



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

For the Assessment Period: 1 April 2010 - 31 March 2011

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2 Introduction

These Information Disclosure documents are submitted by Eastland Network Ltd pursuant to subpart 3 of Part 4A the Commerce Act 1986 in accordance with

- The Electricity Information Disclosure Requirements issued 31 March 2004, consolidating all amendments to 31 October 2008,
- The Electricity Distribution (Information Disclosure) Requirements 2008,
- The Electricity Information Disclosure Handbook (as amended 31 October 2008), and
- The Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Lines Businesses (30 August 2004)

Part 4A of the Commerce Act 1986 provides for a regulatory regime for electricity lines businesses, which inter alia sets out provisions for an information disclosure regime in order to allow for public monitoring of lines business operations and behavior. The purpose of the information disclosure regime is to promote the efficient operation of markets directly related to electricity distribution and transmission services. This is to be achieved by ensuring that lines companies provide timely and reliable information about their business activities and make that information publicly accessible for interested parties.

3 Structure of Eastland Network Ltd

For the purpose of regulatory compliance, Eastland Network Ltd is a "Distribution business" and must accordingly comply with the regulatory requirements. Clause 6(1)(c) of the Electricity Distribution (Information Disclosure) Requirements 2008, requires Distribution businesses to submit separate MP1 and MP3 reports in relation to their consumer-controlled parts of the network and their non-consumer controlled parts of the network

This requirement applies to Eastland Network Ltd because Eastland Network Ltd is Consumer-controlled by virtue of its ownership by the Eastland Community Trust and that approximately 81% of Eastland Network's consumers (by ICP connection) are "Controlling consumers" (being the beneficiaries of the Eastland Community Trust). Therefore the additional requirements are triggered in respect of Eastland Network's Distribution business.

4 Schedules

4.1 Financial Statements

4.1.1 FS1 - Regulatory Profit Statement

REPORT FS1: REGULATORY PROFIT STATEMENT		Electricity Distribution Business:	Eastland Network
ref		For Year Ended	2011
5			
6	Income		
7			(\$000)
8	Net Line Charge Revenue Received	29,453	
9	plus Discretionary Discounts and Customer Rebates	-	FS1a
10	Gross Line Charge Income		29,453
11			
12			
13	Capital Contributions		
14	plus Net Value of Vested Assets	1,234	
15	Total Capital Contributions and Vested Assets		1,234
16			
17	AC Loss Rental Rebates Received	997	
18	less AC Loss Rental Rebates Passed On	942	
19	Net AC loss rental income (deficit)		55
20			
21			
22	Other Income	281	
23			281
24			
25	Total regulatory income		31,023
26			
27			
28	Expenses		
29			
30	Transmission Charges - Payments to Transpower	6,734	
31	plus Avoided Transmission Charges - payments to parties other than Transpower	2,438	
32	Total Transmission Costs		9,172
33			
34	Operational Expenditure:		
35	General Management, Administration and Overheads	2,189	
36	System Management and Operations	1,242	
37	Routine and Preventative Maintenance	1,019	to AM1
38	Refurbishment and Renewal Maintenance	143	to AM1
39	Fault and Emergency Maintenance	937	to AM1
40	Pass-through Costs	136	
41	Other	158	
42	Total Operational Expenditure		5,824 to MP2
43			
44			
45	Operational earnings		16,027
46			
47			
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	4,540	from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	314	from AV1
50	Total Regulatory Depreciation		4,854 to FS3
51			
52			
53	Earnings before interest and tax (EBIT)		11,173 to FS3
54			
55	less Regulatory Tax Allowance		1,905 from FS3
56			
57	plus Indexed Revaluation (of System Fixed Assets)		5,011 from AV1
58	plus Revaluations of Non-System Fixed Assets		- from AV1
59			
60	Regulatory profit / loss (pre-financing and distributions)		14,279 to MP2

REPORT FS1: REGULATORY PROFIT STATEMENT (cont)

Notes to Regulatory Profit Statement

69	FS1a: Discretionary Discounts: Customer Rebates and other line charge adjustments		(\$000)
70	Customer Rebates		
71	Line Charge Holidays and other Discretionary Discounts		
72	Total Discretionary Discounts and Customer Rebates		-

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges	2,438	
77	Operational Expenditure	748	
78	Subvention Payment		
79	Other related party expenditure	(16)	
80	Total Related Party Expenditure		3,170
81			
82			
83	<i>N.B.: The additional Related Party information that is required to be disclosed in accordance with Section 3 of the Information Disclosure Handbook is to be disclosed by way of a separate note to this Schedule and forms part of this Schedule.</i>		
84			

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

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

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

FS1b – Related Party Expenditure

Eastland Generation Limited

Eastland Generation Limited (Eastland Generation) is a company within the Eastland Group, and is a related party of Eastland Network Limited (Eastland Network).

At 01 April 2010, Eastland Network transferred a 5MW hydro station at Waihi, and six 1MW diesel generators and one 0.5MW diesel generator to Eastland Generation. These assets were transferred via Eastland Infrastructure Limited (now named Gisborne Airport Limited) at their net book value on 01 April 2010 of \$10,365k.

Eastland Network continues to maintain the hydro station and the diesel generators; which the maintenance costs are then on charged to Eastland Generation with a 10% premium attached.

During the year ended 31 March 2011, Eastland Network expensed \$165k of maintenance charges relating to Eastland Generation. Subsequently, Eastland Network on charged \$181k to Eastland Generation for these expenses incurred which resulted in a profit of \$16k.

During the year ended 31 March 2011, Eastland Generation provided avoided transmission services of \$2,438k to Eastland Network. Historically these have not been a related party charge, as Eastland Network previously owned the embedded generation plant.

As at 31 March 2011, there were outstanding balances payable between Eastland Generation and Eastland Network.

Eastech Limited

Eastech Limited (Eastech) is a company within the Eastland Group, and is a related party of Eastland Network. Eastech provides contract services to maintain, develop and service the network.

During the year ended 31 March 2011, Eastech provided maintenance services to Eastland Network to the value of \$748k, and capital works to the value of \$1,371k.

The capital works was spent in following regulatory fixed asset categories:

Subtransmission	\$9k
Distribution & LV Lines	\$1,228k
Distribution & LV Cables	\$51k
Distribution Substations & Transformer	\$27k
Distribution Switchgear	\$56k

During the year ended 31 March 2011, Eastland Network provided customer connection sales to Eastech of \$22k.

Eastech operates its workshop in a building owned by Eastland Network. During the year 31 March 2011, Eastech paid rent to Eastland Network of \$35k. This is not included in the regulatory profit statement.

As at 31 March 2011, Eastech had an outstanding balance of \$2k payable to Eastland Network.

Eastland Infrastructure Limited (now named Gisborne Airport Limited)

On 1 April 2010, Eastland Group undertook a structural registration of the companies within the Group. Up to 31 March 2011, Eastland Infrastructure was the management company within the Group and employed all staff. It also holds leases with the Gisborne District Council for the management of operation of Gisborne Airport. On 28th of February 2011, Eastland Infrastructure Limited was renamed Gisborne Airport Limited, and on the 1st of April 2011, all staff contracts were transferred to Eastland Group Limited.

Eastland Infrastructure Limited (Eastland Infrastructure) provides corporate services to Eastland Network and rents it's office space from Eastland Network.

During the year ended 31 March 2011, Eastland Infrastructure paid \$80k of rent to Eastland Network; and Eastland Network paid \$2,338k of management services fees to Eastland Infrastructure. These are not included in the regulatory profit statement.

As at 31 March 2011, Eastland Infrastructure had an outstanding balance of \$7,542k payable to Eastland Network, and includes the amount payable for the generation assets transferred to Eastland Generation. The outstanding balance is not regulatory related.

4.1.2 FS2 - Regulatory Asset & Financing Statement

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT			
ref	Electricity Distribution Business:	Eastland Network Limited	
5		For Year Ended	2011
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection	78	to AM1
9	System Growth	643	to AM1
10	Reliability, Safety and Environment	84	to AM1
11	Asset Replacement and Renewal	3,801	to AM1
12	Asset Relocations	-	to AM1
13	Total Capital Expenditure on System Fixed Assets	4,606	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	512	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	1,613	
21	plus Total Capital Expenditure on System Fixed Assets	4,606	
22	less Assets Commissioned in Year	5,122	from AV1
23	Works under construction at year end	1,097	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	112,186	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	3,025	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	2,749	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	117,959	
31			
32	plus System Fixed Assets Commissioned in Year	5,122	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	512	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	5,634	
36	Regulatory Asset Base investment in Current Financial Year - average	2,817	
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	120,776	to MP2

4.1.3 FS3 - Regulatory Tax Allowance Calculation

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref	Electricity Distribution Business:	Eastland Network	
5		For Year Ended	2011
6			
7			((\$000))
8	Earnings before interest and tax (EBIT)	11,173	from FS1
9			
10	<i>add</i> Total Regulatory Depreciation	4,854	from FS1
11	Other Permanent Differences - not deductible	3	
12	Other Temporary Adjustments - Current Period	(504)	
13		4,353	
14			
15	<i>less</i> Non Taxable Capital Contributions and Vested Assets		
16	Tax Depreciation	5,816	
17	Deductible Discretionary Discounts and Customer Rebates		
18	Deductible Interest	3,184	from row 53
19	Other Permanent Differences - Non Taxable		
20	Other Temporary Adjustments - Prior Period	177	
21		9,177	
22			
23		6,349	
24			
25	<i>less</i> Tax Losses Available at Start of Year		
26	Net taxable income	6,349	
27			
28	Statutory Tax Rate	30%	
29	Regulatory Tax Allowance	1,905	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 Other Permanent Differences - Not-Deductible: This is made up of \$9k of 2010 statutory fines that were not included in the 2010 tax calc, less \$6k of non-
42 deductible legal expenses over-provided for in 2010. There are no non-deductible expenses this year.

43 Other Temporary Adjustments - Current Period: This is made up of the 2011 provisions for employee leave of \$151k, the staff bonuses of \$90k, and
44 termination gratuities of \$80k, less \$119k of the 2010 overprovision for these employee provisions in the 2010 tax calc; plus (\$706k) temporary difference
45 on capital contributions.

Other Temporary Adjustments - Prior Period: This is made up of the 2010 provisions for employee leave of \$147k, and the termination gratuities of \$30k.

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	6.59%	%
53			
54	Deductible Interest	3,184	\$000 to row 18
55			
56	Interest Tax Shield Adjustment	955	\$000 to MP2

4.2 Asset Valuation

4.2.1 AV1 - Annual Regulatory Valuation Roll-Forward Report

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT																															
Electricity Distribution Business:							Eastland Network Limited																								
For Year Ended:							2011																								
Year of most recent ODV							2004																								
(\$000)																															
<table border="1"> <thead> <tr> <th>ODV Year</th> <th>ODV Year</th> <th>ODV Year</th> <th>ODV Year</th> <th>ODV Year</th> <th>ODV Year</th> <th>ODV Year</th> <th>ODV Year</th> </tr> <tr> <th>+ 1</th> <th>+ 2</th> <th>+ 3</th> <th>+ 4</th> <th>+ 5</th> <th>+ 6</th> <th>+ 7</th> <th></th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>2006</td> <td>2007</td> <td>2008</td> <td>2009</td> <td>2010</td> <td>2011</td> <td></td> </tr> </tbody> </table>								ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	+ 1	+ 2	+ 3	+ 4	+ 5	+ 6	+ 7		2005	2006	2007	2008	2009	2010	2011	
ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year	ODV Year																								
+ 1	+ 2	+ 3	+ 4	+ 5	+ 6	+ 7																									
2005	2006	2007	2008	2009	2010	2011																									
For Year Ending:																															
System Fixed Assets																															
Regulatory Value at End of Previous Year*																															
	86,184	90,568	97,606	101,081	103,074	109,261	112,186 to FS2																								
<i>plus</i>																															
Assets Commissioned	5,763	8,199	4,998	1,815	5,898	4,747	5,122 to FS2																								
Gross Value of Vested Assets				678	1,158	136	1,234 to FS1																								
Assets Acquired from (Sold to) a Non-EDB							to FS2																								
Asset Additions	5,763	8,199	4,998	2,493	7,056	4,883	6,356																								
<i>plus</i>																															
Indexed Revaluation	2,322	3,041	2,477	3,403	3,061	2,236	5,011 to FS1																								
<i>less</i>																															
Depreciation of System Fixed Assets	3,365	3,515	3,634	3,773	3,915	3,955	4,136																								
Regulatory Value of Assets Decommissioned	336	687	366	130	15	239	404																								
Regulatory Depreciation (incl. value of assets decommissioned)	3,701	4,202	4,000	3,903	3,930	4,194	4,540 to FS1																								
<i>plus (minus)</i>																															
Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	-	- from AV4																								
<i>less</i> Sale of System Fixed Assets to another EDB	-	-	-	-	-	-	- from AV4																								
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-	-	-	-																								
<i>plus (minus)</i>																															
Net Increase (Decrease) Due to Changes in Asset Register Information							(1,608)																								
Regulatory Value of System Fixed Assets at Year End	90,568	97,606	101,081	103,074	109,261	112,186	117,405																								
Non-System Fixed Assets																															
Regulatory value at end of previous year																															
	2,835	2,698	2,670	2,564	2,424	2,579	3,025																								
<i>plus</i> Asset Additions																															
	151	359	229	19	355	329	512 to FS2																								
<i>plus</i> Revaluations																															
	30	(32)	-	107	-	303	- to FS1																								
<i>less</i> Depreciation (incl. value of assets decommissioned)																															
	318	355	335	266	200	186	314 to FS1																								
<i>plus</i> Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB																															
	-	-	-	-	-	-	- from AV4																								
Regulatory Value of Non-System Fixed Assets at Year end	2,698	2,670	2,564	2,424	2,579	3,025	3,223																								
Total Regulatory Asset Base Value (excluding FDC)	93,266	100,276	103,645	105,498	111,840	115,211	120,628																								
* The commencing figure for completing this schedule is the most recent ODV value																															
Note: Additional columns to be added if required																															

Notes to Annual Regulatory Valuation Roll-forward Report

AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets							
CPI as at date of ODV <input type="text" value="928"/>							
For Year Ended							
	2005	2006	2007	2008	2009	2010	2011
CPI at CPI reference date	953	985	1010	1044	1075	1097	1146
Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%	2.05%	4.47%
System Fixed Assets: Regulatory Value at End of Previous Year	86,184	90,568	97,606	101,081	103,074	109,261	112,186
Indexed Revaluation of System Fixed Assets	2,322	3,041	2,477	3,403	3,061	2,236	5,011 to FS1, AV1

AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB							
For Year Ended							
	2005	2006	2007	2008	2009	2010	2011
Acquisition of System Fixed Assets from another EDB							
Sale of System Fixed Assets to another EDB							
Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB							

4.2.2 AV2 Regulatory Valuation Disclosure by Asset Class

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

Electricity Distribution Business: **Eastland Network**
For Year Ended: **2011**

ref	Subtotals by Asset Class (for System Fixed Assets)							(\$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 (per AV1)		
11	System Fixed Assets									
12										
13	Regulatory Value of System Fixed Assets (as per most recent ODV)	7,245	7,441	33,058	14,667	13,124	7,747	2,902	86,184	from AV1
14	Cumulative roll-forward since most recent ODV:									
15	Asset Additions								39,748	from AV1
16	Indexed Revaluation (of System Fixed Assets)								21,551	from AV1
17	less Regulatory Depreciation (of System Fixed Assets)								28,470	from AV1
18	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-	from AV1
19	Net Increase (Decrease) Due to Changes in Asset Register Information								(1,608)	from AV1
20	Regulatory Value of System Fixed Assets at Year End								117,405	from AV1

4.2.3 AV3 - System Fixed Assets Replacement Cost Roll-Forward Report

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

ref	Electricity Distribution Business:	Eastland Network	
5		For Year Ended:	2011
6	System Fixed Assets - Replacement Cost		
7			((\$000))
8	Replacement cost at end of previous year	250,060	
9			
10	Asset Additions	6,356	AV3a
11	Indexed Revaluation (of System Fixed Assets)	11,169	
12	less Replacement Cost of Assets Decommissioned	2,194	
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	(5,768)	
15	Replacement cost of System Fixed Assets at year end	259,623	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	112,186	
21			
22	Asset Additions	6,356	AV3a
23	Indexed Revaluation (of System Fixed Assets)	5,011	
24	less Depreciation of Replacement Cost	4,136	
25	less Depreciated Replacement Cost of Assets Decommissioned	404	
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	(1,608)	
28	Depreciated replacement cost of System Fixed Assets at year end	117,405	

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	6,356	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	Asset Additions - Replacement Cost	6,356	
42			

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

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

Electricity Distribution Business:

6 **Disclosure required? (YES or NIL DISCLOSURE):**

7

8

9 As at (date):

10 Proportion of year following transfer of assets:

11

12 **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
13 Replacement Cost (RC)								-
14								
15 less Depreciation								-
16 Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
17								
18 less Optimisation adjustment								-
19 Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
20								
21 less Economic Value Adjustment (EVA)								-
22 Most recent ODV value	-	-	-	-	-	-	-	-
23								
24								

25

26 **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)
27			
28 Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
29			
30 Cumulative roll-forward since most recent ODV:			
31 Asset Additions			
32 Indexed Revaluation (of System Fixed Assets)			
33 less Regulatory Depreciation (of System Fixed Assets)			
34 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
35 Net Increase (Decrease) due to Changes in Asset Register Information			
36 RAB Value of Transferred Assets at Transfer Date	-		-
37			
38 Acquisition of Assets from Another EDB	-	-	to AV1
39 Sale of Assets to Another EDB	-	-	to AV1
40			
41			
42 RAB Value of Transferred Assets at Transfer Date	-		
43 "p" factor (proportion of year following transfer of assets)	0%		
44 Adjustment for merger, acquisition or sale to another EDB		-	to FS2
45			
46			

47 **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	
48			
49 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
50 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	to AV3
51			

52

53 Signed by: Selling Entity

54

55

56 Acquiring Entity

57

4.3 Network Performance

4.3.1 **MP1 - Network Information – Total Business**

REPORT MP1: NETWORK INFORMATION
(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Eastland Network Limited	
6		For Year Ended:	2011
7	Network Name:	Total Business (enter "Total Business" or name of network)	
8	Disclosure:	Annual Disclosure - Requirement 6(1)	
9	Circuit Length by Operating Line Voltage (at year end)		
10		Overhead (km)	Underground (km)
11			Total (km)
12	> 66kV	-	-
13	50kV & 66kV	300	1
14	33kV	34	0
15	SWER (all SWER voltages)	1	-
16	22kV (other than SWER)	-	-
17	6.6kV to 11kV (inclusive - other than SWER)	2,406	132
18	Low Voltage (< 1kV)	531	247
19	Total circuit length (for Supply)	3,273	381
20			3,654 to MP2
21	Dedicated Street Lighting Circuit Length	13	7
22			20
23	Overhead Circuit Length by Terrain (at year end)		
24		(km)	(%)
25	Urban (only)	195	6%
26	Rural (only)	1,728	53%
27	Remote (only)	383	12%
28	Rugged (only)	5	0%
29	Rural & rugged (only)	692	21%
30	Remote & rugged (only)	270	8%
31	Unallocated overhead lines	-	0%
32	Total overhead length	3,273	100%
33			
34	Transformer capacity (at year end)		
35	Distribution Transformer Capacity (EDB Owned)	211	MVA
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	31	MVA
37	Total Distribution Transformer Capacity	242	MVA (to MP2)
38			211 Previous Year
39	Zone Substation Transformer Capacity	157	MVA
40			28
41	System Fixed Assets age (at year end)		
42	Average Age of System Fixed Assets	28	Years
43	Average Expected Total Life of System Fixed Assets	50	Years
44	Average Age as a Proportion of Average Expected Total Life	55%	%
45			
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	33%	%
47			
48			
49			
50			
51	Electricity demand		
52		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)
53	GXP Demand	47	53
54	plus Embedded Generation Output at HV and Above	10	
55	Maximum System Demand	56	
56	less Net Transfers to (from) Other EDBs at HV and Above	-	
57	Demand on system for supply to customers' Connection Points	56	
58	less Subtransmission Customers' Connection Point Demand	-	
59	Maximum Distribution Transformer Demand	56	
60			to MP2
61	GXP Demand not Supplied at Subtransmission Level	6	
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)	3	
66			
67	Five-Year System Maximum Demand Growth Forecast	1.1	% p.a.
68			
69	Electricity volumes carried		
70		(GWh)	
71	Electricity Supplied from GXPs	282	
72	less Electricity Exports to GXPs	-	
73	plus Electricity Supplied from Embedded Generators	20	
74	less Net Electricity Supplied to (from) Other EDBs	-	
75	Electricity entering system for supply to customers' Connection Points	302	
76	less Electricity Supplied to Customers' Connection Points	282	
77	Electricity Losses (loss ratio)	20	6.6% %
78			to MP2
79	Electricity Supplied to Customers' Connection Points	282	
80	less Electricity Supplied to Largest 5 Connection Points	44	
81	Electricity supplied other than to Largest 5 Connection Points	238	84% %
82			
83	Load Factor	61%	%
84			
85	Number of Connection Points (at year end)	25,514	ICPs
86			to MP2
87	Intensity of service requirements		
88	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	15	kW/km
89	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	77	MWh/km
90	Connection Point Density (ICPs / Total circuit length)	7	ICP/km
91	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	11,055	kWh/ICP

4.3.2 MP1 - Network Information – Gisborne

REPORT MP1: NETWORK INFORMATION
(Separate report required for each Non-Contiguous Network)

ref		Electricity Distribution Business:	Eastland Network Limited	
6			For Year Ended:	2011
7	Network Name:	Gisborne		(enter "Total Business" or name of network)
9	Disclosure:	Annual Disclosure - Requirement 6(1)		
10	Circuit Length by Operating Line Voltage (at year end)	Overhead (km)	Underground (km)	Total (km)
12	> 66kV	-	-	-
13	50kV & 66kV	268	1	269
14	33kV	-	-	-
15	SWER (all SWER voltages)	-	-	-
16	22kV (other than SWER)	-	-	-
17	6.6kV to 11kV (inclusive - other than SWER)	1,722	115	1,837
18	Low Voltage (< 1kV)	395	200	595
19	Total circuit length (for Supply)	2,385	316	2,701
20				to MP2
21	Dedicated Street Lighting Circuit Length	12	7	19
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)	
24	Urban (only)	172	7%	
25	Rural (only)	1,364	57%	
26	Remote (only)	301	13%	
27	Rugged (only)	5	0%	
28	Rural & rugged (only)	432	18%	
29	Remote & rugged (only)	112	5%	
30	Unallocated overhead lines	-	0%	
31	Total overhead length	2,385	100%	
34	Transformer capacity (at year end)			Previous Year
35	Distribution Transformer Capacity (EDB Owned)	169	MVA	169
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	20	MVA	19
37	Total Distribution Transformer Capacity	189	MVA (to MP2)	188
38				
39	Zone Substation Transformer Capacity	154	MVA	155
41	System Fixed Assets age (at year end)			
42	Average Age of System Fixed Assets	27	Years	
43	Average Expected Total Life of System Fixed Assets	50	Years	
44	Average Age as a Proportion of Average Expected Total Life	54%	%	
45				
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	31%	%	
47				
48				
49				
50				
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
52				
53	GXP Demand	42	43	
54	plus Embedded Generation Output at HV and Above	5		
55	Maximum System Demand	47		
56	less Net Transfers to (from) Other EDBs at HV and Above	-		
57	Demand on system for supply to customers' Connection Points	47		
58	less Subtransmission Customers' Connection Point Demand	-	-	
59	Maximum Distribution Transformer Demand	47		to MP2
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)	3		
66				
67	Five-Year System Maximum Demand Growth Forecast	1.0	% p.a.	
68				
69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	244		
71	less Electricity Exports to GXPs	-		
72	plus Electricity Supplied from Embedded Generators	5		
73	less Net Electricity Supplied to (from) Other EDBs	-		
74	Electricity entering system for supply to customers' Connection Points	249		
75	less Electricity Supplied to Customers' Connection Points	233		to MP2
76	Electricity Losses (loss ratio)	16	6.4%	%
77				
78	Electricity Supplied to Customers' Connection Points	233		
79	less Electricity Supplied to Largest 5 Connection Points	37		
80	Electricity supplied other than to Largest 5 Connection Points	196	84%	%
81				
82	Load Factor	61%	%	
83				
84	Number of Connection Points (at year end)	20,660	ICPs	to MP2
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	17	kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	86	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	8	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	11,278	kWh/ICP	

4.3.3 MP1 - Network Information - Wairoa

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Eastland Network Limited		
6		For Year Ended:	2011	
7	Network Name:	Wairoa <small>(enter "Total Business" or name of network)</small>		
9	Disclosure:	Annual Disclosure - Requirement 6(1)		
11	Circuit Length by Operating Line Voltage (at year end)	Overhead (km)	Underground (km)	Total (km)
12	> 66kV	-	-	-
13	50kV & 66kV	32	-	32
14	33kV	34	-	34
15	SWER (all SWER voltages)	1	-	1
16	22kV (other than SWER)	-	-	-
17	6.6kV to 11kV (inclusive - other than SWER)	683	18	701
18	Low Voltage (< 1kV)	136	48	184
19	Total circuit length (for Supply)	887	65	953
20				<i>to MP2</i>
21	Dedicated Street Lighting Circuit Length	0	0	0
22				
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)	
24	Urban (only)	23	3%	
25	Rural (only)	364	41%	
26	Remote (only)	82	9%	
27	Rugged (only)	-	0%	
28	Rural & rugged (only)	260	29%	
29	Remote & rugged (only)	158	18%	
30	Unallocated overhead lines	-	0%	
31	Total overhead length	887	100%	
32				
33				
34	Transformer capacity (at year end)			Previous Year
35	Distribution Transformer Capacity (EDB Owned)	42	MVA	42
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	11	MVA	9
37	Total Distribution Transformer Capacity	54	MVA (to MP2)	51
38				
39	Zone Substation Transformer Capacity	3	MVA	3
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	50	Years	
44	Average Age as a Proportion of Average Expected Total Life	60%	%	
45				
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	39%	%	
47				
48				
49				
50				
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
52				
53	GXP Demand	6	9	
54	<i>plus</i> Embedded Generation Output at HV and Above	5		
55	Maximum System Demand	10		
56	<i>less</i> Net Transfers to (from) Other EDBs at HV and Above	-		
57	Demand on system for supply to customers' Connection Points	10		
58	<i>less</i> Subtransmission Customers' Connection Point Demand	-		
59	Maximum Distribution Transformer Demand	10		<i>to MP2</i>
60				
61	GXP Demand not Supplied at Subtransmission Level	6		
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)	-		
66				
67	Five-Year System Maximum Demand Growth Forecast	0.1	% p.a.	
68				
69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	38		
71	<i>less</i> Electricity Exports to GXPs	-		
72	<i>plus</i> Electricity Supplied from Embedded Generators	15		
73	<i>less</i> Net Electricity Supplied to (from) Other EDBs	-		
74	Electricity entering system for supply to customers' Connection Points	53		
75	<i>less</i> Electricity Supplied to Customers' Connection Points	49		<i>to MP2</i>
76	Electricity Losses (loss ratio)	4	7.5% %	
77				
78	Electricity Supplied to Customers' Connection Points	49		
79	<i>less</i> Electricity Supplied to Largest 5 Connection Points	13		
80	Electricity supplied other than to Largest 5 Connection Points	36	73% %	
81				
82	Load Factor	58%	%	
83				
84	Number of Connection Points (at year end)	4,854	ICPs	<i>to MP2</i>
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	11	kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	51	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	5	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	10,095	kWh/ICP	

4.3.4 MP2 - Performance Measures

REPORT MP2: PERFORMANCE MEASURES		Electricity Distribution Business: Eastland Network Limited				
		For Year Ended: 2011				
Performance comparators		Previous Years:			Current Financial Year	
		Current Yr - 3	Current Yr - 2	Current Yr - 1		
9	Operational expenditure ratio					
10	Total Operational Expenditure	5	6	6	6 \$m from FS1	
11	Replacement Cost of System Fixed Assets (at year end*)	230	243	250	260 \$m from AV3	
12	Ratio (%)	2.17%	2.52%	2.34%	2.24%	
14	Capital expenditure ratio					
15	Total Capital Expenditure on System Fixed Assets	4	4	5	5 \$m from FS2	
16	Replacement Cost of System Fixed Assets (at year end*)	230	243	250	260 \$m from AV3	
17	Ratio (%)	1.74%	1.80%	1.87%	1.77%	
19	Capital expenditure growth ratio					
20	Capital Expenditure: Customer Connection and System Growth			1	1 \$m from FS2	
21	Change in Total Distribution Transformer Capacity		7	3	3 MVA from MP1	
22	\$/kVA	Not defined	-	215	229 \$/kVA	
24	Renewal expenditure ratio					
25	Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal			4	4 \$m from FS1 & 2	
26	Regulatory Depreciation of System Fixed Assets		4	4	5 \$m from AV1	
27	Ratio (%)	Not defined	0%	99%	87%	
29	Distribution Transformer Capacity Utilisation					
30	Maximum Distribution Transformer Demand	58	56	57	56 MW from MP1	
31	Total Distribution Transformer Capacity (at year end*)	229	236	239	242 kVA from MP1	
32	Ratio (%)	25.3%	23.7%	23.7%	23.3%	
34	Return on Investment					
35	Regulatory Profit / Loss (pre-financing and distributions)	11	11	10	14 \$m from FS1	
36	less Interest Tax Shield Adjustment	1	1	1	1 \$m from FS3	
37	Adjusted Regulatory Profit	10	10	10	13 \$m	
38	Regulatory Investment Value	107	111	117	121 \$m from FS2	
39	Ratio (%)	9.35%	9.01%	8.16%	11.03%	
40		* If a Merger or Asset Transfer with another EDB was entered into during the year, the denominators are calculated as time-weighted averages.				
42	Expenditure comparison table					
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)
47	Capital Expenditure (\$) per	1,401	18	90,738	201	24,211 from FS2 & MP1
48	Operational Expenditure (\$) per	1,594	21	103,255	228	27,551 from FS1 & MP1

Note:

1. Previous year information has been extracted from previous Information Disclosure FY 2009/10, i.e. data for the years 2005/06, 2006/07, 2007/08, and 2008/2009 have been calculated with the approach as defined in the Original Requirements. In previous years, no differentiation between "EDB-owned" and "Non-EDB-owned" transformer capacity was made.
2. Current Financial Year information for the line items called "Operational Expenditure Ratio", "Capital Expenditure Ratio", "Return on Investment", "Capital Expenditure Growth Ratio", and "Renewal Expenditure Growth Ratio" is automatically generated in the templates.

4.3.5 MP3 - Price and Quality Measures – Total Business

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

Electricity Distribution Business: **Eastland Network Limited**

For Year Ended: **2011**

Network Name: **Total Business**
Disclosure: **Annual Disclosure - Requirement 6(1)**

QUALITY

Interruptions

Interruptions by class

Class A	1	planned interruptions by Transpower
Class B	169	planned interruptions on the network
Class C	328	unplanned interruptions on the network
Class D	2	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	500	Total of above

Interruption targets for Forecast Year

	2012	Current Financial Year +1
Class B	180	planned interruptions on the network
Class C	280	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

	2012-2016	Current Financial Year +1 to +5
Class B	180	planned interruptions on the network
Class C	280	unplanned interruptions on the network

Class C interruptions restored within

	≤3Hrs	>3hrs
	195	133

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	11.41	in year	2011
The total number of faults forecast for the Forecast Year	11.27	in year	2012
The average annual number of faults forecast for the 5 Forecast Years	11.27	average over years	2012-2016

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER		22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
	Yes	No	Yes	Yes	Yes	No	
Is this voltage part of the EDB system?							
Current Financial Year	12.29		-	5.82	4.64		
Forecast Year	12.25		-	5.82	3.64		
Average annual for 5 Forecast Years	12.25		-	5.82	3.64		

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER		22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
	Underground	9.82		-	-	-	
Overhead	12.43		-	5.83	4.66		

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	340.80	3.52	96.82

Reliability by interruption class

	SAIDI	SAIFI	CAIDI
Class B	76.60	0.33	232.12
Class C	257.39	3.15	81.71

Targets for Forecast Year

	SAIDI	SAIFI	CAIDI
Class B	65.00	0.40	162.50
Class C	242.00	3.80	63.68

Average targets for 5 Forecast Years

	SAIDI	SAIFI	CAIDI
Class B	65.00	0.40	162.50
Class C	242.00	3.80	63.68

PRICES

Price information by Connection Point Class

	Connection Point Class				Total	
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points		
Gross line charge income (\$000)	23,259	2,258	2,329	1,607	29,453	from FS1
Electricity Supplied to Customers' Connection Points (MWh)	167,400	26,166	44,241	44,263	282,070	from MP1
Number of Connection Points (ICPs) at year end	25,065	336	108	5	25,514	from MP1
Unit Price (cents/kWh)	13.9	8.6	5.3	3.6	10.4	
Relative Unit Price Index	1.00	0.62	0.38	0.26	0.75	

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		

4.3.6 MP3 - Price and Quality Measures – Gisborne

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

Electricity Distribution Business: **Eastland Network Limited**

For Year Ended: **2011**

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

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower
Class B	156	planned interruptions on the network
Class C	256	unplanned interruptions on the network
Class D	-	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	412	Total of above

Interruption targets for Forecast Year

	2012	Current Financial Year +1
Class B	150	planned interruptions on the network
Class C	210	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

	2012-2016	Current Financial Year +1 to +5
Class B	150	planned interruptions on the network
Class C	210	unplanned interruptions on the network

Class C interruptions restored within

	≤3Hrs	>3hrs
	148	108

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	12.15	in year	2011
The total number of faults forecast for the Forecast Year	11.30	in year	2012
The average annual number of faults forecast for the 5 Forecast Years	11.30	average over years	2012-2016

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SW		22kV non-SW	SW	33kV	50kV & 66kV	>66kV
	Yes	No	No	No	No	Yes	No
Is this voltage part of the EDB system?							
Current Financial Year	13.23					4.82	
Forecast Year	12.41					3.71	
Average annual for 5 Forecast Years	12.41					3.71	

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SW		22kV non-SW	SW	33kV	50kV & 66kV	>66kV
	Underground	Overhead					
Underground	9.58					-	
Overhead	13.47					4.85	

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	320.26	3.49	91.77

Reliability by interruption class

Class B	SAIDI	SAIFI	CAIDI
Class C	233.05	3.13	74.46

Targets for Forecast Year

Class B	SAIDI	SAIFI	CAIDI
Class C	237.00	3.80	62.37

Average targets for 5 Forecast Years

Class B	SAIDI	SAIFI	CAIDI
Class C	237.00	3.80	62.37

PRICES

Price information by Connection Point Class

	Connection Point Class				Total
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	
Gross line charge income (\$000)	18,884	1,980	1,866	1,322	24,052
Electricity Supplied to Customers' Connection Points (MWh)	138,671	22,979	34,790	36,960	233,400
Number of Connection Points (ICPs) at year end	20,263	301	91	5	20,660
Unit Price (cents/kWh)	13.6	8.6	5.4	3.6	10.3
Relative Unit Price Index	1.00	0.63	0.39	0.26	0.76

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		

4.3.7 MP3 - Price and Quality Measures – Wairoa

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

Electricity Distribution Business: **Eastland Network Limited**

For Year Ended: **2011**

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

QUALITY

Interruptions

Interruptions by class

Class A	1	planned interruptions by Transpower
Class B	13	planned interruptions on the network
Class C	72	unplanned interruptions on the network
Class D	2	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	88	Total of above

Interruption targets for Forecast Year

	2012	Current Financial Year +1
Class B	30	planned interruptions on the network
Class C	70	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

	2012-2016	Current Financial Year +1 to +5
Class B	30	planned interruptions on the network
Class C	70	unplanned interruptions on the network

Class C interruptions restored within

	≤3Hrs	>3hrs
	47	25

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	9.37	in year	2011
The total number of faults forecast for the Forecast Year	11.19	in year	2012
The average annual number of faults forecast for the 5 Forecast Years	11.19	average over years	2012-2016

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SW		22kV non-SW		33kV		50kV & 66kV		>66kV	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Is this voltage part of the EDB system?										
Current Financial Year	9.83		-		5.82		3.09			
Forecast Year	11.83		-		5.82		3.09			
Average annual for 5 Forecast Years	11.83		-		5.82		3.09			

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SW		22kV non-SW		33kV		50kV & 66kV		>66kV	
	Underground	Overhead	Underground	Overhead	Underground	Overhead	Underground	Overhead	Underground	Overhead
Underground	11.38		-		-		-		-	
Overhead	9.79		-		5.83		3.09		-	

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	427.95	3.63	117.89

Reliability by interruption class

	SAIDI	SAIFI	CAIDI
Class B	31.62	0.20	158.10
Class C	360.65	3.20	112.70

Targets for Forecast Year

	SAIDI	SAIFI	CAIDI
Class B	60.00	0.50	120.00
Class C	400.00	4.60	86.96

Average targets for 5 Forecast Years

	SAIDI	SAIFI	CAIDI
Class B	60.00	0.50	120.00
Class C	400.00	4.60	86.96

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)	4,375	277	220	529	5,401
Electricity Supplied to Customers' Connection Points (MWh)	28,730	3,187	3,858	12,895	48,670
Number of Connection Points (ICPs) at year end	4,802	35	12	5	4,854
Unit Price (cents/kWh)	15.2	8.7	5.7	4.1	11.1
Relative Unit Price Index	1.00	0.57	0.37	0.27	0.73

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		

4.4 Asset Maintenance and Expenditure

4.4.1 AM1- Expenditure Forecasts and Reconciliation

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION						
ref		Electricity Distribution Business:	Eastland Network			
			For Year Ended 2011			
			(\$000)			
5	A) Five year forecasts of expenditure					
6	<i>From most recent Asset Management Plan</i>					
7			Forecast Years			
8		Actual for				
9		Current				
10		Financial Year	year 1	year 2	year 3	year 4
11			year 1	year 2	year 3	year 4
12			year 1	year 2	year 3	year 4
13			year 1	year 2	year 3	year 4
14			year 1	year 2	year 3	year 4
15			year 1	year 2	year 3	year 4
16			year 1	year 2	year 3	year 4
17			year 1	year 2	year 3	year 4
18			year 1	year 2	year 3	year 4
19			year 1	year 2	year 3	year 4
20			year 1	year 2	year 3	year 4
21			year 1	year 2	year 3	year 4
22			year 1	year 2	year 3	year 4
23			year 1	year 2	year 3	year 4
24			year 1	year 2	year 3	year 4
25			year 1	year 2	year 3	year 4
26			year 1	year 2	year 3	year 4
27			year 1	year 2	year 3	year 4
28			year 1	year 2	year 3	year 4
29			year 1	year 2	year 3	year 4
30			year 1	year 2	year 3	year 4
31			year 1	year 2	year 3	year 4
32			year 1	year 2	year 3	year 4
33			year 1	year 2	year 3	year 4
34			year 1	year 2	year 3	year 4
35			year 1	year 2	year 3	year 4
36			year 1	year 2	year 3	year 4
37			year 1	year 2	year 3	year 4
38			year 1	year 2	year 3	year 4
39			year 1	year 2	year 3	year 4
40			year 1	year 2	year 3	year 4
41			year 1	year 2	year 3	year 4
42			year 1	year 2	year 3	year 4
43			year 1	year 2	year 3	year 4
44			year 1	year 2	year 3	year 4
45			year 1	year 2	year 3	year 4
46			year 1	year 2	year 3	year 4
47			year 1	year 2	year 3	year 4
48			year 1	year 2	year 3	year 4
49			year 1	year 2	year 3	year 4
50			year 1	year 2	year 3	year 4
51			year 1	year 2	year 3	year 4
52			year 1	year 2	year 3	year 4
53			year 1	year 2	year 3	year 4
54			year 1	year 2	year 3	year 4
55			year 1	year 2	year 3	year 4
56			year 1	year 2	year 3	year 4
57			year 1	year 2	year 3	year 4
58			year 1	year 2	year 3	year 4
59			year 1	year 2	year 3	year 4
60			year 1	year 2	year 3	year 4
61			year 1	year 2	year 3	year 4
62			year 1	year 2	year 3	year 4
63			year 1	year 2	year 3	year 4

B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure						
	Actual for	Previous				
	Current	forecast for				
	Financial	Current				
	Year	Year	% Variance			
	(a)	(b)	(a)/(b)-1			
34	Capital Expenditure: Customer Connection	78	95	-17.9%		from row 10
35	Capital Expenditure: System Growth	643	1,079	-40.4%		from row 11
36	Capital Expenditure: Reliability, Safety and Environment	84	116	-27.6%		from row 12
37	Capital Expenditure: Asset Replacement and Renewal	3,801	4,198	-9.5%		from row 13
38	Capital Expenditure: Asset Relocations	-	53	-100.0%		from row 14
39	Subtotal - Capital Expenditure on asset management	4,606	5,541	-16.9%		
41	Operational Expenditure: Routine and Preventative Maintenance	1,019	1,537	-33.7%		from row 17
42	Operational Expenditure: Refurbishment and Renewal Maintenance	143	230	-37.8%		from row 18
43	Operational Expenditure: Fault and Emergency Maintenance	937	987	-5.1%		from row 19
44	Subtotal - Operational Expenditure on asset management	2,099	2,754	-23.8%		
46	Total direct expenditure on distribution network	6,705	8,295	-19.2%		

Explanation of variances	
<i>Distribution Business must provide a brief explanation for any line item variance of more than 10%</i>	
Explanatory notes (can be provided in a separate note if necessary):	<p>Capital Expenditure: Customer Connection: Less customer connections were required/requested from third parties than forecasted for, which resulted in underexpenditure against budgeted contingency.</p> <p>Capital Expenditure: System Growth: The Mahia sub transmission upgrade project (\$450k project cost) was deferred due to unresolved resource consent/easement issues.</p> <p>Capital Expenditure: Reliability, Safety & Environment: The actual cost of the completed projects were less than the budgeted costs provided for each project by approximately \$30k.</p> <p>Capital Expenditure: Asset Relocations: There were no territorial authority requirements for asset relocations, and as a result there is no expenditure against the budgeted contingency.</p> <p>Operational Expenditure: Routine & Preventative Maintenance: Due to resourcing shortfalls, resources were deployed on Fault & Emergency work, and non-operationally critical Routine & Preventative maintenance was deferred - the resources were deployed on higher priority fault work.</p> <p>Operational Expenditure: Refurbishment & Renewal Maintenance: Due to resourcing shortfalls, resources were deployed on Fault & Emergency work, and non-operationally critical Refurbishment & Renewal maintenance was deferred - the resources were deployed on higher priority fault work.</p>

5 Transitional Provisions

Requirement Part 4 14(7)

	2011	2010	2009	2008	2007
Direct line costs per kilometre	914	960	804	655	799
Direct expenditure	3,341,357	3,516,239	2,947,612	2,431,553	2,913,212
System length (km)	3,654	3,662	3,665	3,654	3,647
Indirect line costs per consumer	97	91	125	98	87
Indirect expenditure	2,483,823	2,323,159	3,169,596	2,475,527	2,182,406
Total consumers	25,514	25,432	25,300	25,196	24,962

6 Assumptions and Explanatory Notes

FS1 – 3

Eastland Network has applied the avoidable cost allocation methodology (ACAM) approach for the allocation of costs, assets and liabilities between the regulated business and other activities of Eastland Group; owner of Eastland Network. ACAM has been applied as described in the Electricity Information Disclosure Handbook 31 March 2004.

Eastland Network is treated as a separate regulated standalone business, within Eastland Group.

Costs, Assets, and Liabilities have been allocated on the following basis:

- Direct allocation of all financial statement items which are directly attributable to Eastland Network's operations as an electricity lines business.
- For any components of Eastland Group's financial statement items that are not directly attributable, but are deemed non-avoidable to the operations of Eastland Network; the components are allocated by:
 - Assessing the proportions of these items between avoidable and non-avoidable components; and
 - Allocating the non-avoidable components to Eastland Network's regulatory profit statement.

All remaining costs, assets and liabilities not allocated to Eastland Network are allocated to other businesses within the Eastland Group.

AV1 – 3

Eastland Network has decreased the regulatory value of system assets due to a change in asset register information by \$1,608k in the 2011 Information Disclosures (refer AV1). The Standard Replacement Cost effect of this change in asset register information was a reduction in the value by \$5,768k (refer AV3).

The adjustment was as a result of the discovery of a number of private assets that were found in the regulatory system fixed asset base.

AM1: Capital Expenditure by Category Class

Figures relating to the five year forecasts of capital expenditure have been obtained from the most recent Asset Management Plan (AMP), and then uplifted by a 5% overhead allocation which is allocated to all assets when capitalised, under Eastland Group policy.

The figures in the AMP do not factor this overhead allocation in. The effect of this allocation is as follows:

	2010/11		2011/12		2012/13		2013/14		2014/15		2015/16	
	AMP	Incl 5%	AMP	Incl 5%	AMP	Incl 5%	AMP	Incl 5%	AMP	Incl 5%	AMP	Incl 5%
Capital Expenditure												
Customer Connection	90,000	94,500	90,000	94,500	90,000	94,500	90,000	94,500	90,000	94,500	90,000	94,500
System Growth	1,028,000	1,079,400	1,278,000	1,341,900	1,078,000	1,131,900	978,000	1,026,900	1,213,000	1,273,650	1,468,000	1,541,400
Asset Replacement & Renewal	3,999,000	4,198,950	4,052,000	4,254,600	4,257,000	4,469,850	4,272,000	4,485,600	4,132,000	4,338,600	3,587,000	3,766,350
Reliability, Safety and Environment	110,000	115,500	160,000	168,000	100,000	105,000	155,000	162,750	90,000	94,500	415,000	435,750
Asset Relocations	50,000	52,500	50,000	52,500	50,000	52,500	50,000	52,500	50,000	52,500	50,000	52,500
	5,277,000	5,540,850	5,630,000	5,911,500	5,575,000	5,853,750	5,545,000	5,822,250	5,575,000	5,853,750	5,610,000	5,890,500
O/H to U/G Conversion Expenditure	150,000	157,500	150,000	157,500	150,000	157,500	150,000	157,500	150,000	157,500	150,000	157,500



INDEPENDENT ASSURANCE REPORT

TO THE READERS OF EASTLAND NETWORK LIMITED'S

REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 REGARDING EASTLAND NETWORK LIMITED'S COMPLIANCE WITH THE ELECTRICITY DISTRIBUTION (INFORMATION DISCLOSURE) REQUIREMENTS 2008

The Auditor-General is the auditor of Eastland Network Limited (the company). The Auditor-General has appointed me, Bruno Dente, using the staff and resources Deloitte, to provide an opinion, on her behalf, on the company's report for the financial year ended 31 March 2011 on pages 4 to 32 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 2011. 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 statement prepared pursuant to the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010 for the year ended 31 March 2011 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 2011 were unqualified opinions and were dated 29 June 2011.

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 judgments, 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 International Standards on Auditing, International Standards on Auditing (New Zealand) and 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 annual compliance statement audits has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements or the annual compliance statement of the company.

Our work in respect of amounts and disclosures that were not audited under the financial statement and the annual compliance statement 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 2011 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 the annual compliance statement 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 2011 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 2011 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 2011 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.



Bruno Dente
Deloitte
On behalf of the Auditor-General
Hamilton, New Zealand
27 July 2011

Matters relating to the electronic publication of the audited disclosure information

This audit report relates to the electronic publication of the disclosure information of Eastland Network Limited's Electricity Lines Business for the year ended 31 March 2011.

We have not been engaged to report on the integrity of any website on which the disclosure information has been published. We accept no responsibility for any changes that may have occurred to the disclosure information since it was initially approved and published.

This audit report refers only to the disclosure information 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 disclosure information and related audit report dated 27 July 2011 to confirm the information included in the disclosure information published on this website.

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

8 Director's Certificates

8.1 Certificate for Disclosed Information

We, Roger Neil Taylor and John McFayden Rae, directors of Eastland Network Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Eastland Network 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.



Roger Neil Taylor



John McFayden Rae

27 July 2011

8.2 Certificate for Valuation Report

We, Roger Neil Taylor and John McFayden Rae, directors of Eastland Network Limited certify that, having made all reasonable enquiry, to the best of our knowledge—

- a) the attached valuation report of Eastland Network Limited prepared for the purposes of requirement 14(3) of the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 complies with those Requirements; and
- b) the replacement cost of the line business system fixed assets of Eastland Network Limited is \$187,619,000; and
- c) the depreciated replacement cost of the line business system fixed assets of Eastland Network Limited is \$87,482,000 and
- d) the optimised depreciated replacement cost of the line business system fixed assets of Eastland Network Limited is \$86,184,000 and
- e) the optimised deprival valuation of the line business system fixed assets of Eastland Network Limited is \$86,184,000; and
- f) the values in paragraphs (b) through to (e) have been prepared in accordance with the ODV Handbook (as defined in the Electricity Information Disclosure Requirements 2004). These valuations are as at 31 March 2004.



Roger Neil Taylor



John McFayden Rae

27 July 2011