

# Commerce Commission

## Template Electricity Distribution (Information Disclosure) Requirements Report Schedules

Schedules 2 to 13

2008 TEMPLATE

Version 10.0 Template

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12 December 2008

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## **Table of Contents**

### Instructions

FS1 Regulatory Profit Statement

FS2 Regulatory Asset & Financing Statement

FS3 Regulatory Tax Allowance Calculation

AV1 Annual Regulatory Valuation Roll-forward Report

AV2 Regulatory Valuation Disclosure by Asset Class

AV3 System Fixed Assets Replacement Cost Roll-forward Report

AV4 Business Merger, Acquisition or Sale - Regulatory Asset Base Disclosure

MP1 Network Information

MP2 Performance Measures

MP3 Price & Quality Measures

AM1 Expenditure Forecasts and Reconciliation

## SCHEDULE 13

### FORM 1 – CERTIFICATE FOR DISCLOSED INFORMATION

Pursuant to Requirement 11(1)

We, Christopher Ian Menzies TURNER and Ian Francis KEARNEY, directors of Network Tasman Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Network Tasman 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.

**Christopher Ian Menzies Turner**

**Ian Francis Kearney**

**Dated:**

*7<sup>th</sup> April 2009*

## REPORT FS1: REGULATORY PROFIT STATEMENT

		Electricity Distribution Business: Network Tasman	
		For Year Ended	2008
5			
6	<b>Income</b>		
7			(\$000)
8	Net Line Charge Revenue Received	23,381	
9	plus: Discretionary Discounts and Customer Rebates	5,539	FS1a
10	<b>Gross Line Charge Income</b>		28,920
11			
12	Capital Contributions	37	
13	plus: Net Value of Vested Assets	1,742	
14	<b>Total Capital Contributions and Vested Assets</b>		1,779
15			
16	AC Loss Rental Rebates Received	1,162	
17	less: AC Loss Rental Rebates Passed On	323	
18	<b>Net AC loss rental income (deficit)</b>		839
19			
20	<b>Other Income</b>	211	
21			211
22			
23	<b>Total regulatory income</b>		31,749
24			
25			
26			
27	<b>Expenses</b>		
28			
29	Transmission Charges - Payments to Transpower	9,506	
30	plus: Avoided Transmission Charges - payments to parties other than Transpower	-	
31	<b>Total Transmission Costs</b>		9,506
32			
33	<b>Operational Expenditure:</b>		
34	General Management, Administration and Overheads		
35	System Management and Operations		
36	Routine and Preventative Maintenance		to AM1
37	Refurbishment and Renewal Maintenance		to AM1
38	Fault and Emergency Maintenance		to AM1
39	Pass-through Costs		
40	Other	6,544	
41	<b>Total Operational Expenditure</b>		6,544 to MP2
42			
43			
44	<b>Operational earnings</b>		15,699
45			
46	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	5,208	from AV1
47	plus: Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	366	from AV1
48	<b>Total Regulatory Depreciation</b>		5,574 to FS3
49			
50			
51			
52	<b>Earnings before interest and tax (EBIT)</b>		10,125 to FS3
53			
54	less: Regulatory Tax Allowance	157	from FS3
55			
56	plus: Indexed Revaluation (of System Fixed Assets)	4,395	from AV1
57	plus: Revaluations of Non-System Fixed Assets	-	from AV1
58			
59	<b>Regulatory profit / loss (pre-financing and distributions)</b>		14,363 to MP2
60			



**REPORT FS1: REGULATORY PROFIT STATEMENT (cont)****Notes to Regulatory Profit Statement**

69	<b>FS1a: Discretionary Discounts: Customer Rebates and other line charge adjustments</b>		(\$000)
70	Customer Rebates	5,539	
71	Line Charge Holidays and other Discretionary Discounts	-	
72	<b>Total Discretionary Discounts and Customer Rebates</b>		<b>5,539</b>

73	<b>FS1b: Related party expenditure - summary</b>		(\$000)
76	Avoided Transmission Charges	-	
77	Operational Expenditure	-	
78	Subvention Payment	-	
79	Other related party expenditure	-	
80	<b>Total Related Party Expenditure</b>		<b>-</b>

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.

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

106	<b>FS1d: Vested Assets</b>		(\$000)
107	Consideration Paid for Vested Assets		117

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

to be repeated as required for multiple reclassifications



## REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Network Tasman Limited	
5		For Year Ended	2008
6			
7	<b>Capital Expenditure on System Fixed Assets (by primary purpose)</b>		<b>(\$000)</b>
8	Customer Connection	4,156	to AM1
9	System Growth		to AM1
10	Reliability, Safety and Environment		to AM1
11	Asset Replacement and Renewal		to AM1
12	Asset Relocations		to AM1
13	<b>Total Capital Expenditure on System Fixed Assets</b>	<b>4,156</b>	to AM1
14			
15			
16	<b>Capital Expenditure on Non-System Fixed Assets</b>	<b>439</b>	from AV1
17			
18			
19	<b>Capital works roll-forward (for System Fixed Assets)</b>		
20	Works Under Construction at Beginning of Year	1,823	
21	plus Total Capital Expenditure on System Fixed Assets	4,156	
22	less Assets Commissioned in Year	4,597	from AV1
23	<b>Works under construction at year end</b>	<b>1,382</b>	
24			
25			
26	<b>Regulatory Investment Value calculation</b>		
27	System Fixed Assets: regulatory value at end of Previous Year	130,550	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	2,946	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	3,198	2.45%
30	<b>Total Regulatory Asset Base value at beginning of Current Financial Year</b>	<b>136,695</b>	
31			
32	plus System Fixed Assets Commissioned in Year	4,597	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	439	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	5,036	
36	<b>Regulatory Asset Base investment in Current Financial Year - average</b>	<b>2,518</b>	
37			
38	plus (minus) where a merger or acquisition has taken place within the year		
39	<b>Adjustment for merger, acquisition or sale to another EDB</b>	<b>-</b>	from AV4
40			
41	<b>Regulatory Investment Value</b>	<b>139,213</b>	to MP2

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gk







## REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref	Electricity Distribution Business:	Network Tasman
5	For Year Ended:	2008
6	Year of most recent ODV	2004
7		
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## 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
61	CPI at CPI reference date	953
62	Revaluation Rate	2.69%
63		
64	System Fixed Assets: Regulatory Value at End of Previous Year	108,091
65	Indexed Revaluation of System Fixed Assets	2,912
66		
67		
68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB	
69	For Year Ended	2005
70	Acquisition of System Fixed Assets from another EDB	-
71	Sale of System Fixed Assets to another EDB	-
72	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-



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

 Electricity Distribution Business: **Network Tasman**  
 For Year Ended: **2008**

ref										
6										
7										
8										
9										
10										
		<b>Subtotals by Asset Class (for System Fixed Assets)</b>								<b>(\$'000)</b>
11	<b>System Fixed Assets</b>									
12										
13	Regulatory Value of System Fixed Assets (as per most recent ODV)	5,768	9,689	24,144	39,528	16,895	6,893	5,174	<b>108,091</b>	Error (AV1)
14										
15	<b>Cumulative roll-forward since most recent ODV:</b>									
16	Asset Additions								32,763	from AV1
17	Indexed Revaluation (of System Fixed Assets)								14,331	from AV1
18	less Regulatory Depreciation (of System Fixed Assets)								18,991	from AV1
19	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-	from AV1
20	Net Increase (Decrease) Due to Changes in Asset Register Information								-	from AV1
21	<b>Regulatory Value of System Fixed Assets at Year End</b>								<b>136,194</b>	Error(AV1)

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

ref	Electricity Distribution Business: <b>Network Tasman</b>		
	For Year Ended: <b>2005</b>		
5	<b>System Fixed Assets - Replacement Cost</b>		
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## REPORT AV3: SYSTEM FIXED ASSETS REPLACEMENT COST ROLL-FORWARD REPORT (cont)

### Notes to Price and Quality Measures

36	<b>AV3a: New Asset Additions</b>		
37			
38			
39			
40			
41			
42			



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

ref		Electricity Distribution Business:	Network Tasman
5		For Year Ended:	2006
6	<b>System Fixed Assets - Replacement Cost</b>		
7			(\$000)
8	Replacement cost at end of previous year	231,345	
9			
10	Asset Additions	7,417	AV3a
11	Indexed Revaluation (of System Fixed Assets)	7,768	
12	less 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	<b>Replacement cost of System Fixed Assets at year end</b>	<b>246,530</b>	
16			
17			
18	<b>System Fixed Assets - Depreciated Replacement Cost</b>		
19			
20	Depreciated Replacement Cost at end of previous year	117,217	
21			
22	Asset Additions	7,417	AV3a
23	Indexed Revaluation (of System Fixed Assets)	3,936	
24	less Depreciation of Replacement Cost	4,391	
25	less 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	<b>Depreciated replacement cost of System Fixed Assets at year end</b>	<b>124,179</b>	

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

### Notes to Price and Quality Measures

36	<b>AV3a: New Asset Additions</b>		
37			
38	Asset Additions - Depreciated Replacement Cost	7,417	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-	
40			
41	<b>Asset Additions - Replacement Cost</b>	<b>7,417</b>	
42			

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

ref		Electricity Distribution Business:	Network Tasman
5		For Year Ended:	2007
6	<b>System Fixed Assets - Replacement Cost</b>		
7			(\$000)
8	Replacement cost at end of previous year	246,530	
9			
10	Asset Additions	9,313	AV3a
11	Indexed Revaluation (of System Fixed Assets)	6,257	
12	less 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	<b>Replacement cost of System Fixed Assets at year end</b>	<b>262,100</b>	
16			
17			
18	<b>System Fixed Assets - Depreciated Replacement Cost</b>		
19			
20	Depreciated Replacement Cost at end of previous year	124,179	
21			
22	Asset Additions	9,313	AV3a
23	Indexed Revaluation (of System Fixed Assets)	3,152	
24	less Depreciation of Replacement Cost	4,496	
25	less 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	<b>Depreciated replacement cost of System Fixed Assets at year end</b>	<b>132,148</b>	

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

### Notes to Price and Quality Measures

36	<b>AV3a: New Asset Additions</b>		
37			
38	Asset Additions - Depreciated Replacement Cost	9,313	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	<b>Asset Additions - Replacement Cost</b>	<b>9,313</b>	
42			



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

ref	Electricity Distribution Business	Network Tasman	
5		For Year Ended:	2008
6	<b>System Fixed Assets - Replacement Cost</b>		
7			(\$000)
8	Replacement cost at end of previous year	262,100	
9			
10	Asset Additions	6,457	AV3a
11	Indexed Revaluation (of System Fixed Assets)	8,823	
12	less: Replacement Cost of Assets Decommissioned	370	
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	277,010	
16			
17			
18	<b>System Fixed Assets - Depreciated Replacement Cost</b>		
19			
20	Depreciated Replacement Cost at end of previous year	132,148	
21			
22	Asset Additions	6,457	AV3a
23	Indexed Revaluation (of System Fixed Assets)	4,449	
24	less: Depreciation of Replacement Cost	4,635	
25	less: Depreciated Replacement Cost of Assets Decommissioned	356	
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	138,061	

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

36	<b>AV3a: New Asset Additions</b>		
37			
38	Asset Additions - Depreciated Replacement Cost	6,457	from AV1
39	plus: Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	Asset Additions - Replacement Cost	6,457	
42			

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

Electricity Distribution Business: **Network Tasman Limited**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								
<b>Depreciated Replacement Cost (DRC)</b>								
less Optimisation adjustment								
<b>Optimised Depreciated Replacement Cost (ODRC)</b>								
less Economic Value Adjustment (EVA)								
<b>Most recent ODV value</b>								

## 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)			
<b>Cumulative roll-forward since most recent ODV:</b>			
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			
<b>RAB Value of Transferred Assets at Transfer Date</b>			
Acquisition of Assets from Another EDB			
Sale of Assets to Another EDB			
<b>RAB Value of Transferred Assets at Transfer Date</b>			
"p" factor (proportion of year following transfer of assets)	0%		
<b>Adjustment for merger, acquisition or sale to another EDB</b>			

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

Electricity Distribution Business:

Network Tasman Limited

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)

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

Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transform	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets

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

(\$000)

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

Sale of Assets to another EDB

RAB Value of Transferred Assets at Transfer Date

"p" factor (proportion of year following transfer of assets)

Adjustment for merger, acquisition or sale to another EDB

Total for System Fixed Assets	Non-System Fixed Assets	Total RAB value (excl. FDC)

to AV1  
to AV10%  
to FS2

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

(\$000)

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

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

RC & DRC values of  
System Fixed Assets at  
transfer dateRAB value of  
acquired/(sold) assetsto AV3  
to AV3

Signed by: Selling Entity

Acquiring Entity



**REPORT MP1: NETWORK INFORMATION**

(Separate report required for each Non-Contiguous Network)

rof		Electricity Distribution Business:	Network Tasman Limited	
6			For Year Ended: 2008	
7	Network Name:	Total Business	(enter "Total Business" or name of network)	
	Disclosure:	Annual Disclosure - Requirement 6(1)		
9				
10	Circuit Length by Operating Line Voltage (at year end)	Overhead (km)	Underground (km)	Total (km)
11				
12	> 66kV	-	-	-
13	50kV & 66kV	-	-	-
14	33kV	123	20	143
15	SWER (all SWER voltages)	-	-	-
16	22kV (other than SWER)	90	12	102
17	6 kV to 11kV (inclusive - other than SWER)	1,813	194	2,007
18	Low Voltage (< 1kV)	547	514	1,061
19	Total circuit length (for Supply)	2,573	740	3,312
20				to MP2
21	Dedicated Street Lighting Circuit Length	-	-	-
22				
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)	
24	Urban (only)	207	8%	
25	Rural (only)	2,167	84%	
26	Remote (only)	75	3%	
27	Rugged (only)	-	0%	
28	Rural & rugged (only)	116	5%	
29	Remote & rugged (only)	8	0%	
30	Unallocated overhead lines	-	0%	
31	Total overhead length	2,573	100%	
32		Error (Row19)		
33				
34	Transformer capacity (at year end)			Previous Year
35	Distribution Transformer Capacity (EDB Owned)	335 MVA		324
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	5 MVA		5
37	Total Distribution Transformer Capacity	340 MVA (to MP2)		329
38				
39	Zone Substation Transformer Capacity	158 MVA		158
40				
41	System Fixed Assets age (at year end)			
42	Average Age of System Fixed Assets	30 Years		
43	Average Expected Total Life of System Fixed Assets	53 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	10% %		
47				
48				
49				
50				
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
52				
53	GXP Demand	147	150	
54	plus Embedded Generation Output at HV and Above	1		
55	Maximum System Demand	148		
56	less Net Transfers to (from) Other EDBs at HV and Above	32		
57	Demand on system for supply to customers' Connection Points	115		
58	less Subtransmission Customers' Connection Point Demand	21	25	
59	Maximum Distribution Transformer Demand	94		to MP2
60				
61	GXP Demand not Supplied at Subtransmission Level	1		
62	Embedded Generation Output - Connected to Subtransmission System	0	0	
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
64				
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	20		
66				
67	Five-Year System Maximum Demand Growth Forecast	2.1 % p.a.		
68				
69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	780		
71	less Electricity Exports to GXPs	-		
72	plus Electricity Supplied from Embedded Generators	5		
73	less Net Electricity Supplied to (from) Other EDBs	158		
74	Electricity entering system for supply to customers' Connection Points	627		
75	less Electricity Supplied to Customers' Connection Points	594		to MP2
76	Electricity Losses (loss ratio)	33	5.3% %	
77				
78	Electricity Supplied to Customers' Connection Points	594		
79	less Electricity Supplied to Largest 5 Connection Points	168		
80	Electricity supplied other than to Largest 5 Connection Points	426	72% %	
81				
82	Load Factor	62% %		
83				
84	Number of Connection Points (at year end)	35,416 ICPs		to MP2
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	28 kW/km		
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	179 MWh/km		
89	Connection Point Density (ICPs / Total circuit length)	11 ICP/km		
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	16,779 kWh/ICP		

## REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business: Network Tasman Limited					
	For Year Ended:					2008
5	Performance comparators					
6		Previous Years:			Current Financial Year	
7		Current Yr - 3	Current Yr - 2	Current Yr - 1		
8						
9	Operational expenditure ratio					
10	Total Operational Expenditure				7 \$m	from FS1
11	Replacement Cost of System Fixed Assets (at year end*)				277 \$m	from AV3
12	Ratio (%)	Not defined	Not defined	Not defined	2.38%	
13						
14	Capital expenditure ratio					
15	Total Capital Expenditure on System Fixed Assets				4 \$m	from FS2
16	Replacement Cost of System Fixed Assets (at year end*)				277 \$m	from AV3
17	Ratio (%)	Not defined	Not defined	Not defined	1.50%	
18						
19	Capital expenditure growth ratio					
20	Capital Expenditure: Customer Connection and System Growth		NOT REQUIRED TO BE DIS		4 \$m	from FS2
21	Change in Total Distribution Transformer Capacity				11 MVA	from MP1
22	\$/kVA	Not defined	Not defined	Not defined	385 \$/kVA	
23						
24	Renewal expenditure ratio					
25	Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal		NOT REQUIRED TO BE DIS		- \$m	from FS1 & 2
26	Regulatory Depreciation of System Fixed Assets				5 \$m	from AV1
27	Ratio (%)	Not defined	Not defined	Not defined	0%	
28						
29	Distribution Transformer Capacity Utilisation					
30	Maximum Distribution Transformer Demand	84	86	88	94 MW	from MP1
31	Total Distribution Transformer Capacity (at year end*)	315	318	330	340 kVA	from MP1
32	Ratio (%)	26.5%	27.1%	26.8%	27.7%	
33						
34	Return on Investment					
35	Regulatory Profit / Loss (pre-financing and distributions)				14 \$m	from FS1
36	less Interest Tax Shield Adjustment				1 \$m	from FS3
37	Adjusted Regulatory Profit	-	-	-	13 \$m	
38	Regulatory Investment Value				139 \$m	from FS2
39	Ratio (%)	Not defined	Not defined	Not defined	9.26%	
40						
41						
42	Expenditure comparison table					
43		Expenditure metrics (\$ per):				
44						
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)
46						
47	Capital Expenditure (\$) per	1,387	8	31,054	130	13,707
48	Operational Expenditure (\$) per	1,976	11	44,231	185	19,523
49						



**REPORT MP3: PRICE & QUALITY MEASURES**

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **Network Tasman**For Year Ended: **2008**Network Name: **Total Business**Disclosure: **Annual Disclosure - Requirement 6(1)****QUALITY****Interruptions****Interruptions by class**

Class A	3	planned interruptions by Transpower
Class B	207	planned interruptions on the network
Class C	130	unplanned interruptions on the network
Class D	1	unplanned interruptions by Transpower
Class E	-	unplanned interruptions of network owned generation
Class F	-	unplanned interruptions of generation (non-network)
Class G	-	unplanned interruptions caused by other electricity industry participant
Class H	-	planned interruptions caused by other electricity industry participant
<b>Total</b>	<b>341</b>	<b>Total of above</b>

**Interruption targets for Forecast Year**

Class B	150	planned interruptions on the network
Class C	135	unplanned interruptions on the network

**Average interruption targets for 5 Forecast Years**

Class B	150	planned interruptions on the network
Class C	135	unplanned interruptions on the network

**Class C interruptions restored within**

<3hrs	>3hrs
108	22

**Faults****Faults per 100 circuit kilometres**

The total number of faults for Current Financial Year	130.00	in year	2008
The total number of faults forecast for the Forecast Year	135.00	in year	2009
The average annual number of faults forecast for the 5 Forecast Years	135.00	average over years	2008-2013

**Fault information per 100 circuit kilometres by Voltage and Type**

	6.6kV & 11kV non-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	Yes	No	Yes	No	No
Current Financial Year	6.18	-	-	4.20	-	-
Forecast Year	6.00	6.00	-	6.00	-	-
Average annual for 5 Forecast Years	6.00	6.00	-	6.00	-	-

**Fault information per 100 circuit kilometres by Voltage and Type**

	6.6kV & 11kV non-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Underground	6.19	-	-	-	-	-
Overhead	6.18	-	-	4.80	-	-

**Reliability****Overall reliability**

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	172.00	1.63	106.00

**Reliability by interruption class**

Class B	SAIDI	SAIFI	CAIDI
Class C	45.85	0.20	229.25
	111.69	1.33	83.97

**Targets for Forecast Year**

Class B	SAIDI	SAIFI	CAIDI
Class C	25.00	0.18	140.00
	81.00	1.16	70.00

**Average targets for 5 Forecast Years**

Class B	SAIDI	SAIFI	CAIDI
Class C	25.00	0.18	140.00
	77.00	1.10	70.00

**PRICES****Price information by Connection Point Class****Connection Point Class**



		Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total	
75							
76	Gross line charge income (\$000)	15,810	4,282	6,514	2,314	28,920	Error (FS1)
77	Electricity Supplied to Customers' Connection Points (MWh)	243,718	53,223	129,099	168,208	594,248	from MP1
78	Number of Connection Points (ICPs) at year end	33,524	1,505	382	5	35,416	from MP1
79	Unit Price (cents/kWh)	6.5	8.0	5.0	1.4	4.9	
80	Relative Unit Price Index	1.00	1.24	0.78	0.21	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	20 kVA
95	Breakpoint between large and medium classes	70 kVA
96		



## REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

Electricity Distribution Business: Network Tasman																			
For Year Ended 2008 (\$000)																			
<b>A) Five year forecasts of expenditure</b>																			
From most recent Asset Management Plan																			
	<table border="1"> <thead> <tr> <th>Actual for Current Financial Year</th> <th colspan="5">Forecast Years</th> </tr> <tr> <th></th> <th>year 1</th> <th>year 2</th> <th>year 3</th> <th>year 4</th> <th>year 5</th> </tr> <tr> <th>for year ended 2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> </table>	Actual for Current Financial Year	Forecast Years						year 1	year 2	year 3	year 4	year 5	for year ended 2008	2009	2010	2011	2012	2013
Actual for Current Financial Year	Forecast Years																		
	year 1	year 2	year 3	year 4	year 5														
for year ended 2008	2009	2010	2011	2012	2013														
Capital Expenditure: Customer Connection	4,156 from FS2																		
Capital Expenditure: System Growth	- from FS2																		
Capital Expenditure: Reliability, Safety and Environment	- from FS2																		
Capital Expenditure: Asset Replacement and Renewal	- from FS2																		
Capital Expenditure: Asset Relocations	- from FS2																		
<b>Subtotal - Capital Expenditure on asset management</b>	4,156 - - - - -																		
Operational Expenditure: Routine and Preventative Maintenance	- from FS1																		
Operational Expenditure: Refurbishment and Renewal Maintenance	- from FS1																		
Operational Expenditure: Fault and Emergency Maintenance	- from FS1																		
<b>Subtotal - Operational Expenditure on asset management</b>	- - - - -																		
<b>Total direct expenditure on distribution network</b>	4,156 - - - - -																		
<b>Overhead to Underground Conversion Expenditure</b>																			
<p>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).</p>																			
<b>B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure</b>																			
	<table border="1"> <thead> <tr> <th>Actual for Current Financial Year (a)</th> <th>Previous forecast for Current Financial Year (b)</th> <th>% Variance (a)/(b)-1</th> </tr> </thead> </table>	Actual for Current Financial Year (a)	Previous forecast for Current Financial Year (b)	% Variance (a)/(b)-1															
Actual for Current Financial Year (a)	Previous forecast for Current Financial Year (b)	% Variance (a)/(b)-1																	
Capital Expenditure: Customer Connection	4,156 Not defined from row 10																		
Capital Expenditure: System Growth	- Not defined from row 11																		
Capital Expenditure: Asset Replacement and Renewal	- Not defined from row 12																		
Capital Expenditure: Reliability, Safety and Environment	- Not defined from row 13																		
Capital Expenditure: Asset Relocations	- Not defined from row 14																		
<b>Subtotal - Capital Expenditure on asset management</b>	4,156 - Not defined																		
Operational Expenditure: Routine and Preventative Maintenance	- Not defined from row 17																		
Operational Expenditure: Refurbishment and Renewal Maintenance	- Not defined from row 18																		
Operational Expenditure: Fault and Emergency Maintenance	- Not defined from row 19																		
<b>Subtotal - Operational Expenditure on asset management</b>	- - Not defined																		
<b>Total direct expenditure on distribution network</b>	4,156 - Not defined																		
<b>Explanation of variances</b>																			
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):																			

Network Tasman Limited  
Financial Performance Measures

Efficiency Measures Calculation

Direct line cost per kilometer

Formula: 
$$\frac{\text{Direct Expenditure}}{\text{System Length (km)}}$$

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

Direct Expenditure	Line Business
Maintenance & operations	3,024,961
Accident Insurance	12,629
Advertising & Promotions	18,347
Accounting & Taxation Fees	0
Audit Fees	0
Bad Debts	0
Bank Charges	0
Building Operating Costs	882
Communications Costs	0
Consultancy Fees	55,502
Contract Services	130
Directors Fees	0
Donations	0
Easement costs	0
Fringe Benefit Tax	13,061
General Expenses	0
Industry compliance costs	0
Insurance	0
Internal rental charge	0
Legal Fees	0
Motor Vehicle Expenses	41,284
Postage & Freight	0
Rates	17,979
Repairs & Maintenance	55,804
Salaries	1,219,675
Staff training & conferences	15,680
Subscriptions & Publications	57,035
Travel & Accommodation	9,440
<b>Total Direct Expenditure</b>	<b>4,542,407</b>

System Length (km)

System length (this year) 3,312

Direct line cost per Kilometer 1,371

Indirect line costs per consumer

Formula: 
$$\frac{\text{Indirect Expenditure}}{\text{Total Consumers}}$$

where:  
a is indirect expenditure  
b is total consumers

Indirect Expenditure	Line Business
Maintenance & operations	0
Accident Insurance	6,716
Advertising & Promotions	44,824
Accounting & Taxation Fees	6,545
Audit Fees	66,410
Bad Debts	6,129
Bank Charges	1,726
Building Operating Costs	37,928
Communications Costs	78,863
Consultancy Fees	349,225
Contract Services	4,469
Directors Fees	145,583
Donations	3,100
Easement costs	0
Fringe Benefit Tax	1,523
General Expenses	48,716
Industry compliance costs	127,939
Insurance	116,388
Internal rental charge	123,867
Legal Fees	23,797
Motor Vehicle Expenses	43
Postage & Freight	10,596
Rates	0
Repairs & Maintenance	21,158
Salaries	747,969
Staff training & conferences	15,291
Subscriptions & Publications	1,127
Travel & Accommodation	10,300
<b>Total indirect expenditure</b>	<b>2,001,334</b>

Total consumers

Total consumers (this year) 35,416

Indirect line costs per consumer 57

Check	
Total expenditure per financials	6,543,741
Direct expenditure above	4,542,407
Indirect expenditure above	2,001,334
<b>Total</b>	<b>6,543,741</b>
Variance	0

W 9/2



**Auditor's Independent Assurance Report  
To the Board of Directors of Network Tasman Limited**

**Report on Network Tasman Limited's Compliance with the Electricity  
Distribution (Information Disclosure) Requirements 2008  
For the Financial Year Ended 31 March 2008**

The Auditor-General is the auditor of Network Tasman Limited. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to provide an opinion on the compliance of the attached reports FS1 to FS3, AV1 to AV4, MP1 to MP3 and AM4 prepared by Network Tasman Limited with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements) for the financial year ended 31 March 2008. In this independent assurance report the attached reports are called the "disclosure information".

**Respective Responsibilities**

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

Clause 10 of the Requirements requires the Auditor-General to provide an opinion that the disclosure information prepared by Network Tasman Limited has complied with the Requirements for the financial year ended 31 March 2008.

**Use of this Independent Assurance Report**

This independent assurance report has been prepared solely to provide assurance that the disclosure information prepared by Network Tasman Limited complies with the Requirements for the financial year ended 31 March 2008. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

**Scope and Limitations of the Engagement**

We conducted the engagement in accordance with the New Zealand Institute of Chartered Accountants International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information. In respect of disclosures of prospective financial information we conducted the engagement in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information (ISAE 3400). Where relevant, we have applied the principles of ISAE 3400 to the disclosure of prospective non-financial information.

This independent assurance report provides assurance that the disclosure information prepared by Network Tasman Limited complies with the Requirements. Network Tasman Limited's financial statements for the year ended 31 March 2008 have been subject to audit. The audit opinion on the financial statements of Network Tasman Limited for the year ended 31 March 2008 was unqualified and was dated 30 June 2008.

Our work has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information has been presented in all material respects in accordance with the Requirements. Material misstatements, whether caused by fraud or error, are differences or omissions of amounts and disclosures that would affect a user's overall understanding of the disclosure information prepared by Network Tasman Limited.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the financial year and the procedures performed in respect of Network Tasman Limited's compliance with the Requirements are undertaken on a test basis, our engagement cannot be relied on to detect all instances where Network Tasman Limited may not have complied with the Requirements. Our opinion has been formed on the above basis.

### **Basis of Opinion**

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

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

In the case of prospective financial and non-financial information our work has been limited to assessing whether the information has been presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2008 and the immediately preceding financial year, and that the prospective financial and non-financial information has been calculated based on source data provided by Network Tasman Limited. We have not performed audit procedures on the source data.

### **Independence**

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

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

### **Unqualified Opinions**

In our opinion, Network Tasman Limited has:

- prepared disclosure information for the financial year ended 31 March 2008 that complies with the Requirements;
- presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2008 in accordance with the Requirements, in all material respects;
- compiled the historical non-financial information included in reports MP1, MP2 and MP3 in accordance with the guidance issued pursuant to the Requirements, and has calculated the historical non-financial information based on unaudited source data provided by Network Tasman Limited; and



- presented the prospective non-financial information in report MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2008 and the immediately preceding financial year, and has calculated the prospective non-financial information based on unaudited source data provided by Network Tasman Limited.

**Qualified opinion: the scope of the audit was limited due to the Board of Directors of Network Tasman Limited not providing us with the representations we sought**

As part of an assurance engagement, we require the Board of Directors to provide us with certain representations about material matters for which the Board of Directors has responsibility.

The Board of Directors of Network Tasman Limited has not provided us with the representations we sought as to whether they kept proper records of the number and duration of faults and the number of customers affected by each fault to enable the complete and accurate compilation of the SAIDI, SAIFI and CAIDI statistics included in report MP3.

In our opinion, except for any issues that might have arisen had we been able to obtain sufficient evidence concerning those records which relate to the SAIDI, SAIFI and CAIDI statistics, Network Tasman Limited 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.

In this respect alone, we did not obtain all the information and explanations that we required.



John Mackey  
Audit New Zealand  
On behalf of the Auditor-General  
PO Box 2, Christchurch

7 April 2009

**Matters relating to the electronic presentation of the disclosure information**

This independent assurance report relates to the disclosure information of Network Tasman Limited (the company) made pursuant to the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 for the year ended 31 March 2008 included on the company's website. The company's Board of Directors is responsible for the maintenance and integrity of the website. We have not been engaged to report on the integrity of the website. We accept no responsibility for any changes that may have occurred to the disclosure information since it was initially presented on this website.

The independent assurance report refers only to the disclosure information named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this disclosure information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the disclosure information and related independent assurance report dated 7 April 2009 to confirm the information included in the disclosure information presented on this website.

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