

**FORM 4 – STATUTORY DECLARATION FOR PUBLICLY DISCLOSED
INFORMATION**

Pursuant to Requirement 13(1)

I, Richard C. Pearson, of Auckland New Zealand, being a director of Wellington Electricity Lines Limited, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by Wellington Electricity Lines Limited under the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at WELLINGTON this 13th day of August 2010.



Richard C. Pearson



Justice of the Peace (or Solicitor or other person authorised to take a statutory declaration).

DAVID BLACKTOP
SOLICITOR, WELLINGTON.

FORM 1 – CERTIFICATE FOR DISCLOSED INFORMATION

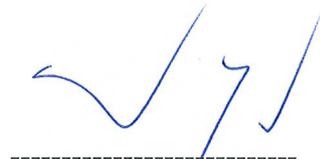
Pursuant to Requirement 11(1)

We, Richard Pearson and Neil McGee, directors of Wellington Electricity Lines Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Wellington Electricity Lines Limited prepared for the purposes of requirement 3, 4, 6 and 7(5) of the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 complies with those Requirements –

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



Richard Pearson



Neil McGee

12 August 2010

INDEPENDENT ASSURANCE REPORT

To the Board of Directors of Wellington Electricity Lines Limited:

We have examined the attached Information Disclosure Report (comprising reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP1, MP2, MP3 and AM1) of Wellington Electricity Lines Limited for the financial year ended 31 March 2010 (“the Disclosure Report”). This information is stated in accordance with the Electricity Distribution (Information Disclosure) Requirements 2008 (“the Requirements”) and the methodologies described on pages 5 to 26.

This report has been prepared solely to provide assurance that the Disclosure Report prepared by Wellington Electricity Lines Limited for the financial year ended 31 March 2010 complies with the Requirements. We understand that a copy of this report has been requested by the Commerce Commission for their use in connection with this purpose. We agree that a copy of this report may be provided to the Commerce Commission. This report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written consent. We accept or assume no duty, responsibility or liability to any party, other than you, in connection with this report or engagement including without limitation, liability for negligence in relation to the factual findings expressed or implied in this report.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and certification of the Disclosure Report for the financial year ended 31 March 2010 in accordance with the Requirements.

Responsibilities of the Independent Accountant

It is our responsibility to express an independent opinion on the Disclosure Report in accordance with clause 10 of the Requirements and report that opinion to you.

Basis of Opinion on the Historical Financial Information

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the historical financial information. It also includes assessing:

- the significant estimates and judgments made by the Board of Directors in the preparation of the historical financial information, and
- whether the historical financial information disclosures are adequate.

We conducted our audit of the historical financial information in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the disclosures of the historical financial information set out in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3, and AM1 for the financial year ended 31 March 2010 have been properly presented, in all material respects, in accordance with the Requirements. In forming our opinion we also evaluated the overall adequacy of the presentation of the historical financial information.

Basis of Opinion on the Historical Non-Financial Information

We conducted the engagement in respect of the historical non-financial information in accordance with the Standard on Assurance Engagements (New Zealand) 3100: *Compliance Engagements* issued by the New Zealand Institute of Chartered Accountants.

We have undertaken procedures to provide reasonable assurance that the disclosures of the historical non-financial information set out in reports MP1, MP2 and MP3 for the financial year ended 31 March 2010 have been properly compiled in accordance with guidance issued pursuant to the Requirements and calculated based on the source data provided by Wellington Electricity Lines 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 Wellington Electricity Lines Limited's compliance with the Requirements are undertaken on a test basis, our engagement cannot be relied on to detect all instances where Wellington Electricity Lines Limited may not have complied with the Requirements. Our opinion has been formed on the above basis.

Basis of Opinion on the Prospective Financial and Non-Financial Information

We have undertaken procedures to provide reasonable assurance that the disclosures of the prospective financial and non-financial information set out in reports AM1 and MP3 have been (where applicable and except to the extent that amendments to those requirements have changed that basis) properly presented on a basis consistent with the regulatory accounting and technical measurement requirements used for disclosures for the financial years ended 31 March 2010 and 31 March 2009 and calculated based on assumptions and unaudited source data provided by Wellington Electricity Lines Limited. The assumptions relate to future events. We do not express an opinion on these assumptions and source data.

Independence

Other than this engagement and the annual audit of Wellington Electricity Lines Limited's financial statements and the provision of taxation advice, we have no relationship with or interests in Wellington Electricity Lines Limited. We have complied with the Independent Auditor provisions specified in clause 2(1) of the Requirements.

Unqualified Opinion

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

In our opinion;

- proper records have been kept by Wellington Electricity Lines Limited to enable the complete and accurate compilation of required information, as far as appears from our examination of those records, and

- the Disclosure Report for the financial year ended 31 March 2010, and in particular the reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP1, MP2, MP3 and AM1 comply with the Requirements as further outlined below:
 - the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3, and AM1 has been presented in all material respects in accordance with the Requirements,
 - the historical non-financial information included in reports MP1, MP2, and MP3 has been compiled in accordance with the guidance issued pursuant to the Requirements and calculated based on source data provided by Wellington Electricity Lines Limited and the methodologies described on page 23, and
 - the prospective financial and non-financial information included in reports AM1 and MP3 has been (where applicable and except to the extent that amendments to those requirements have changed that basis) presented on a basis consistent with the regulatory accounting and technical measurement requirements used for disclosures for the current financial year and the immediately preceding financial year, and has been calculated based on unaudited source data, the methodologies and assumptions described on page 23, provided by Wellington Electricity Lines Limited.

The assurance engagement was completed on 12 August 2010 and our opinion is expressed as at that date.

Deloitte

**CHARTERED ACCOUNTANTS
WELLINGTON, NEW ZEALAND**

This audit report relates to the Disclosure Report of Wellington Electricity Lines Limited for the financial year ended 31 March 2010 included on Wellington Electricity Lines Limited's website. The Wellington Electricity Lines Limited is responsible for the maintenance and integrity of Wellington Electricity Lines Limited's website. We have not been engaged to report on the integrity of the Wellington Electricity Lines Limited's website. We accept no responsibility for any changes that may have occurred to the Disclosure Report since they were initially presented on the website. The audit report refers only to the Disclosure Report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these Disclosure Report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Disclosure Report and related audit report dated 12 August 2010 to confirm the information included in the audited Disclosure Report presented on this website. Legislation in New Zealand governing the preparation and dissemination of Disclosure Report may differ from legislation in other jurisdictions.

Commerce Commission

Template
Electricity Distribution (Information Disclosure) Requirements
Report Schedules
Schedules 2 to 13

2010 TEMPLATE

Version 1.1 Template

30 June 2010

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Template Guidelines

The Template Electricity Distribution (Information Disclosure) Requirements Report Schedules (Templates) have been made available to assist Distribution Business with the completion of their regulatory reporting requirements. The template and more specifically the formula have been prepared to be consistent with the Requirements. For the avoidance of doubt, the Electricity Distribution (Information Disclosure) Requirements, take precedence over the Templates where there is an inconsistency.

The following guidelines have been prepared to assist the preparer of the reports in completing the templates. The templates are linked through formulae. The completion of the templates as outlined below will assist the users in the process of inputting information.

Various disclosures in the reports are ascertainable from other disclosures, therefore where appropriate the template includes formula that automatically populates those disclosures. Therefore where formula is provided, manual input is not required.

<u>Step</u>	<u>Guideline</u>	<u>Reference</u>
Step 1 - Company Name and Dates		
	Insert company name and current financial year (year end date) in cells E4 and F5 of FS1 respectively. Note - only the year of the year end date is to be input (Example -"2008")	FS1
	Insert most recent ODV date in cell I6 of sheet AV1. Note - only the year of the most recent ODV date is to be input (Example -"2004") Note - that all other dates in the templates will automatically update	AV1
Step 2 - Asset Valuation Information		
	Enter the asset valuation information into reports AV1, AV2, AV3 and AV4. Points to note:	AV1 AV2 AV3 AV4
	AV1 Historic Information should be entered first, including - 'Regulatory Value at End of Previous Year' and other previous years information (if required). Note - the previous year information required is entered into the input cells to the left of the non-coloured cells. The current year information input cells will be white once Step 1 is complete.	AV1
	Indexed Revaluation on line 19 of AV1 is automatically updated once the historic information is complete and the CPI information has been entered into AV1a. The CPI information is determined as outlined in the definitions included in Schedule 1 of the Requirements.	AV1
	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB information on lines 26 to 28 will be automatically populated once AV1b is complete.	AV1
	For AV1b - 'Input for prior year Acquisitions (Sales) of Assets to (from) another EDB', the prior years information is that which has been disclosed in lines 26, 27 and 41 of AV1 in previous years. Note - there is no requirement to disclosure the Current Financial Year information for AV1b.	AV1
	A report AV4 is to be completed for each merger or asset transfer with another EDB. If there has been no merger or asset transfer activity (as defined by Requirement 6(4)) select 'NO DISCLOSURE REQUIRED' in the drop down menus of cell E6 of each of the AV4's. The Templates allow for three separate merger or asset transfers. The Commission can be contacted if additional AV4 reports are required.	AV4
	AV3a reconciles the difference between the Asset Additions Replacement Cost and Depreciated Replacement cost as disclosed in AV1 and AV3. Cell F38 of AV3 will be automatically populated once line 17 of AV1 is entered. Cell F39 is required to be populated to complete the calculation of the Replacement Cost which flows to Cell F11.	AV1 AV3
	An error message in cells N13 or N21 indicates there is discrepancy between AV1 and AV2.	AV1 AV2

Step	Guideline	Reference
Step 3 - Financial Statements Information		
	Enter the financial statement information into reports FS1, FS2 and FS3. Points to note:	FS1 FS2 FS3 FS1
	Discretionary Discounts and Customer Rebates on line 9 of FS1 is automatically populated once FS1a is complete.	FS1
	Net Value of Vested Assets on line 14 of AV1 is automatically populated once FS1d is complete.	FS1
	Regulatory Tax on line 55 of FS1 is automatically populated once FS3 is complete.	FS1 FS3
	Deductible Interest on line 18 of FS3 is automatically populated once FS2b is complete. The Standard Cost of Debt Assumption is determined as outlined in the definitions included in Schedule 1 of the Requirements.	FS2 FS3
	FS1b, FS1c and FS1e includes supporting information to the disclosures that are made in the main report of FS1 and would be best completed once the main report of FS1 is complete.	FS1
	Section 3 of of the Information Disclosure Handbook outlines the required related party disclosures. FS1b is a summary of this information and the full disclosures will require additional disclosure by way of a separate note.	FS1
	FS3a is supporting information to the disclosures that are made in the main report of FS3 and would be best populated once the main report of FS3 is complete.	FS3
Step 4 - Measurement Performance Information		
	Enter the measurement performance information into reports MP1, MP2 and MP3. Points to note:	MP1 MP2 MP3 MP1 MP3
	'Total Business' should be entered into cell E7 of MP1 for disclosures relating to the total business. If additional reports MP1 and MP3 are required (as per Requirements 6(1)(b), 6(1)(c) or 6(4)) a separate file should be created and the name of the network/assets for which the report relates should be entered into cell E7.	MP1 MP3
	Either 'Annual Disclosure- Requirement 6(1)' or 'Merger or Asset Transfer - Requirement 6(4)' should be selected from the drop down menu in cell E8	MP1
	Historic information is required in cells J35-J37 and J39 of MP1 and in the Numerator and Denominator of previous years disclosures in MP2 (refer Part 4 - Transitions Provisions for exceptions during the transitional period).	MP2
	The formula for the determination of the Denominator for the Operational Expenditure Ratio, Capital Expenditure Ratio and Distribution Transformer Ratio in MP2 is based on there being no merger or asset transfer activity during the Current Financial Year. If there has been merger or asset transfer activity as determined by Requirement 6(4) the denominator should be calculated as per that Requirement. Therefore the formula in these cells are unlocked so an appropriate entry can be made if required.	MP2
	An error message in cell G32 of MP1 indicates there is a discrepancy between the Overhead Circuit Length disclosure and the Circuit Length by Operating Voltage disclosure	MP1
	An error message in cells L76-L78 of MP3 indicates there is discrepancy between MP3 and FS1 or MP2	FS1 MP2 MP3
Step 5 - Asset Management Information		
	Enter the asset management information into report AM1. Point to note:	AM1
	A separate note is to be provided where explanations required in cells D26 and D52 exceed the space provided in those cells.	

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Wellington Electricity	
5				
6	Income			
7				
8				
9	plus	Net Line Charge Revenue Received	147,272	
10		Discretionary Discounts and Customer Rebates	-	FS1a
11		Gross Line Charge Income	147,272	
12				
13		Capital Contributions	3,410	
14	plus	Net Value of Vested Assets	-	
15		Total Capital Contributions and Vested Assets	3,410	
16				
17		AC Loss Rental Rebates Received	2,829	
18	less	AC Loss Rental Rebates Passed On	2,662	
19		Net AC loss rental income (deficit)	166	
20				
21		Other Income	303	
22				
23			303	
24				
25		Total regulatory income	151,151	
26				
27				
28	Expenses			
29				
30		Transmission Charges - Payments to Transpower	44,416	
31	plus	Avoided Transmission Charges - payments to parties other than Transpower	71	
32		Total Transmission Costs	44,487	
33				
34		Operational Expenditure:		
35		General Management, Administration and Overheads	3,641	
36		System Management and Operations	14,417	
37		Routine and Preventative Maintenance	5,953	to AM1
38		Refurbishment and Renewal Maintenance	575	to AM1
39		Fault and Emergency Maintenance	4,312	to AM1
40		Pass-through Costs	2,285	
41		Other	-	
42		Total Operational Expenditure	31,184	to MP2
43				
44				
45		Operational earnings	75,480	
46				
47				
48		Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	16,342	from AV1
49	plus	Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	1,681	from AV1
50		Total Regulatory Depreciation	18,023	to FS3
51				
52				
53		Earnings before interest and tax (EBIT)	57,457	to FS3
54				
55	less	Regulatory Tax Allowance	7,997	from FS3
56				
57	plus	Indexed Revaluation (of System Fixed Assets)	9,337	from AV1
58	plus	Revaluations of Non-System Fixed Assets	342	from AV1
59				
60		Regulatory profit / loss (pre-financing and distributions)	59,138	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		
72	Total Discretionary Discounts and Customer Rebates		-

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	10,512	
78	Subvention Payment		
79	Other related party expenditure		
80	Total Related Party Expenditure		10,512
81			
82			
83	<i>N.B.: The additional Related Party information that is required to be disclosed in accordance with Section 3 of the Information Disclosure Handbook is to be disclosed by way of a separate note to this Schedule and forms part of this Schedule.</i>		
84			

87	FS1c: Operational Expenditure notes		(\$000)
88			
89	Merger and Acquisition Expenses		
90	Merger and Acquisition Expenses (not to be included in Operational Expenditure)		
91			
92	Material items (if greater than 10% of the Operational Expenditure line item)		
93	Material item amount 1	10,353	<i>Notes to be provided separately</i>
94	within expenditure category:	System Management and Operations	
95			
96	Material item amount 2		<i>Notes to be provided separately</i>
97	within expenditure category:	Select one	
98			
99	Material item amount 3		<i>Notes to be provided separately</i>
100	within expenditure category:	Select one	
101			
102			<i>(further disclosures to be provided on separate page if required)</i>
103			

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

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

Report FS1: Notes

FS1b - Related Party Expenditure

- For the 2010 Regulatory period Wellington Electricity has purchased management services of \$10.4m from International Infrastructure Services Company Limited, which is an associated company of the Group.

- For the 2010 Regulatory period Wellington Electricity has purchased management services of \$0.1m from CHED Services Pty Limited, which is an associated company of the Group.

In Addition:

- Outstanding Related Party payable as at 31 March 2010 was \$0.2m.

- No Related Party debts have been written off or forgiven during the financial year.

- No Related Party transactions have taken place at nil or nominal value. All transactions have been on an arms length basis.

FS1c - Operational Expenditure

Material Item 1 \$10,353 Management Services

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Wellington Electricity Lines	
		For Year Ended	2010
5			
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection	6,222	to AM1
9	System Growth	1,144	to AM1
10	Reliability, Safety and Environment	9,976	to AM1
11	Asset Replacement and Renewal	1,373	to AM1
12	Asset Relocations	475	to AM1
13	Total Capital Expenditure on System Fixed Assets	19,189	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	17,832	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	20,391	
21	plus Total Capital Expenditure on System Fixed Assets	19,189	
22	less Assets Commissioned in Year	19,894	from AV1
23	Works under construction at year end	19,687	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	456,218	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	572	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	11,177	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	467,968	
31			
32	plus System Fixed Assets Commissioned in Year	19,894	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	17,832	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	37,726	
36	Regulatory Asset Base investment in Current Financial Year - average	18,863	
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	486,831	to MP2

REPORT FS2: NOTE

Works Under Construction at Beginning of Year

The opening value of Works Under Constructions at the Beginning of the Year in line 20 of this schedule has been adjusted compared to the closing balance in last year's schedules. The reason is that the Works under Construction as at 31 March 2009 incorrectly included an amount of \$4.9m relating to non-system fixed assets. These assets have been commissioned in December 2009 and are included in AV1 as asset additions to non-system fixed assets in 2009/10. Due to this incorrect treatment last year, the Works Under Constructions shown in FS2 will be overstated.

A further decrease of Works Under Constructions at the Beginning of the Year of \$5.4m relates to extra additions in 2009 as explained in the Note to AV1.

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Wellington Electricity	
5			For Year Ended	2010
6				
7				(\$000)
8		Earnings before interest and tax (EBIT)	57,457	from FS1
9				
10	add	Total Regulatory Depreciation	18,023	from FS1
11		Other Permanent Differences - not deductible	50	
12		Other Temporary Adjustments - Current Period	130	
13			18,203	
15	less	Non Taxable Capital Contributions and Vested Assets	3,410	
16		Tax Depreciation	34,488	
17		Deductible Discretionary Discounts and Customer Rebates		
18		Deductible Interest	10,749	from row 53
19		Other Permanent Differences - Non Taxable		
20		Other Temporary Adjustments - Prior Period	355	
21			49,002	
22				
23		Regulatory taxable income for Year	26,658	
24				
25	less	Tax Losses Available at Start of Year		
26		Net taxable income	26,658	
27				
28		Statutory Tax Rate	30%	
29		Regulatory Tax Allowance	7,997	to FS1

Notes to Regulatory Tax Allowance Calculation**FS3a: Description of adjustments classified as "other"**

The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory notes can be provided in a separate note if necessary).

Other items include: Non-deductible entertainment expenses, doubtful debts, employee bonus provision, and other accruals not deductible in the current period

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

49		Standard Debt Leverage Assumption (debt/total assets)	40%	%	
50					
51		Standard Cost of Debt Assumption	5.52%	%	
52					
53		Deductible Interest	10,749	\$000	to row 18
54					
55		Interest Tax Shield Adjustment	3,225	\$000	to MP2
56					

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref	Electricity Distribution Business: Wellington Electricity					
	For Year Ended: 2010					
	Year of most recent ODV 2004					
	(\$000)					
	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
5						
6						
7						
8						
9						
10						
11	System Fixed Assets					
12	Regulatory Value at End of Previous Year*					
13		-	-	-	-	456,218
14	<i>plus</i>					
15	Assets Commissioned				14,569	19,894
16	Gross Value of Vested Assets					-
17	Assets Acquired from (Sold to) a Non-EDB					-
18	Asset Additions					
19		-	-	-	14,569	19,894
20	<i>plus</i>					
21	Indexed Revaluation					9,337
22	<i>less</i>					
23	Depreciation of System Fixed Assets				10,140	16,325
24	Regulatory Value of Assets Decommissioned				137	17
25	Regulatory Depreciation (incl. value of assets decommissioned)					
26		-	-	-	10,277	16,342
27	<i>plus (minus)</i>					
28	Acquisition of System Fixed Assets from another EDB				451,927	-
29	Sale of System Fixed Assets to another EDB					-
30	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB					
31		-	-	-	451,927	-
32	<i>plus (minus)</i>					
33	Net Increase (Decrease) Due to Changes in Asset Register Information					-
34	Regulatory Value of System Fixed Assets at Year End					
35		-	-	-	456,218	469,106
36	Non-System Fixed Assets					
37	Regulatory value at end of previous year					
38		-	-	-	-	572
39	<i>plus</i>					
40	Asset Additions				68	17,832
41	Revaluations				21	342
42	<i>less</i>					
43	Depreciation (incl. value of assets decommissioned)				197	1,681
44	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB				680	-
45	Regulatory Value of Non-System Fixed Assets at Year end					
46		-	-	-	572	17,066
47	Total Regulatory Asset Base Value (excluding FDC)					
48		-	-	-	456,790	486,172
49	* The commencing figure for completing this schedule is the most recent ODV value					
50	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	2005	2006	2007	2008	2009	2010	
62	CPI at CPI reference date	953	985	1010	1044	1075	1097
63	Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%	2.05%
64	System Fixed Assets: Regulatory Value at End of Previous Year						
65		-	-	-	-	-	456,218
	Indexed Revaluation of System Fixed Assets	-	-	-	-	-	9,337
68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB						
69	For Year Ended						
70	2005	2006	2007	2008	2009	2010	
71	Acquisition of System Fixed Assets from another EDB				451,927		
72	Sale of System Fixed Assets to another EDB						
	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB				680		

REPORT AV1: NOTE

Assets Commissioned in ODV year 2009

A review of historical asset data acquired on acquisition of the Wellington Electricity network has determined that \$5.4m worth of additions in the period to 31 March 2009 were incorrectly classified as WIP. To reflect this error we have adjusted previous year's additions from \$9.1m in last year's schedules to \$14.6m in this year's schedules and reduced WIP by the same amount.

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

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

ref	Subtotals by Asset Class (for System Fixed Assets)							(\$'000)	
6	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)	
7									
8									
9									
10									
11	System Fixed Assets								
12									
13	Regulatory Value of System Fixed Assets (as per most recent ODV)							-	from AV1
14	Cumulative roll-forward since most recent ODV:								
15	Asset Additions							34,462	from AV1
16	Indexed Revaluation (of System Fixed Assets)							9,337	from AV1
17	less Regulatory Depreciation (of System Fixed Assets)							26,619	from AV1
18	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB							451,927	from AV1
19	Net Increase (Decrease) Due to Changes in Asset Register Information							-	from AV1
20	Regulatory Value of System Fixed Assets at Year End							469,106	from AV1
21									

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

ref		Electricity Distribution Business:	Wellington Electricity	
		For Year Ended:	2010	
5				
6	System Fixed Assets - Replacement Cost			
7			(\$000)	
8	Replacement cost at end of previous year		1,044,931	
9				
10	Asset Additions		19,894	AV3a
11	Indexed Revaluation (of System Fixed Assets)		21,385	
12	<i>less</i> Replacement Cost of Assets Decommissioned		-	
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		1,086,209	
16				
17				
18	System Fixed Assets - Depreciated Replacement Cost			
19				
20	Depreciated Replacement Cost at end of previous year		462,254	
21				
22	Asset Additions		19,894	AV3a
23	Indexed Revaluation (of System Fixed Assets)		9,460	
24	<i>less</i> Depreciation of Replacement Cost		17,225	
25	<i>less</i> Depreciated Replacement Cost of Assets Decommissioned		-	
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		474,383	

REPORT AV3: SYSTEM FIXED ASSETS REPLACEMENT COST ROLL-FORWARD REPORT (cont)**Notes to Price and Quality Measures**

36	AV3a: New Asset Additions			
37				
38	Asset Additions - Depreciated Replacement Cost		19,894	from AV1
39	<i>plus</i> Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		-	
40				
41	Asset Additions - Replacement Cost		19,894	
42				

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

Electricity Distribution Business: Wellington Electricity Lines Limited

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

Signed by: Selling Entity
Acquiring Entity

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

Electricity Distribution Business: **Wellington Electricity Lines Limited**

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

As at (date):
Proportion of year following transfer of assets: **0%**

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

	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)

	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

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

Signed by: Selling Entity _____
Acquiring Entity _____

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

Electricity Distribution Business: **Wellington Electricity Lines Limited**

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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 transforme	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 _____

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Wellington Electricity Lines
6		For Year Ended: 2010
7	Network Name:	Wellington Electricity Lines 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) Total (km)
12	> 66kV	- - -
13	50kV & 66kV	- - -
14	33kV	59 153 212
15	SWER (all SWER voltages)	- - -
16	22kV (other than SWER)	- - -
17	6.6kV to 11kV (inclusive - other than SWER)	598 1,126 1,724
18	Low Voltage (< 1kV)	1,115 1,559 2,674
19	Total circuit length (for Supply)	1,772 2,838 4,610
20		to MP2
21	Dedicated Street Lighting Circuit Length	90 296 386
22		
23	Overhead Circuit Length by Terrain (at year end)	(km) (%)
24	Urban (only)	1,377 78%
25	Rural (only)	395 22%
26	Remote (only)	- 0%
27	Rugged (only)	- 0%
28	Rural & rugged (only)	- 0%
29	Remote & rugged (only)	- 0%
30	Unallocated overhead lines	- 0%
31	Total overhead length	1,772 100%
32		Error (Row19)
33		
34	Transformer capacity (at year end)	
35	Distribution Transformer Capacity (EDB Owned)	1,330 MVA
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	- MVA
37	Total Distribution Transformer Capacity	1,330 MVA (to MP2)
38		Previous Year 1,327
39	Zone Substation Transformer Capacity	1,138 MVA
40		1,138
41	System Fixed Assets age (at year end)	
42	Average Age of System Fixed Assets	32 Years
43	Average Expected Total Life of System Fixed Assets	57 Years
44	Average Age as a Proportion of Average Expected Total Life	56% %
45		
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	29% %
47		
48		
49		
50		
51	Electricity demand	
52		Maximum coincident system demand (MW) Non-coincident Sum of maximum demands (MW)
53	GXP Demand	563 606
54	plus Embedded Generation Output at HV and Above	2
55	Maximum System Demand	565
56	less Net Transfers to (from) Other EDBs at HV and Above	-
57	Demand on system for supply to customers' Connection Points	565
58	less Subtransmission Customers' Connection Point Demand	-
59	Maximum Distribution Transformer Demand	565
60		to MP2
61	GXP Demand not Supplied at Subtransmission Level	82
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)	13
66		
67	Five-Year System Maximum Demand Growth Forecast	1.3 % p.a.
68		
69	Electricity volumes carried	(GWh)
70	Electricity Supplied from GXPs	2,621
71	less Electricity Exports to GXPs	-
72	plus Electricity Supplied from Embedded Generators	14
73	less Net Electricity Supplied to (from) Other EDBs	-
74	Electricity entering system for supply to customers' Connection Points	2,635
75	less Electricity Supplied to Customers' Connection Points	2,504
76	Electricity Losses (loss ratio)	131 5.0% %
77		
78	Electricity Supplied to Customers' Connection Points	2,504
79	less Electricity Supplied to Largest 5 Connection Points	46
80	Electricity supplied other than to Largest 5 Connection Points	2,458 98% %
81		
82	Load Factor	53% %
83		
84	Number of Connection Points (at year end)	164,058 ICPs
85		to MP2
86	Intensity of service requirements	
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	123 kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	543 MWh/km
89	Connection Point Density (ICPs / Total circuit length)	36 ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	15,263 kWh/ICP

REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business: Kingston Electricity Lines Lin		For Year Ended: 2010				
	Performance comparators						
		Previous Years:			Current Financial Year		
		Current Yr - 3	Current Yr - 2	Current Yr - 1			
9	Operational expenditure ratio						
10		Total Operational Expenditure			18	31	\$m from FS1
11		Replacement Cost of System Fixed Assets (at year end*)			1,045	1,086	\$m from AV3
12		Ratio (%)	Not defined	Not defined	1.77%	2.87%	%
14	Capital expenditure ratio						
15		Total Capital Expenditure on System Fixed Assets			24	19	\$m from FS2
16		Replacement Cost of System Fixed Assets (at year end*)			1,045	1,086	\$m from AV3
17		Ratio (%)	Not defined	Not defined	2.29%	1.77%	%
19	Capital expenditure growth ratio						
20		Capital Expenditure: Customer Connection and System Growth			-	7	\$m from FS2
21		Change in Total Distribution Transformer Capacity			1,327	3	MVA from MP1
22		\$/kVA	Not defined	Not defined	-	2,455	\$/kVA
24	Renewal expenditure ratio						
25		Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal			-	2	\$m from FS1 & 2
26		Regulatory Depreciation of System Fixed Assets			10	16	\$m from AV1
27		Ratio (%)	Not defined	Not defined	0%	12%	%
29	Distribution Transformer Capacity Utilisation						
30		Maximum Distribution Transformer Demand			529	565	MW from MP1
31		Total Distribution Transformer Capacity (at year end*)			1,327	1,330	kVA from MP1
32		Ratio (%)	Not defined	Not defined	39.9%	42.5%	%
34	Return on Investment						
35		Regulatory Profit / Loss (pre-financing and distributions)			30	59	\$m from FS1
36		less Interest Tax Shield Adjustment			3	3	\$m from FS3
37		Adjusted Regulatory Profit	-	-	27	56	\$m
38		Regulatory Investment Value			316	487	\$m from FS2
39		Ratio (%)	Not defined	Not defined	8.63%	11.49%	%
40		* 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						
44		Expenditure metrics (\$ per):					
45		Total circuit length (for Supply) (\$/km)	Electricity Supplied to Customers' Connection Points (\$/MWh)	Maximum coincident system demand (\$/MW)	Connection Point (\$/ICP)	Distribution Transformer Capacity (EDB-Owned) (\$/MVA)	
47		Capital Expenditure (\$ per)	8,031	15	65,479	226	27,836 from FS2 & MP1
48		Operational Expenditure (\$ per)	6,764	12	55,153	190	23,446 from FS1 & MP1

REPORT MP2: NOTE

Explanatory Note for MP2

The calculation of the Return on Investment performance measure for 2008-09 was impacted by the acquisition of the Wellington network part way through the 2008-09 regulatory year.

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

ref	Electricity Distribution Business: Wellington		
6	For Year Ended: 2010		
7	Network Name: Wellington Electricity Lines 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	106 planned interruptions on the network	
15	Class C	225 unplanned interruptions on the network	
16	Class D	3 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	334 Total of above	
22	Interruption targets for Forecast Year		
23	Class B	2011 40 Current Financial Year +1 planned interruptions on the network	
24	Class C	199 unplanned interruptions on the network	
25	Average interruption targets for 5 Forecast Years		
26	Class B	2011-2015 40 Current Financial Year +1 to +5 planned interruptions on the network	
27	Class C	199 unplanned interruptions on the network	
28	Class C interruptions restored within		
29	≤3Hrs	>3hrs	
30	161	62	
31	Faults		
32	Faults per 100 circuit kilometres		
33	The total number of faults for Current Financial Year	12.55 in year 2010	
34	The total number of faults forecast for the Forecast Year	11.00 in year 2011	
35	The average annual number of faults forecast for the 5 Forecast Years	11.00 average over years 2011-2015	
36	Fault Information per 100 circuit kilometres by Voltage and Type		
37		6.6kV & 11kV non-SWER	
38		22kV non-SWER	
39		SWER	
40		33kV	
41		50kV & 66kV	
42		>66kV	
43	Is this voltage part of the EDB system?	Yes No No Yes No No	
44	Current Financial Year	13.75	2.36
45	Forecast Year	11.71	5.28
46	Average annual for 5 Forecast Years	11.71	5.28
47	Fault Information per 100 circuit kilometres by Voltage and Type		
48		6.6kV & 11kV non-SWER	
49		22kV non-SWER	
50		SWER	
51		33kV	
52		50kV & 66kV	
53		>66kV	
54	Underground	4.88	3.25
55	Overhead	30.43	-
56	Reliability		
57	Overall reliability		
58	Based on the total number of interruptions	SAIDI 40.63 SAIFI 0.58 CAIDI 69.69	
59	Reliability by interruption class		
60	Class B	SAIDI 2.94 SAIFI 0.03 CAIDI 98.00	
61	Class C	SAIDI 37.69 SAIFI 0.56 CAIDI 67.30	
62	Targets for Forecast Year		
63	Class B	SAIDI 0.70 SAIFI 0.00 CAIDI 160.18	
64	Class C	SAIDI 34.00 SAIFI 0.50 CAIDI 68.00	
65	Average targets for 5 Forecast Years		
66	Class B	SAIDI 0.70 SAIFI 0.00 CAIDI 160.18	
67	Class C	SAIDI 34.00 SAIFI 0.50 CAIDI 68.00	
68	PRICES		
69	Price information by Connection Point Class		
70	Connection Point Class		
71		Small Connection Points	
72		Medium Connection Points	
73		Large Connection Points	
74		Largest 5 Connection Points	
75		Total	
76	Gross line charge income (\$000)	96,098 18,307 30,206 2,660 147,272	
77	Electricity Supplied to Customers' Connection Points (MWh)	1,221,079 390,288 847,197 46,256 2,504,820	
78	Number of Connection Points (ICPs) at year end	151,715 11,107 1,231 5 164,058	
79	Unit Price (cents/kWh)	7.9 4.7 3.6 5.8 5.9	
80	Relative Unit Price Index	1.00 0.60 0.45 0.73 0.75	
81			

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

89	MP3a: Connection Point Class breakpoints	
90		
91	Connection Point Class breakpoints methodology	kVA based breakpoints
92		
93	kVA based breakpoints - additional disclosure	
94	Breakpoint between small and medium classes	15 kVA
95	Breakpoint between large and medium classes	69 kVA
96		

Assumptions and Explanatory Notes

REPORT MP1: NETWORK INFORMATION and MP3: PRICE & QUALITY MEASURES: NOTES

MP1

Circuit Length by Operating Voltage

All fields except the 'Dedicated Street Lighting Circuit Length' are derived from Wellington Electricity Lines Limited's (WELL) Geographic Information System (GIS) data and do not rely on estimates. WELL's GIS is subject to continual refinement as to accuracy and completeness. The 'Dedicated Street Lighting Circuit Length' is based on GIS data for total street lighting circuit length with the assumption that the split between dedicated and shared street lighting circuits is the same as in the 2004 ODV.

Overhead Circuit Length by Terrain

All values are derived from GIS which was overlaid with urban/rural boundary demarcations. The boundaries were selected based on assumed location of boundaries drawn on a map and transferred into GIS. These boundaries were set during WELL's first disclosure period in 2009. The boundaries will be reviewed annually and refined as appropriate.

Transformer Capacity

Data for these fields was obtained directly from GIS. WELL's GIS is subject to continual refinement as to accuracy and completeness.

Electricity Demand

This information is from half hourly billing data taken from revenue meters installed at each grid exit point (GXP) as provided to WELL from Energy Market Services (EMS). Embedded generation data also came from EMS. No estimated values were used, however, this data is subject to correction over a 12 month period.

Electricity Volumes Carried

Electricity supplied to Customers' Connection Points is derived from billing information supplied by electricity retailers.

MP3

Quality - Interruptions

Information on the number of interruptions to consumers is taken from a combination of WELL's event related network control room fault logs as recorded by the duty operator, and the ENMAC network control system. This applies to both unplanned (forced) and planned (scheduled) outages. The reporting criteria is consistent with the requirements of the Commerce Commission's Electricity Distribution Thresholds Notices^[1].

Quality – Interruption Targets

WELL's interruption targets are consistent with those required by the Commerce Commission's Electricity Distribution Thresholds Notices^[1].

Quality – Faults

These are determined by dividing fault data by network length for each circuit type and voltage as required by the schedule. Forecasts of the number of faults for future years are consistent with reliability targets as required by the by the Commerce Commission's Electricity Distribution Thresholds Notices^[1].

Quality – Reliability

Information on all classes of interruption is taken from a combination of WELL's event related network control room fault logs as recorded by the duty operator, and the ENMAC network control system. This applies to both unplanned (forced) and planned (scheduled) outages. Reliability targets are consistent with those required by the Commerce Commission's Electricity Distribution Thresholds Notices^[1].

Price

The classification of pricing classes was made based on the same methodology used for the previous year's disclosure statement. The connection points are classified into 'load groups' in the WELL billing system as per the table below, which also includes mapping to 'connection point class' categories as required by the MP3 schedule:

WELL Load Group	Connection Point Class
Domestic	Small
Large Industrial	Large
Small Commercial <15kVA	Small
Small Industrial	Large
Large Commercial	Large
Medium Commercial	Large
Small Commercial >15kVA	Medium
Unmetered	Small

Connection Point Class Mapping

[\[1\] The Commerce Act \(Electricity Distribution Thresholds\) Notice 2004 as amended by the Commerce Act \(Electricity Distribution Thresholds\) Amendment Notice 2006 and as extended by the Commerce Act \(Electricity Distribution Thresholds\) Amendment Notice 2009.](#)

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

ref	Electricity Distribution Business: Wellington Electricity							
5	For Year Ended 2010							
6	((\$000))							
7	A) Five year forecasts of expenditure							
8	<i>From most recent Asset Management Plan</i>							
9		Actual for Current Financial Year	Forecast Years					
10	<i>for year ended</i>	2010	2011	2012	2013	2014	2015	
11	Capital Expenditure: Customer Connection	6,222	5,428	7,412	5,895	5,699	5,633	from FS2
12	Capital Expenditure: System Growth	1,144	2,279	3,449	8,368	5,380	4,075	from FS2
13	Capital Expenditure: Reliability, Safety and Environment	9,976	452	606	469	468	463	from FS2
14	Capital Expenditure: Asset Replacement and Renewal	1,373	12,951	12,644	11,943	15,195	17,587	from FS2
15	Capital Expenditure: Asset Relocations	475	1,180	1,180	1,180	1,180	1,180	from FS2
16	Subtotal - Capital Expenditure on asset management	19,189	22,290	25,291	27,855	27,922	28,938	
17	Operational Expenditure: Routine and Preventative Maintenance	5,953	5,499	5,485	5,535	5,599	5,603	from FS1
18	Operational Expenditure: Refurbishment and Renewal Maintenance	575	614	614	614	614	614	from FS1
19	Operational Expenditure: Fault and Emergency Maintenance	4,312	4,584	4,630	4,673	4,726	4,771	from FS1
20	Subtotal - Operational Expenditure on asset management	10,841	10,697	10,729	10,822	10,939	10,988	
21	Total direct expenditure on distribution network	30,030	32,987	36,020	38,677	38,861	39,926	
22	Overhead to Underground Conversion Expenditure	-	-	-	-	-	-	
23								
24								
26	<i>The Electricity Distribution Business is to provide the amount of Overhead to Underground Conversion Expenditure included in each of the above Expenditure Categories (explanatory notes can be provided in a separate note if necessary).</i>							
27								
28								
30	B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure							
32		Actual for Current Financial Year	Previous forecast for Current Financial Year	% Variance				
33		Year (a)	Year (b)	(a)/(b)-1				
34	Capital Expenditure: Customer Connection	6,222	7,323	-15.0%			from row 10	
35	Capital Expenditure: System Growth	1,144	3,276	-65.1%			from row 11	
36	Capital Expenditure: Reliability, Safety and Environment	9,976	10,019	-0.4%			from row 12	
37	Capital Expenditure: Asset Replacement and Renewal	1,373	492	179.1%			from row 13	
38	Capital Expenditure: Asset Relocations	475	1,180	-59.8%			from row 14	
39	Subtotal - Capital Expenditure on asset management	19,189	22,290	-13.9%				
40								
41	Operational Expenditure: Routine and Preventative Maintenance	5,953	5,936	0.3%			from row 17	
42	Operational Expenditure: Refurbishment and Renewal Maintenance	575	614	-6.4%			from row 18	
43	Operational Expenditure: Fault and Emergency Maintenance	4,312	4,575	-5.7%			from row 19	
44	Subtotal - Operational Expenditure on asset management	10,841	11,125	-2.6%				
45								
46	Total direct expenditure on distribution network	30,030	33,415	-10.1%				
47								
48								
49	Explanation of variances							
50	<i>Distribution Business must provide a brief explanation for any line item variance of more than 10%</i>							
51								
52	<i>Explanatory notes (can be provided in a separate note if necessary):</i>							
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REPORT AM1: NOTE

Explanations for line items in AM1 Schedule with a variance of more than 10% between actuals and forecast

Capital Expenditure: Customer Connection

The variance compared to forecast is due to a large number of commercial substations and subdivisions not proceeding in 2010 due to economic drivers.

Capital Expenditure: System Growth

The variance compared to forecast is due to savings gained on several large projects and lower growth than expected.

Capital Expenditure: Asset Replacement and Renewal

The variance compared to forecast is due to a higher number of third party damage incidents on the network.

Capital Expenditure: Asset Relocations

The variance compared to forecast is due to a larger overhead relocation not proceeding in 2010.

The variances are in part driven by assumptions made at the time of acquisition as to expected expenditure requirements. These variances will continue as the business refines its asset management processes.

Forecast Assumptions

The assumptions underpinning the forecast information in this schedule are contained in the 1 April 2010 to 31 March 2020 Asset Management Plan for Wellington Electricity.

Efficiency Performance Measures

Electricity Distribution (Information Disclosure) Requirements 2008 Part 4 transitional provisions

Requirement 14 of the original requirements which relates to the disclosure of financial and efficiency performance measures continues to apply for the 2008/2009 and 2009/2010 to the extent that it refers to the disclosure of "Direct line costs per kilometre" & "Indirect line costs per consumer".

CC Electricity Information Disclosure requirements 31 March 2004
Part 3 Requirement 14.2

a Direct cost per kilometre, calculated in accordance with the following formula:

$$\frac{a}{b}$$

where a is direct expenditure (in dollars)
b is system length (in kilometres):

$$\frac{27,695,820}{4,610}$$

\$6,007.90 Direct cost per kilometre

b Indirect line costs per consumer, calculated in accordance with the following formula:

$$\frac{a}{b}$$

where a is indirect expenditure (in dollars)
b is total consumers

$$\frac{a \quad 3,487,835}{b \quad 164,058}$$

\$21.26 Indirect line costs per consumer