Commissioned in Year	2,541	from AV1
23	Works under construction at year end	686	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	74,388	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	173	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	1,822	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	76,383	
31			
32	plus System Fixed Assets Commissioned in Year	2,541	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	366	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	2,907	
36	Regulatory Asset Base investment in Current Financial Year - average	1,453	
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	77,836	to MP2

3. FS3 – Regulatory Tax Allowance Calculation

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Network Waitaki Ltd	
5		For Year Ended	2012	
6				
7				(\$000)
8		Earnings before interest and tax (EBIT)	1,777	from FS1
9				
10	add	Total Regulatory Depreciation	3,119	from FS1
11		Other Permanent Differences - not deductible		
12		Other Temporary Adjustments - Current Period	100	
13			3,219	
14				
15	less	Non Taxable Capital Contributions and Vested Assets	637	
16		Tax Depreciation	2,601	
17		Deductible Discretionary Discounts and Customer Rebates	894	
18		Deductible Interest	1,812	from row 53
19		Other Permanent Differences - Non Taxable		
20		Other Temporary Adjustments - Prior Period	1,522	
21			7,466	
22				
23		Regulatory taxable income for Year	(2,469)	
24				
25	less	Tax Losses Available at Start of Year	-	
26		Net taxable income	(2,469)	
27				
28		Statutory Tax Rate	28%	
29		Regulatory Tax Allowance	(691)	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	
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	5.82%	%		
53					
54	Deductible Interest	1,812	\$000		to row 18
55					
56	Interest Tax Shield Adjustment	507	\$000		to MP2

The company has tax losses carried forward at the start of the year of \$1,575,000 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 \$1,575,000 into line 25 has the effect of increasing the regulatory profit /loss pre financing and distribution by \$1,575,000*28% or \$441,000. This income has been accounted for in prior years. Given the tax loss carried forward has already been included in the ROI in prior years; the carried forward tax loss has been excluded from FS3.

This year tax losses of \$1,043,000 were made. The tax losses to be carried forward are \$2,618,000.

4. AV1 – Annual Regulatory Valuation Roll-Forward Report

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref	Electricity Distribution Business:								Network Waitaki Ltd	
5									For Year Ended:	2012
6									Year of most recent ODV	2004
7										
8										
9		ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	(\$000)
10		+ 1	+ 2	+ 3	+ 4	+ 5	+ 6	+ 7	+ 8	
11	For Year Ending:	2005	2006	2007	2008	2009	2010	2011	2012	
12	System Fixed Assets									
13	Regulatory Value at End of Previous Year*	45,668	46,805	52,550	57,096	60,614	63,136	67,185	74,388	to FS2
14	plus									
15	Assets Commissioned	1,779	6,506	5,553	4,029	3,296	5,056	6,849	2,541	to FS2
16	Gross Value of Vested Assets						480	534	52	to FS1
17	Assets Acquired from (Sold to) a Non-EDB									to FS2
18	Asset Additions	1,779	6,506	5,553	4,029	3,296	5,536	7,383	2,593	
19	plus									
20	Indexed Revaluation	1,230	1,572	1,334	1,922	1,800	1,292	3,001	1,168	to FS1
21	less									
22	Depreciation of System Fixed Assets	1,872	1,957	2,159	2,285	2,497	2,580	2,845	2,890	
23	Regulatory Value of Assets Decommissioned		376	182	148	77	199	336	142	
24	Regulatory Depreciation (incl. value of assets decommissioned)	1,872	2,333	2,341	2,433	2,574	2,779	3,181	3,032	to FS1
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	plus (minus)									
30	Net Increase (Decrease) Due to Changes in Asset Register Information									
31										
32										
33	Regulatory Value of System Fixed Assets at Year End	46,805	52,550	57,096	60,614	63,136	67,185	74,388	75,117	
34										
35	Non-System Fixed Assets									
36	Regulatory value at end of previous year	65	56	473	390	296	238	223	173	
37	plus									
38	Asset Additions		572	71	72	43	55	39	366	to FS2
39	plus Revaluations									to FS1
40	less Depreciation (incl. value of assets decommissioned)	9	155	154	166	101	70	89	87	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	56	473	390	296	238	223	173	452	
43										
44										
45	Total Regulatory Asset Base Value (excluding FDC)	46,861	53,023	57,486	60,910	63,374	67,408	74,561	75,569	
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

45,668

46,805

52,550

57,096

60,614

63,136

67,185

74,388

65

Indexed Revaluation of System Fixed Assets

1,230

1,572

1,334

1,922

1,800

1,292

3,001

1,168

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

In 2010, 2011, and 2012 due to improved understanding surrounding capital contributions, vested assets 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 were included within the total regulatory asset base value in prior years and as a result there was no effect on the total regulatory asset base value. Due to the 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)

Electricity Distribution Business: Network Waitaki Ltd

For Year Ended: 2012

Subtotals by Asset Class (for System Fixed Assets)

	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)	2,298	4,042	20,596	3,911	9,178	4,907	736	45,668	from AV1
Cumulative roll-forward since most recent ODV:									
Asset Additions								36,675	from AV1
Indexed Revaluation (of System Fixed Assets)								13,319	from AV1
less Regulatory Depreciation (of System Fixed Assets)								20,545	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								75,117	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 Ltd	
5	For Year Ended: 2012	
6	System Fixed Assets - Replacement Cost	
7		(\$000)
8	Replacement cost at end of previous year	150,727
9		
10	Asset Additions	2,593 AV3a
11	Indexed Revaluation (of System Fixed Assets)	2,367
12	less Replacement Cost of Assets Decommissioned	635
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	155,053
16		
17	System Fixed Assets - Depreciated Replacement Cost	
18		
19		
20	Depreciated Replacement Cost at end of previous year	74,604
21		
22	Asset Additions	2,593 AV3a
23	Indexed Revaluation (of System Fixed Assets)	1,172
24	less Depreciation of Replacement Cost	2,914
25	less Depreciated Replacement Cost of Assets Decommissioned	157
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	75,298

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	2,593 from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	
40		
41	Asset Additions - Replacement Cost	2,593
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 Ltd**

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
Replacement Cost (RC)								-
less Depreciation								-
Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
less Optimisation adjustment								-
Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
less Economic Value Adjustment (EVA)								-
Most recent ODV value	-	-	-	-	-	-	-	-

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

(\$000)

	Total for System Fixed Assets	Non-System Fixed Assets	Total RAB value (excl. FDC)
Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
Cumulative roll-forward since most recent ODV:			
Asset Additions			
Indexed Revaluation (of System Fixed Assets)			
less Regulatory Depreciation (of System Fixed Assets)			
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
Net Increase (Decrease) due to Changes in Asset Register Information			
RAB Value of Transferred Assets at Transfer Date	-		-
Acquisition of Assets from Another EDB	-	-	to AV1
Sale of Assets to Another EDB	-	-	to AV1
RAB Value of Transferred Assets at Transfer Date	-		
"p" factor (proportion of year following transfer of assets)	0%		
Adjustment for merger, acquisition or sale to another EDB		-	to FS2

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	
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	to AV3

Signed by:

Selling Entity

Acquiring Entity

8. MP1 – Network Information

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business: Network Waitaki Ltd		For Year Ended: 2012
6			
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	168	8
15	SWER (all SWER voltages)		
16	22kV (other than SWER)		
17	6.6kV to 11kV (inclusive - other than SWER)	1,296	50
18	Low Voltage (< 1kV)	182	28
19	Total circuit length (for Supply)	1,646	86
20			
21	Dedicated Street Lighting Circuit Length		
22			
23	Overhead Circuit Length by Terrain (at year end)		
24		(km)	(%)
25	Urban (only)	145	9%
26	Rural (only)	1,061	64%
27	Remote (only)	440	27%
28	Rugged (only)		0%
29	Rural & rugged (only)		0%
30	Remote & rugged (only)		0%
31	Unallocated overhead lines		0%
32	Total overhead length	1,646	100%
33			
34	Transformer capacity (at year end)		Previous Year
35	Distribution Transformer Capacity (EDB Owned)	175 MVA	172
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	13 MVA	12
37	Total Distribution Transformer Capacity	188 MVA (to MP2)	184
38			
39	Zone Substation Transformer Capacity	156 MVA	155
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	27%	
47			
48			
49			
50			
51	Electricity demand		
52		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)
53	GXP Demand	46	51
54	plus Embedded Generation Output at HV and Above		
55	Maximum System Demand	46	
56	less Net Transfers to (from) Other EDBs at HV and Above		
57	Demand on system for supply to customers' Connection Points	46	
58	less Subtransmission Customers' Connection Point Demand		
59	Maximum Distribution Transformer Demand	46	
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	4.0 % p.a.	
68			
69	Electricity volumes carried		
70		(GWh)	
71	Electricity Supplied from GXPs	227	
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	227	
76	less Electricity Supplied to Customers' Connection Points	220	
77	Electricity Losses (loss ratio)	8	3.4%
78			
79	Electricity Supplied to Customers' Connection Points	220	
80	less Electricity Supplied to Largest 5 Connection Points	46	
81	Electricity supplied other than to Largest 5 Connection Points	173	79%
82			
83	Load Factor	56%	
84	Number of Connection Points (at year end)	12,278 ICPs	
85			
86	Intensity of service requirements		
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	27	kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	127	MWh/km
89	Connection Point Density (ICPs / Total circuit length)	7	ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	17,885	kWh/ICP

9.MP2 – Performance Measures

REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business: Network Waitaki Ltd				
5	For Year Ended: 2012				
6	Performance comparators				
7					
8					
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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” are automatically generated due to a locked template spread sheet. There was no requirement to provide prior year information for the line items called “Capital Expenditure Growth Ratio” and “Renewal Expenditure Growth Ratio” for any years before the year ending 31 March 2010.

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 Ltd				
6			For Year Ended: 2012				
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	126	planned interruptions on the network				
15	Class C	74	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	200	Total of above				
22							
23	Interruption targets for Forecast Year						
24	Class B	2013	Current Financial Year +1				
25	Class C	125	planned interruptions on the network				
26		80	unplanned interruptions on the network				
27							
28	Average interruption targets for 5 Forecast Years						
29	Class B	2013-2017	Current Financial Year +1 to +5				
30	Class C	125	planned interruptions on the network				
31		80	unplanned interruptions on the network				
32	Class C interruptions restored within						
33		≤3Hrs	>3hrs				
34		54	20				
35	Faults						
36	Faults per 100 circuit kilometres						
37	The total number of faults for Current Financial Year	4.16	in year	2012			
38	The total number of faults forecast for the Forecast Year	4.62	in year	2013			
39	The average annual number of faults forecast for the 5 Forecast Years	4.62	average over years	2013-2017			
40							
41	Fault Information per 100 circuit kilometres by Voltage and Type						
42		6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
43	Is this voltage part of the EDB system?	Select one	Select one	Select one	Select one	Select one	Select one
44	Current Financial Year	4.04			0.12		
45	Forecast Year	5.00			1.00		
46	Average annual for 5 Forecast Years	5.00			1.00		
47							
48	Fault Information per 100 circuit kilometres by Voltage and Type						
49		6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
50	Underground	2.00			-		
51	Overhead	5.32			1.19		
52							
53	Reliability						
54	Overall reliability						
55	Based on the total number of interruptions	SAIDI	SAIFI	CAIDI			
56		50.85	0.95	53.52			
57	Reliability by interruption class						
58	Class B	SAIDI	SAIFI	CAIDI			
59	Class C	13.52	0.07	193.14			
60		37.33	0.88	42.42			
61	Targets for Forecast Year						
62	Class B	SAIDI	SAIFI	CAIDI			
63	Class C	20.27	0.10	202.70			
64		60.80	0.90	67.60			
65	Average targets for 5 Forecast Years						
66	Class B	SAIDI	SAIFI	CAIDI			
67	Class C	20.27	0.10	202.70			
68		60.80	0.90	67.60			
69							
70	PRICES						
71	Price information by Connection Point Class						
72							
73							
74							
75		Connection Point Class					
76		Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total	
77	Gross line charge income (\$000)	4,144.31	4,559	1,521	1,271	11,495	
78	Electricity Supplied to Customers' Connection Points (MWh)	75,328	66,748	31,111	46,403	219,590	
79	Number of Connection Points (ICPs) at year end	10,242	1,964	67	5	12,278	
80	Unit Price (cents/kWh)	5.5	6.8	4.9	2.7	5.2	
81	Relative Unit Price Index	1.00	1.24	0.89	0.50	0.95	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

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	TOU kVA

The breakpoint 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 Ltd**
For Year Ended **2012**
(\$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	2012	2013	2014	2015	2016	2017	
Capital Expenditure: Customer Connection	341	570	598	598	618	618	from FS2
Capital Expenditure: System Growth	847	1,860	6,437	2,594	2,452	789	from FS2
Capital Expenditure: Reliability, Safety and Environment	757	1,709	1,553	699	540	540	from FS2
Capital Expenditure: Asset Replacement and Renewal	1,088	1,325	603	1,485	1,252	2,916	from FS2
Capital Expenditure: Asset Relocations	68	140	140	140	140	140	from FS2
Subtotal - Capital Expenditure on asset management							
Operational Expenditure: Routine and Preventative Maintenance	577	784	846	884	861	884	from FS1
Operational Expenditure: Refurbishment and Renewal Maintenance	940	735	735	752	762	752	from FS1
Operational Expenditure: Fault and Emergency Maintenance	231	260	260	260	260	260	from FS1
Subtotal - Operational Expenditure on asset management							
Total direct expenditure on distribution network	-	-	-	-	-	-	
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	341	570	-40.2%	from row 10
Capital Expenditure: System Growth	847	915	-7.5%	from row 11
Capital Expenditure: Reliability, Safety and Environment	757	1,305	-42.0%	from row 12
Capital Expenditure: Asset Replacement and Renewal	1,088	725	50.1%	from row 13
Capital Expenditure: Asset Relocations	68	140	-51.4%	from row 14
Subtotal - Capital Expenditure on asset management	3,101	3,655	-15.2%	
Operational Expenditure: Routine and Preventative Maintenance	577	747	-22.8%	from row 17
Operational Expenditure: Refurbishment and Renewal Maintenance	940	719	30.8%	from row 18
Operational Expenditure: Fault and Emergency Maintenance	231	254	-8.9%	from row 19
Subtotal - Operational Expenditure on asset management	1,748	1,720	1.6%	
Total direct expenditure on distribution network	4,849	5,375	-9.8%	

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 Limited has no control over the demand for customer connections to its network. The Asset Management Plan (AMP) forecast an expected level of capital expenditure relating to customer connections based on historical trends and economic data available at the time of preparing the plan. The variance in 'Capital Expenditure - Customer Connection' costs reflects the difference in consumer demand for new connections and the assumptions made in the AMP. Another contributing factor was the absence of any subdivision works, which were provisioned for in the previous forecast.

Capital Expenditure – System Growth

The actual expenditure was in line with forecast.

Capital Expenditure – Reliability, Safety and the Environment

The actual spend was significantly less than forecast in the AMP due to:

1. a change in focus to completing more condition based Asset Replacement and Renewal since the writing of the AMP;
2. a \$170K tap changer replacement project encountering design issues which meant it could not be completed in the financial year; and
3. a \$100K line rebuild that had originally been categorised under this category in the AMP was later re-categorised under Asset Replacement and Renewal.

Capital Expenditure – Asset Replacement and Renewal

This category was significantly more than forecast due to:

1. a change in focus towards completing more condition based line rebuilds than originally forecast in the AMP;
2. a greater than expected expenditure on fuse/link replacements than forecast;
3. a \$100K line rebuild that had been incorrectly categorised in the AMP under Reliability, Safety, and the Environment; and
4. some Asset Relocation work being recorded against Asset Replacement and Renewal.

Capital Expenditure – Asset Relocations

This category is driven by requests from third parties, such as asset relocations due to road widening. Third party requests were much less than expected and those that did occur appear to have been incorrectly captured under Asset Replacement and Renewal.

Operational Expenditure – Routine and Preventative Maintenance

Total Operational Expenditure was in line with the total forecast in the AMP. Routine and Preventative Maintenance was less than forecast in the AMP due to a greater emphasis being put on catching up on Refurbishment work, which had built up from years when there had been more customer connection driven work than expected.

Operational Expenditure – Refurbishment and Renewal Maintenance

Total Operational Expenditure was in line with the total forecast in the AMP. Refurbishment and Renewal Maintenance was more than forecast in the AMP due to a greater emphasis being put on catching up on this work, which had built up from years when there had been more customer connection driven work than expected. This was done at the expense of some Routine and Preventative Maintenance. However, the amount of Routine and Preventative Maintenance was still in keeping with Network Waitaki's policies and well within accepted levels.

Operational Expenditure – Fault and Emergency Maintenance

The actual expenditure was in line with forecast.

IV. Auditor's Report



Auditor's Independent Assurance Report

To the Readers of Network Waitaki Limited's
Report for the Financial Year Ended 31 March 2012 regarding Network Waitaki
Limited's Compliance with the Electricity Distribution (Information Disclosure)
Requirements 2008

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 her behalf, on the company's report for the financial year ended 31 March 2012 on pages 3 to 17 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 unqualified and was dated 28 May 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.

IV. Auditor's Report (Continued)



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 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.

In addition to the engagement, we have performed other audit assignments for the company. This involved issuing an audit opinion on the annual financial statements on behalf of the Auditor-General. We have also provided other professional advisory services to the company. These assignments were compatible with the Auditor-General's independence requirements. Other than these assignments, we have no relationship with or interests in the company or any of its subsidiaries.

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.

IV. Auditor's Report (Continued)



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.

A handwritten signature in blue ink, appearing to read 'Robert Harris'.

Robert Harris
On behalf of the Auditor-General
Christchurch, New Zealand

PricewaterhouseCoopers

17 December 2012

V. 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: 17 December 2012