



Information prepared in accordance with the
Electricity (Information Disclosure) Requirements 2008

Schedules 2 to 13

WEL Networks Limited
Year ended 31 March 2009

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REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	WEL NETWORKS	
5			For Year Ended	2009
6	Income			
7				((\$000))
8	Net Line Charge Revenue Received	62,102		
9	plus Discretionary Discounts and Customer Rebates	12,315		FS1a
10	Gross Line Charge Income		74,418	
11				
12				
13	Capital Contributions	6,525		
14	plus Net Value of Vested Assets	-		
15	Total Capital Contributions and Vested Assets		6,525	
16				
17	AC Loss Rental Rebates Received	4,772		
18	less AC Loss Rental Rebates Passed On	2,901		
19	Net AC loss rental income (deficit)		1,871	
20				
21				
22	Other Income	1,602		
23			1,602	
24				
25	Total regulatory income		84,416	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower	17,656		
31	plus Avoided Transmission Charges - payments to parties other than Transpower	836		
32	Total Transmission Costs		18,492	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads			
36	System Management and Operations			
37	Routine and Preventative Maintenance			to AM1
38	Refurbishment and Renewal Maintenance			to AM1
39	Fault and Emergency Maintenance			to AM1
40	Pass-through Costs			
41	Other			
42	Total Operational Expenditure		16,096	to MP2
43				
44				
45	Operational earnings		49,828	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	11,889		from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	2,822		from AV1
50	Total Regulatory Depreciation		14,711	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		35,117	to FS3
54				
55	less Regulatory Tax Allowance		2,949	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		8,284	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		40,452	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	12,315	
72	Total Discretionary Discounts and Customer Rebates		12,315

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	6,115	
78	Subvention Payment		
79	Other related party expenditure	23,778	
80	Total Related Party Expenditure		29,894

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	6,093	Notes to be provided separately
94	within expenditure category:	Other	
95			
96	Material item amount 2	6,115	Notes to be provided separately
97	within expenditure category:	Other	
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	FS1d: Vested Assets		(\$000)
107	Consideration Paid for Vested Assets		

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

to be repeated as required for multiple reclassifications

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	WEL NETWORKS LIMITED	
5		For Year Ended	2009
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection		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	Total Capital Expenditure on System Fixed Assets	32,174	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	4,787	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	12,766	
21	plus Total Capital Expenditure on System Fixed Assets	32,174	
22	less Assets Commissioned in Year	26,791	from AV1
23	Works under construction at year end	18,149	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	278,980	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	5,118	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	6,835	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	290,933	
31			
32	plus (System Fixed Assets Commissioned in Year	26,791	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	4,787	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	31,578	
36	Regulatory Asset Base investment in Current Financial Year - average	15,789	
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	(387)	from AV4
40			
41	Regulatory Investment Value	306,335	to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	WEL NETWORKS	
5			For Year Ended	2009
6				
7			(\$000)	
8		Earnings before interest and tax (EBIT)	35,117	from FS1
9				
10	add	Total Regulatory Depreciation	14,711	from FS1
11		Other Permanent Differences - not deductible	(78)	
12		Other Temporary Adjustments - Current Period	2,209	
13			16,842	
14				
15	less	Non Taxable Capital Contributions and Vested Assets	4,957	
16		Tax Depreciation	14,297	
17		Deductible Discretionary Discounts and Customer Rebates	12,315	
18		Deductible Interest	10,023	from row 53
19		Other Permanent Differences - Non Taxable		
20		Other Temporary Adjustments - Prior Period	537	
21			42,129	
22				
23		Regulatory taxable income for Year	9,829	
24				
25	less	Tax Losses Available at Start of Year		
26		Net taxable income	9,829	
27				
28		Statutory Tax Rate	30%	
29		Regulatory Tax Allowance	2,949	to FS1

Notes to Regulatory Tax Allowance Calculation

36	FS3a: Description of adjustments classified as "other"	
37		
38	The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory	
39	notes can be provided in a separate note if necessary).	
40		
41	Entertainment expenditure and Consulting fees not deductible	
42		
43		
44		
45		
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47		
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	8.18% %
53		
54	Deductible Interest	10,023 \$000 to row 18
55		
56	Interest Tax Shield Adjustment	3,007 \$000 to MP2

ref	Electricity Distribution Business:				WEL NETWORKS
5	For Year Ended:				2009
6	Year of most recent ODV				2004
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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
61	CPI at CPI reference date	953	985	1010	1044	1075
62	Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%
63						
64	System Fixed Assets: Regulatory Value at End of Previous Year	189,495	202,162	224,523	250,253	278,980
65	Indexed Revaluation of System Fixed Assets	5,105	6,788	5,699	8,424	8,284

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

Electricity Distribution Business:

WEL NETWORKS

For Year Ended:

2009

ref

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

ref	Electricity Distribution Business: WEL NETWORKS	
5	For Year Ended: 2009	
6	System Fixed Assets - Replacement Cost	
7		(\$000)
8	Replacement cost at end of previous year	474,152
9		
10	Asset Additions	26,791 AV3a
11	Indexed Revaluation (of System Fixed Assets)	14,079
12	less Replacement Cost of Assets Decommissioned	5,692
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	(973) from AV4
14	Net Increase (Decrease) Due to Changes in Asset Register Information	
15	Replacement cost of System Fixed Assets at year end	508,358
16		
17	System Fixed Assets - Depreciated Replacement Cost	
18		
19	Depreciated Replacement Cost at end of previous year	277,930
20		
21	Asset Additions	26,791 AV3a
22	Indexed Revaluation (of System Fixed Assets)	8,253
23	less Depreciation of Replacement Cost	9,107
24	less Depreciated Replacement Cost of Assets Decommissioned	2,797
25	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	(979) from AV4
26	Net Increase (Decrease) Due to Changes in Asset Register Information	
27	Depreciated replacement cost of System Fixed Assets at year end	300,091
28		

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	26,791 from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	
40		
41	Asset Additions - Replacement Cost	26,791
42		

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

 Electricity Distribution Business: **WEL NETWORKS LIMITED**

 Disclosure required? (YES or NIL DISCLOSURE): **YES - ASSETS SOLD**

 As at (date): **31/08/2008**

 Proportion of year following transfer of assets: **58%**
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	659		
Indexed Revaluation (of System Fixed Assets)	20		
less Regulatory Depreciation (of System Fixed Assets)	13		
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	666	-	666
Acquisition of Assets from Another EDB	-	-	to AV1
Sale of Assets to Another EDB	666	-	to AV1
RAB Value of Transferred Assets at Transfer Date	666		
"p" factor (proportion of year following transfer of assets)	58%		
Adjustment for merger, acquisition or sale to another EDB		(387)	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	659	(659)	to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC	666	(666)	to AV3

Signed by: Selling Entity

WEL Networks Limited

Acquiring Entity

Powerco Limited

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

Electricity Distribution Business:

WEL NETWORKS LIMITED

ref

Disclosure required? (YES or NIL DISCLOSURE):

YES - ASSETS SOLD

As at (date): 31/03/2009

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	313		
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	313		313
Acquisition of Assets from Another EDB	-	-	to AV1
Sale of Assets to Another EDB	313	-	to AV1
RAB Value of Transferred Assets at Transfer Date	313		
"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	313	(313)	to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC	313	(313)	

Signed by: Selling Entity

WEL Networks Limited

Acquiring Entity

Powerco Limited

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:		WEL NETWORKS LIMITED	
6			For Year Ended:	2009
7	Network Name:	WEL Networks		(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	186	143	329
15	SWER (all SWER voltages)			-
16	22kV (other than SWER)			-
17	6.6kV to 11kV (inclusive - other than SWER)	2,034	579	2,613
18	Low Voltage (< 1kV)	1,148	1,078	2,226
19	Total circuit length (for Supply)	3,369	1,799	5,168
20				
21	Dedicated Street Lighting Circuit Length	259	938	1,196
22				
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)	
24	Urban (only)	572	17%	
25	Rural (only)	2,639	78%	
26	Remote (only)	-	0%	
27	Rugged (only)		0%	
28	Rural & rugged (only)	158	5%	
29	Remote & rugged (only)	-	0%	
30	Unallocated overhead lines	-	0%	
31	Total overhead length	3,369	100%	
32				
33				
34	Transformer capacity (at year end)			Previous Year
35	Distribution Transformer Capacity (EDB Owned)	660	MVA	621
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	20	MVA	20
37	Total Distribution Transformer Capacity	680	MVA (to MP2)	641
38				
39	Zone Substation Transformer Capacity	530	MVA	469
40				
41	System Fixed Assets age (at year end)			
42	Average Age of System Fixed Assets	24	Years	
43	Average Expected Total Life of System Fixed Assets	53	Years	
44	Average Age as a Proportion of Average Expected Total Life	45%	%	
45				
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	20%	%	
47				
48				
49				
50				
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
52				
53	GXP Demand	195	253	
54	plus Embedded Generation Output at HV and Above	19		
55	Maximum System Demand	214		
56	less Net Transfers to (from) Other EDBs at HV and Above	-		
57	Demand on system for supply to customers' Connection Points	214		
58	less Subtransmission Customers' Connection Point Demand	0	0	
59	Maximum Distribution Transformer Demand	214		
60				
61	GXP Demand not Supplied at Subtransmission Level	-		
62	Embedded Generation Output - Connected to Subtransmission System	18	47	
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
64				
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	19		
66				
67	Five-Year System Maximum Demand Growth Forecast	2.0	% p.a.	
68				
69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	956		
71	less Electricity Exports to GXPs	11		
72	plus Electricity Supplied from Embedded Generators	263		
73	less Net Electricity Supplied to (from) Other EDBs	-		
74	Electricity entering system for supply to customers' Connection Points	1,208		
75	less Electricity Supplied to Customers' Connection Points	1,153		
76	Electricity Losses (loss ratio)	55	4.6%	%
77				
78	Electricity Supplied to Customers' Connection Points	1,153		
79	less Electricity Supplied to Largest 5 Connection Points	78		
80	Electricity supplied other than to Largest 5 Connection Points	1,074	93%	%
81				
82	Load Factor	64%	%	
83				
84	Number of Connection Points (at year end)	83,715	ICPs	
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	41	kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	223	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	16	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	13,767	kWh/ICP	

REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business: WEL NETWORKS LIMITED				
	For Year Ended: 2009				
5					
6	Performance comparators				
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REPORT MP3: PRICE & QUALITY MEASURES
(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **WEL NETWORKS**
For Year Ended: **2009**

Network Name: **WEL Networks**
Disclosure: **Annual Disclosure - Requirement 6(1)**

QUALITY

Interruptions

Interruptions by class

Class A		planned interruptions by Transpower:
Class B	55	planned interruptions on the network
Class C	285	unplanned interruptions on the network
Class D	4	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
Total	344	Total of above

Interruption targets for Forecast Year

Class B	2010	Current Financial Year +1
Class C	130	planned interruptions on the network
	338	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

Class B	2010-2014	Current Financial Year +1 to +5
Class C	50	planned interruptions on the network
	335	unplanned interruptions on the network

Class C interruptions restored within

	≤3Hrs	>3hrs
	237	48

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	9.69	in year	2009
The total number of faults forecast for the Forecast Year	11.45	in year	2010
The average annual number of faults forecast for the 5 Forecast Years	11.12	average over years	2010-2014

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	No	No	Yes	No	No
Current Financial Year	10.33			4.56		
Forecast Year	12.66			1.83		
Average annual for 5 Forecast Years	12.26			1.83		

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	3.11			-		
Overhead	12.39			8.05		

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	88.74	1.68	52.72

Reliability by interruption class

Class B	SAIDI	SAIFI	CAIDI
Class C	2.44	0.02	130.35
	81.72	1.62	50.38

Targets for Forecast Year

Class B	SAIDI	SAIFI	CAIDI
Class C	13.00	0.10	130.00
	77.00	1.54	49.94

Average targets for 5 Forecast Years

Class B	SAIDI	SAIFI	CAIDI
Class C	5.00	0.04	130.00
	70.20	1.39	50.55

PRICES

Price information by Connection Point Class

	Connection Point Class				
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total
Gross line charge income (\$000)	54,813	1,356	15,669	2,580	74,418
Electricity Supplied to Customers' Connection Points (MWh)	714,638	22,892	336,560	78,451	1,152,542
Number of Connection Points (ICPs) at year end	83,159	153	398	5	83,715
Unit Price (cents/kWh)	7.7	5.9	4.7	3.3	6.5
Relative Unit Price Index	1.00	0.77	0.61	0.43	0.84

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	25 kVA
95	Breakpoint between large and medium classes	69 kVA
96		

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

ref	Electricity Distribution Business: WEL NETWORKS					
5	For Year Ended 2009					
6	((\$000))					
7	A) Five year forecasts of expenditure					
8	<i>From most recent Asset Management Plan</i>					
9		Forecast Years				
10		Actual for	year 1	year 2	year 3	year 4
11		Financial Year				year 5
12		for year ended	2009	2010	2011	2012
13	Capital Expenditure: Customer Connection	-	2,851	3,132	3,390	3,508
14	Capital Expenditure: System Growth	-	13,991	12,675	9,862	8,411
15	Capital Expenditure: Reliability, Safety and Environment	-	2,283	448	448	448
16	Capital Expenditure: Asset Replacement and Renewal	-	5,256	5,846	7,583	9,773
17	Capital Expenditure: Asset Relocations	-	3,150	3,150	3,150	3,150
18	Subtotal - Capital Expenditure on asset management	32,174	27,531	25,251	24,434	25,290
19						
20	Operational Expenditure: Routine and Preventative Maintenance	-	2,557	2,412	2,367	2,184
21	Operational Expenditure: Refurbishment and Renewal Maintenance	-	1,295	1,293	1,290	1,288
22	Operational Expenditure: Fault and Emergency Maintenance	-	1,885	1,878	1,878	1,840
23	Subtotal - Operational Expenditure on asset management	5,393	5,737	5,583	5,536	5,313
24						
25	Total direct expenditure on distribution network	37,568	33,268	30,834	29,970	30,603
26						
27	Overhead to Underground Conversion Expenditure	41	1,200	1,200	1,200	1,200
28						
29	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).					
30	Overhead to underground conversion expenditure is included in Asset Relocations for each of the forecasted year.					
31						
32	B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure					
33		Actual for	Previous	forecast for	% Variance	
34		Current	Current	Current	(a)/(b)-1	
35		Financial	Financial	Financial		
36		Year	Year	Year		
37		(a)	(b)	(b)		
38	Capital Expenditure: Customer Connection	-			Not defined	from row 10
39	Capital Expenditure: System Growth	-			Not defined	from row 11
40	Capital Expenditure: Asset Replacement and Renewal	-			Not defined	from row 12
41	Capital Expenditure: Reliability, Safety and Environment	-			Not defined	from row 13
42	Capital Expenditure: Asset Relocations	-			Not defined	from row 14
43	Subtotal - Capital Expenditure on asset management	32,174	29,519	29,519	9.0%	
44						
45	Operational Expenditure: Routine and Preventative Maintenance	-			Not defined	from row 17
46	Operational Expenditure: Refurbishment and Renewal Maintenance	-			Not defined	from row 18
47	Operational Expenditure: Fault and Emergency Maintenance	-			Not defined	from row 19
48	Subtotal - Operational Expenditure on asset management	5,393	5,460	5,460	-1.2%	
49						
50	Total direct expenditure on distribution network	37,568	34,979	34,979	7.4%	
51						
52	Explanation of variances					
53	Distribution Business must provide a brief explanation for any line item variance of more than 10%					
54	Explanatory notes (can be provided in a separate note if necessary):					
55						
56						
57						
58						
59						
60						
61						
62						
63						

TRANSITIONAL PROVISIONS PART 4 14 (7)

Electricity Distribution Business: **WEL Networks**

For Year Ending:

2005	2006	2007	2008	2009
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Direct Line cost per Kilometre

\$1,054	\$1,362	\$1,689	\$ 1,842	\$ 1,921
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Indirect line costs per Electricity Customer

\$65.31	\$57.22	\$60.47	\$ 67.81	\$ 73.71
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PART 4 14 (8)

Disclosure for 'System length', 'Transformer capacity' and 'Total consumers' is included in schedule MP1 - Network Information above.

FS1b: Related Party Expenditure Note

WEL Networks has a business unit, Field Services, who provides maintenance and routine capital expenditure. Under the disclosure rules this business unit is treated as 'other business' and charges the 'lines business'.

Services provided were in the following categories and at total prices.	\$000
Capital Expenditure: Customer Connection	4,237
Capital Expenditure: System Growth	11,165
Capital Expenditure: Reliability, Safety and Environment	579
Capital Expenditure: Asset Replacement and Renewal	4,626
Capital Expenditure: Asset Relocations	3,172
Maintenance	6,115
Total related party expenditure	<u>29,894</u>

Services were provided throughout the financial year.

There are no outstanding trade balances owing at year end. There were also no debts arising from related party transactions that have been written off or forgiven during the year.

No transactions were undertaken at a nil or nominal value.