

Commerce Commission

Template

Electricity Distribution (Information Disclosure) Requirements
Report Schedules

Schedules 2 to 13

2012 TEMPLATE

Version 1.0 Template

31 March 2012

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REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Network Tasman	
		For Year Ended	2012	
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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	9,391	
72	Total Discretionary Discounts and Customer Rebates		9,391

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

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

106	FS1d: Vested Assets		(\$000)
107	Consideration Paid for Vested Assets		206

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

to be repeated as required for multiple reclassifications

Information Disclosure 2012 - Network Tasman Limited
Additional Disclosure - FSC1 c Operational Expenditure Notes

	Expenditure as per FS1	Materiality Threshold (10%)	Material Item Disclosure (000's)
<u>General Management, Administration and Overheads</u>	2,681	268.1	
Salaries			1,321.7
<u>System Management and Operations</u>	1,791	179.1	
Salaries			932.3
Management Fee			490.0
<u>Routine and Preventative Maintenance</u>	1,355	135	
Tree Cutting			214.6
Line Corridors			280.4
Tree Regulations Removals			267.5
Fall Distance Removal			171.8
<u>Refurbishment and Renewal Maintenance</u>	1,773	177	
Pole Replacements			1,038.1
<u>Fault and Emergency Maintenance</u>	759	76	
Fault Service Net of Recoveries			442.0
Emergency Maintenance			286.6
<u>Pass-through Costs</u>	199	19.9	
Electricity Authority Levies			119.9
Commerce Commission Levies			47.9
Rates			31.5
Other	-	-	-

Requirement 8 - Related Party Transactions

Parent entity

The holding entity of the company is the Network Tasman Trust which holds 100% of the company's shares (100% 31 March 2011).

Associate company

Network Tasman Limited provided operational and management services to Nelson Electricity Limited, an associate company. Fees for management and operational services were charged at fair value.

Transmission costs charged by national grid operator Transpower NZ Limited for connection by Nelson Electricity Limited to the national grid are on-charged, at cost, by Network Tasman Limited to Nelson Electricity Limited.

Network Tasman Limited also provides fibre services to Nelson Electricity Limited at normal commercial terms. A share of some joint costs are oncharged from Network Tasman Limited to Nelson Electricity Limited.

Network Tasman Limited leases a room from Nelson Electricity Limited for fibre equipment. A share of some joint costs are oncharged from Nelson Electricity Limited to Network Tasman Limited.

Charges from Network Tasman Limited to Nelson Electricity Limited

Operational and management fee	178
Net transmission costs on-charged	2,171
Commerce Commission levies on-charged	0
Fibre lease charges	7
Sundry oncharges	35

Charges from Nelson Electricity Limited to Network Tasman Limited

Lease charges	(6)
Sundry oncharges	0

Balance due from Nelson Electricity Limited as at period end

Balance due to Nelson Electricity Limited as at period end	244
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(1)

Mr C Turner - Nelson Pine Industries Limited

Nelson Pine Industries Limited, a company in which Mr C Turner (a director of Network Tasman Limited) is Chief Executive, contracts directly on an arms length basis with Network Tasman Limited, for distribution services.

As at 31 March 2012, the balance owing by Nelson Pine Industries Limited was \$133,000 (31 March 2011 : \$80,000).

Total sales to Nelson Pine Industries Limited for the year ending 31 March 2012 were \$1,539,000 (31 March 2011 : \$950,000).

Mr M J McCliskie - Accident Compensation Corporation

Accident Compensation Corporation, a company in which Mr M J McCliskie (a director of Network Tasman Limited) is a director, deals on an arms length basis with Network Tasman Limited, for ACC levies and employee reimbursement.

As at 31 March 2012 the balances owing to and by Accident Compensation Corporation was nil. Total levy payments to the Accident Compensation Corporation for the year ending 31 March 2012 were \$27,000 (31 March 2011 : \$28,000). Total

employee reimbursement received from the Accident Compensation Corporation for the year ending 31 March 2012 was \$0 (31 March 2011 : \$0).

Mr M J McCliskie - Heartland Group Limited

Heartland Group Limited, a company in which Mr MJ McCliskie (a director of Network Tasman Limited) is chair, contracts directly on an arms length basis with Network Tasman Limited.

As at 31 March 2012, the balance owing by Heartland Group Limited was \$763 (31 March 2011 : \$715).

Total sales to Heartland Group Limited for the year ending 31 March 2012 were \$7,600 (31 March 2011 : \$7,200).

Mr M J McCliskie - Institute of Directors in New Zealand (Inc)

Institute of Directors in NZ Inc, a membership organisation in which Mr MJ McCliskie (a director of Network Tasman Limited) is a councillor, was paid \$1,500 during the year ending 31 March 2012 (31 March 2011: \$2,900).

Mr I F Kearney - Cawthron Institute

The Cawthron Institute, an organisation in which Mr IF Kearney (the chair of Network Tasman Limited) is chair, was owed \$8,700 at the 31 March 2012 (31 March 2011: nil).

Mr A Reilly - Cold Storage Nelson Limited

Cold Storage Nelson Limited, a company in which Mr A Reilly (a director of Network Tasman Limited) is a director, contracts directly on an arms length basis with Network Tasman Limited.

As at 31 March 2012, the balance owing by Cold Storage Nelson Limited was \$17,000 (31 March 2011: \$13,000).

Total sales to Cold Storage Nelson Limited for the year ending 31 March 2012 were \$150,000 (31 March 2011: \$53,000).

There are close family members of key management personnel employed by the Company. The terms and conditions of those arrangements are no more favourable than the Company would have adopted if there were no relationship to key management personnel.

No related party debts have been written off or forgiven during the period (31 March 2011 : nil).

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Network Tasman	
5		For Year Ended	2012
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection	1,006	to AM1
9	System Growth	508	to AM1
10	Reliability, Safety and Environment	580	to AM1
11	Asset Replacement and Renewal	1,341	to AM1
12	Asset Relocations	260	to AM1
13	Total Capital Expenditure on System Fixed Assets	3,696	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	335	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	500	
21	plus Total Capital Expenditure on System Fixed Assets	3,696	
22	less Assets Commissioned in Year	2,608	from AV1
23	Works under construction at year end	1,588	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	150,321	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	2,864	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	3,683	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	156,869	
31			
32	plus System Fixed Assets Commissioned in Year	2,608	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	335	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	2,943	
36	Regulatory Asset Base investment in Current Financial Year - average	1,471	
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	158,340	to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Network Tasman	
5			For Year Ended	2012
6				
7			(\$000)	
8		Earnings before interest and tax (EBIT)	12,430	from FS1
9				
10	add	Total Regulatory Depreciation	6,411	from FS1
11		Other Permanent Differences - not deductible	15	
12		Other Temporary Adjustments - Current Period	(75)	
13			6,351	
14				
15	less	Non Taxable Capital Contributions and Vested Assets	1,318	
16		Tax Depreciation	3,899	
17		Deductible Discretionary Discounts and Customer Rebates	9,391	
18		Deductible Interest	3,686	from row 53
19		Other Permanent Differences - Non Taxable	-	
20		Other Temporary Adjustments - Prior Period	-	
21			18,295	
22				
23		Regulatory taxable income for Year	486	
24				
25	less	Tax Losses Available at Start of Year	-	
26		Net taxable income	486	
27				
28		Statutory Tax Rate	28%	
29		Regulatory Tax Allowance	136	to FS1

Notes to Regulatory Tax Allowance Calculation

36	FS3a: Description of adjustments classified as "other"
37	
38	The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory notes can be provided in a separate note if necessary).
39	
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48	FS3b: Financing assumptions (for Deductible Interest and Interest Tax Shield calculation)				
49					
50	Standard Debt Leverage Assumption (debt/total assets)		40%	%	
51					
52	Standard Cost of Debt Assumption		5.82%	%	
53					
54	Deductible Interest		3,686	\$000	to row 18
55					
56	Interest Tax Shield Adjustment		1,032	\$000	to MP2

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref		Electricity Distribution Business: Network Tasman							
		For Year Ended: 2012							2012
		Year of most recent ODV: 2004							2004
		(\$000)							
		1	2	3	4	5	6	7	8
	For Year Ending:	2005	2006	2007	2008	2009	2010	2011	2012
11	System Fixed Assets								
12	Regulatory Value at End of Previous Year*	108,091	116,240	122,981	130,550	136,194	140,786	143,714	150,321
13	plus								
14	Assets Commissioned	6,175	6,289	7,180	4,597	3,925	4,229	5,917	2,608
15	Gross Value of Vested Assets	3,401	1,128	2,133	1,859	2,213	1,562	1,573	1,138
16	Assets Acquired from (Sold to) a Non-EDB	-	-	-	-	-	-	-	-
17	Asset Additions	9,576	7,417	9,313	6,457	6,138	5,791	7,490	3,746
18	plus								
19	Indexed Revaluation	2,912	3,903	3,121	4,395	4,044	2,881	6,419	2,361
20	less								
21	Depreciation of System Fixed Assets	4,339	4,579	4,865	5,070	5,349	5,548	6,923	5,886
22	Regulatory Value of Assets Decommissioned	-	-	-	138	241	196	378	225
23	Regulatory Depreciation (incl. value of assets decommissioned)	4,339	4,579	4,865	5,208	5,590	5,744	7,301	6,111
24	plus (minus)								
25	Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	-	-	-
26	less Sale of System Fixed Assets to another EDB	-	-	-	-	-	-	-	-
27	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-	-	-	-	-
28	plus (minus)								
29	Net Increase (Decrease) Due to Changes in Asset Register Information	-	-	-	-	-	-	-	-
30									
31	Regulatory Value of System Fixed Assets at Year End	116,240	122,981	130,550	136,194	140,786	143,714	150,321	150,318
32									
33	Non-System Fixed Assets								
34	Regulatory value at end of previous year	1,036	951	2,887	2,946	3,063	2,963	2,840	2,864
35	plus Asset Additions	228	2,296	454	439	221	194	282	335
36	plus Revaluations	-	-	-	-	-	-	-	-
37	less Depreciation (incl. value of assets decommissioned)	313	360	395	322	321	318	257	300
38	plus Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	-	-	-
39	Regulatory Value of Non-System Fixed Assets at Year end	951	2,887	2,946	3,063	2,963	2,840	2,864	2,899
40									
41	Total Regulatory Asset Base Value (excluding FDC)	117,191	125,869	133,496	139,257	143,749	146,553	153,186	153,217
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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	2006	2007	2008	2009	2010	2011	2012
61	CPI at CPI reference date	953	985	1010	1044	1075	1097	1146	1164
62	Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%	2.05%	4.47%	1.57%
63									
64	System Fixed Assets: Regulatory Value at End of Previous Year	108,091	116,240	122,981	130,550	136,194	140,786	143,714	150,321
65	Indexed Revaluation of System Fixed Assets	2,912	3,903	3,121	4,395	4,044	2,881	6,419	2,361
66									
67									
68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB								
69	For Year Ended	2005	2006	2007	2008	2009	2010	2011	2012
70	Acquisition of System Fixed Assets from another EDB								
71	Sale of System Fixed Assets to another EDB								
72	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB								

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

Electricity Distribution Business: **Network Tasman**

For Year Ended: **2012**

Subtotals by Asset Class (for System Fixed Assets)

(\$000)

	Subtransmission	Zone Substations	Distribution & LV Lines	Distribution & LV Cables	Distribution Substations and Transformer	Distribution Switchgear	Other System Fixed Assets	Total for System Fixed Assets (per AV1)		
11	System Fixed Assets									
12	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	108,091	Error (AV1)
14	Cumulative roll-forward since most recent ODV:									
16	Asset Additions								55,927	from AV1
17	Indexed Revaluation (of System Fixed Assets)								30,037	from AV1
18	less Regulatory Depreciation (of System Fixed Assets)								43,737	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	Regulatory Value of System Fixed Assets at Year End								150,317	Error(AV1)

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

ref		Electricity Distribution Business:	Network Tasman
5		For Year Ended:	2012
6	System Fixed Assets - Replacement Cost		
7			(\$000)
8	Replacement cost at end of previous year	319,133	
9			
10	Asset Additions	3,746	AV3a
11	Indexed Revaluation (of System Fixed Assets)	5,013	
12	less Replacement Cost of Assets Decommissioned	1,300	
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	326,592	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	158,032	
21			
22	Asset Additions	3,746	AV3a
23	Indexed Revaluation (of System Fixed Assets)	2,482	
24	less Depreciation of Replacement Cost	5,886	
25	less Depreciated Replacement Cost of Assets Decommissioned	249	
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	158,125	

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	3,746	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	Asset Additions - Replacement Cost	3,746	
42			

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

Electricity Distribution Business: **Network Tasman**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			
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			

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: Network Tasman

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 transformer	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		-	

Signed by:

Selling Entity

Acquiring Entity

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

Electricity Distribution Business: Network Tasman

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%		to FS2
Adjustment for merger, acquisition or sale to another EDB			

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)

Electricity Distribution Business:		Network Tasman	
		For Year Ended: 2012	
6	Network Name:	Network Tasman	
7		(enter "Total Business" or name of network)	
9	Disclosure:	Annual Disclosure - Requirement 6(1)	
10	Circuit Length by Operating Line Voltage (at year end)		
11		Overhead (km)	Underground (km)
12			Total (km)
13	> 66kV	-	-
14	50kV & 66kV	-	-
15	33kV	123	21
16	SWER (all SWER voltages)	-	-
17	22kV (other than SWER)	112	13
18	6.6kV to 11kV (inclusive - other than SWER)	1,788	218
19	Low Voltage (< 1kV)	526	567
20	Total circuit length (for Supply)	2,549	818
21			3,367
22			
23	Dedicated Street Lighting Circuit Length	-	-
24			-
25			
26	Overhead Circuit Length by Terrain (at year end)	(km)	(%)
27	Urban (only)	196	8%
28	Rural (only)	2,164	85%
29	Remote (only)	71	3%
30	Rugged (only)	-	0%
31	Rural & rugged (only)	111	4%
32	Remote & rugged (only)	8	0%
33	Unallocated overhead lines	-	0%
34	Total overhead length	2,549	100%
35			
36	Transformer capacity (at year end)		
37	Distribution Transformer Capacity (EDB Owned)	359	MVA
38	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	46	MVA
39	Total Distribution Transformer Capacity	405	MVA (to MP2)
40			
41	Zone Substation Transformer Capacity	289	MVA
42			
43	System Fixed Assets age (at year end)		
44	Average Age of System Fixed Assets	33	Years
45	Average Expected Total Life of System Fixed Assets	55	Years
46	Average Age as a Proportion of Average Expected Total Life	60%	%
47			
48	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	10%	%
49			
50			
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)
52			
53	GXP Demand	152	155
54	plus Embedded Generation Output at HV and Above	1	
55	Maximum System Demand	153	
56	less Net Transfers to (from) Other EDBs at HV and Above	33	
57	Demand on system for supply to customers' Connection Points	120	
58	less Subtransmission Customers' Connection Point Demand	-	-
59	Maximum Distribution Transformer Demand	120	
60			
61	GXP Demand not Supplied at Subtransmission Level	-	
62	Embedded Generation Output - Connected to Subtransmission System	-	-
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-
64			
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	20	
66			
67	Five-Year System Maximum Demand Growth Forecast	2.2	% p.a.
68			
69	Electricity volumes carried	(GWh)	
70	Electricity Supplied from GXPs	772	
71	less Electricity Exports to GXPs	-	
72	plus Electricity Supplied from Embedded Generators	7	
73	less Net Electricity Supplied to (from) Other EDBs	153	
74	Electricity entering system for supply to customers' Connection Points	626	
75	less Electricity Supplied to Customers' Connection Points	593	
76	Electricity Losses (loss ratio)	34	5.4% %
77			
78	Electricity Supplied to Customers' Connection Points	593	
79	less Electricity Supplied to Largest 5 Connection Points	152	
80	Electricity supplied other than to Largest 5 Connection Points	441	74% %
81			
82	Load Factor	59%	%
83			
84	Number of Connection Points (at year end)	37,089	ICPs
85			
86	Intensity of service requirements		
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	36	kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	176	MWh/km
89	Connection Point Density (ICPs / Total circuit length)	11	ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	15,980	kWh/ICP

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business		Network Tasman	
		For Year Ended: 2012	
Performance comparators		Previous Years:	
		Current Yr - 3	Current Yr - 2
		Current Yr - 1	Current Financial Year
Operational expenditure ratio			
Total Operational Expenditure		8	7
Replacement Cost of System Fixed Assets (at year end*)		290	300
Ratio (%)		2.92%	2.47%
Capital expenditure ratio			
Total Capital Expenditure on System Fixed Assets		3	4
Replacement Cost of System Fixed Assets (at year end*)		290	300
Ratio (%)		1.20%	1.30%
Capital expenditure growth ratio			
Capital Expenditure: Customer Connection and System Growth		3	1
Change in Total Distribution Transformer Capacity		6	38
\$/kVA		575	35
Renewal expenditure ratio			
Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal		-	3
Regulatory Depreciation of System Fixed Assets		6	6
Ratio (%)		0%	45%
Distribution Transformer Capacity Utilisation			
Maximum Distribution Transformer Demand		97	96
Total Distribution Transformer Capacity (at year end*)		346	383
Ratio (%)		28.0%	24.9%
Return on Investment			
Regulatory Profit / Loss (pre-financing and distributions)		15	14
less Interest Tax Shield Adjustment		1	1
Adjusted Regulatory Profit		14	13
Regulatory Investment Value		145	149
Ratio (%)		9.48%	8.64%
Expenditure comparison table			
Expenditure metrics (\$ per):			
Total circuit length (for Supply)		1,197	7
Electricity Supplied to Customers' Connection Points (\$/MWh)		26,301	109
Maximum coincident system demand (\$/MW)		231	23,839
Connection Point (\$/CP)			
Distribution Transformer Capacity (EDB-Owned) (\$/MVA)			
Capital Expenditure (\$) per			
Operational Expenditure (\$) per			

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

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref	Electricity Distribution Business:	Network Tasman
6		For Year Ended: 2012
7	Network Name:	Network Tasman
9	Disclosure:	Annual Disclosure - Requirement 6(1)
10	QUALITY	
11	Interruptions	
12	Interruptions by class	
13	Class A	2 planned interruptions by Transpower
14	Class B	136 planned interruptions on the network
15	Class C	146 unplanned interruptions on the network
16	Class D	1 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	285 Total of above
22	Interruption targets for Forecast Year	
23	Class B	2013 180 planned interruptions on the network
24	Class C	2013 120 unplanned interruptions on the network
25	Average interruption targets for 5 Forecast Years	
26	Class B	2013-2017 180 planned interruptions on the network
27	Class C	2013-2017 120 unplanned interruptions on the network
28	Class C interruptions restored within	
29	≤3hrs	>3hrs
30	97	49
31	Faults	
32	Faults per 100 circuit kilometres	
33	The total number of faults for Current Financial Year	6.40 in year 2012
34	The total number of faults forecast for the Forecast Year	5.26 in year 2013
35	The average annual number of faults forecast for the 5 Forecast Years	5.26 average over years 2013-2017
36	Fault Information per 100 circuit kilometres by Voltage and Type	
37	6.6kV & 11kV non-SWER	22kV non-SWER
38	SWER	33kV
39	50kV & 66kV	>66kV
40	Is this voltage part of the EDB system?	Yes No
41	Current Financial Year	7.06 1.60 1.39
42	Forecast Year	5.86 - 1.40
43	Average annual for 5 Forecast Years	5.86 - 1.40
44	Fault Information per 100 circuit kilometres by Voltage and Type	
45	6.6kV & 11kV non-SWER	22kV non-SWER
46	SWER	33kV
47	50kV & 66kV	>66kV
48	Underground	5.05 -
49	Overhead	7.30 1.78 1.62
50	Reliability	
51	Overall reliability	
52	Based on the total number of interruptions	SAIDI 173.70 SAIFI 1.45 CAIDI 119.80
53	Reliability by interruption class	
54	Class B	SAIDI 51.72 SAIFI 0.32 CAIDI 163.97
55	Class C	SAIDI 106.78 SAIFI 1.06 CAIDI 101.02
56	Targets for Forecast Year	
57	Class B	SAIDI 40.00 SAIFI 0.29 CAIDI 138.00
58	Class C	SAIDI 75.00 SAIFI 1.07 CAIDI 70.00
59	Average targets for 5 Forecast Years	
60	Class B	SAIDI 40.00 SAIFI 0.29 CAIDI 138.00
61	Class C	SAIDI 75.00 SAIFI 1.07 CAIDI 70.00
62	PRICES	
63	Price information by Connection Point Class	
64	Connection Point Class	
65	Small Connection Points	Medium Connection Points
66	Large Connection Points	Largest 5 Connection Points
67	Total	
68	Gross line charge income (\$000)	19,226 5,044 7,959 3,124 35,353
69	Electricity Supplied to Customers' Connection Points (MWh)	250,601 54,079 136,422 151,574 592,677
70	Number of Connection Points (ICPs) at year end	35,087 1,595 402 5 37,089
71	Unit Price (cents/kWh)	7.7 9.3 5.8 2.1 6.0
72	Relative Unit Price Index	1.00 1.22 0.76 0.27 0.78
73	Error (FS1)	
74	Error (MP1)	
75	from MP1	

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	2012					
		(\$000)						
A) Five year forecasts of expenditure								
From most recent Asset Management Plan								
		Forecast Years						
		Actual for Current Financial Year	year 1	year 2	year 3	year 4	year 5	
		2012	2013	2014	2015	2016	2017	
for year ended								
Capital Expenditure: Customer Connection		1,006	1,116	1,106	1,106	1,106	1,106	from FS2
Capital Expenditure: System Growth		508	2,972	2,487	2,747	2,577	2,127	from FS2
Capital Expenditure: Reliability, Safety and Environment		580	2,690	1,808	105	105	105	from FS2
Capital Expenditure: Asset Replacement and Renewal		1,341	1,276	1,768	663	1,297	1,369	from FS2
Capital Expenditure: Asset Relocations		260	-	2,300	1,000	1,300	1,210	from FS2
Subtotal - Capital Expenditure on asset management		3,696	8,054	9,468	5,621	6,385	5,917	
Operational Expenditure: Routine and Preventative Maintenance		1,355	1,327	1,351	1,375	1,400	1,425	from FS1
Operational Expenditure: Refurbishment and Renewal Maintenance		1,773	2,134	2,173	2,212	2,252	2,292	from FS1
Operational Expenditure: Fault and Emergency Maintenance		759	643	654	666	678	690	from FS1
Subtotal - Operational Expenditure on asset management		3,887	4,104	4,178	4,253	4,330	4,408	
Total direct expenditure on distribution network		7,583	12,158	13,646	9,874	10,714	10,324	
Overhead to Underground Conversion Expenditure		35	-	800	1,000	1,300	1,210	
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).								
</								

Efficiency Performance Measures

	2012	2011	2010	2009 (1)	2008	2007	2006
	\$	\$	\$	\$	\$	\$	\$
(a) Direct line costs per kilometer	1,814	1,688	1,565	1,846	1,371	1,365	1,308
(b) Indirect line costs per electricity customer	66	67	63	66	57	50	50

Note 1: 2009 was affected by two exceptional weather events

networktasman

Your consumer-owned electricity distributor

Network Tasman Limited
52 Main Road, Hope 7020
PO Box 3005
Richmond 7050
Nelson, New Zealand

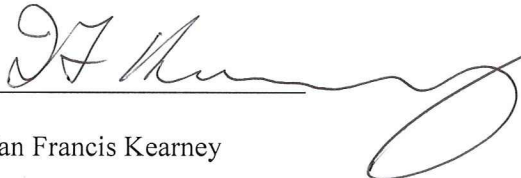
Tel: 64 3 989 3600
Freephone: 0800 508 098
Fax: 64 3 989 3631
Email: info@networktasman.co.nz
Website: www.networktasman.co.nz

CERTIFICATE FOR DISCLOSED INFORMATION


Pursuant to Requirement 11(1)

We, Ian Francis KEARNEY and Christopher Ian Menzies TURNER, 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.



Ian Francis Kearney



Christopher Ian Menzies Turner

Dated: 14th December 2012

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IN ACCORDANCE WITH THE COMMERCE ACT
Electricity Distribution (Information Disclosure) Requirements 2008

STATUTORY DECLARATION FOR PUBLICLY DISCLOSED INFORMATION

Pursuant to Requirement 13(1)

I, Christopher Ian Menzies Turner, of Hill Street, Richmond, being a director of Network Tasman 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 the information made available to the public by Network Tasman 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 Richmond this 14th day of December 2012

Christopher Ian Menzies Turner

Signature

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

Anissa Bain
Lawyer
Pitt & Moore
Richmond

Auditor's independent assurance report**To the readers of Network Tasman Limited's****Report for the financial year ended 31 March 2012 regarding Network Tasman Limited's compliance with the Electricity Distribution (Information Disclosure) Requirements 2008**

The Auditor-General is the auditor of Network Tasman Limited (the company). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to provide an opinion, on her behalf, on the company's report for the financial year ended 31 March 2012 for the attached reports FS1, FSC1c, FS2, FS3, AV1 to AV4, MP1 to MP3, AM1 and efficiency performance measures, regarding compliance with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements). In this independent assurance report we refer to the company's report as the "disclosure information". The disclosure information comprises both historical and prospective financial and non-financial information.

Respective responsibilities

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

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

Limitations and use of this independent assurance report

This independent assurance report has been prepared solely to discharge the Auditor-General's responsibilities under the Requirements for the financial year ended 31 March 2012. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

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

Basis of opinion

The company's financial statements and annual compliance statements prepared pursuant to the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010 for the year ended 31 March 2012 have been subject to audit. The audit opinions on the financial statements and default price-quality path compliance statements of the company for the year ended 31 March 2012 were unmodified and were dated 14 November 2012.

Our work has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information complies with and has been presented in all material respects in accordance with the Requirements. We also included an assessment of the significant estimates and judgements, if any, made by the company in the preparation of the disclosure information.

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

Historical financial and non-financial information

Our work on the historical financial and non-financial information has been carried out in accordance with the Standard on Assurance Engagements (New Zealand) 3100: Compliance Engagements issued by the New Zealand Institute of Chartered Accountants.

Our work in respect of amounts and disclosures that were audited under the financial statement and default price-quality path compliance statements audits has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements or default price-quality path compliance statements of the company.

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

Prospective financial and non-financial information

Our work on the prospective financial and non-financial information has been limited to assessing whether the information has been presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2012 and the immediately preceding financial year, and that the information has been calculated based on source data provided by the company. We have not performed audit procedures on the source data.

We acknowledge that it is likely that actual results will vary from those forecasted, since anticipated events frequently do not occur as expected (and those variations may be significant).

Independence

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

Other than the engagement and the annual audit of the company's financial statements and default price-quality path compliance statements carried out on behalf of the Auditor-General, we have no relationship with or interests in the company.

Opinion

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

In our opinion:

- the company has kept proper records to enable the complete and accurate compilation of required information, in all material respects, as far as appears from our examination of those records; and
- the disclosure information prepared by the company for the financial year ended 31 March 2012 complies with the Requirements.

Historical Financial and Non-Financial Information

In our opinion, the company has:

- presented the historical financial information in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2012 in all material respects in compliance with the Requirements, and
- compiled the historical non-financial information included in reports MP1, MP2 and MP3 in accordance with the guidance (if any) issued pursuant to the Requirements, and has calculated the historical non-financial information based on un-audited source data provided by the company.

Prospective Financial and Non-Financial Information

In our opinion, the company has:

- presented the prospective financial and non-financial information in reports AM1 and MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2012 and the immediately preceding financial year; and
- calculated the prospective financial and non-financial information based on un-audited source data provided by the company.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
14 December 2012

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

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

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

This audit report refers only to the electricity distribution disclosures named above. If readers of this audit report are concerned with the inherent risks arising from electronic data communication they should refer to the original published hard copy of the electricity distribution disclosures and related audit report dated 14 December 2012 to confirm the information included in the electricity distribution disclosures published on this website.

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