



Buller Electricity
Limited
Information Disclosure

31 March 2009

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BULLER ELECTRICITY LIMITED

INFORMATION DISCLOSURE

Information Disclosure Disclaimer

The information disclosed has been prepared in accordance with and for the specific use intended in the Electricity Act and information disclosure requirements. No responsibility will be accepted for any third party that may use or rely on this report or any part thereof without the express written permission of Buller Electricity Limited.

Except as allowed for by the Electricity Act 1992 and information disclosure requirements promulgated by the Act, neither the whole or any part of the information disclosed or any reference thereto may be included in any published document, circular or statement or published in any way without Buller Electricity's written approval of the form and context in which it may appear.

The information disclosed is for the line business as described in the Electricity Information Disclosure Requirements 2008. There are also additional activities of the company that are not required to be reported under the Requirements.



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Certificate for Disclosed Information

Pursuant to Requirement 11(1)

We, **Francis Thomas Dooley** and **Kevin Fredrick Poynter**, directors of Buller Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Buller Electricity 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.

Director

Director

Dated: August 28th 2009

Background and Requirements

Background

Buller Electricity Limited (“Buller Electricity”) operates two businesses. These businesses are:

- An electricity lines distribution business as defined by Electricity Distribution (Information Disclosure) Requirements 2008.
- A contracting business that performs maintenance and capital works for the electricity lines distribution business and external customers.

Requirements

As Buller Electricity meets the definition of an electricity lines distribution business in the Electricity Distribution (Information Disclosure) Requirements 2008, certain information is required to be disclosed on an annual basis.

The information disclosures are divided into the following subsections:

1. Disclosure relating to financial statements

To meet this requirement Buller Electricity has disclosed the reports FS1, FS2, and FS3 at Appendix 1 of this document.

2. Disclosure relating to asset valuations

To meet this requirement Buller Electricity has disclosed the distribution business reports AV1, AV2, AV3 and AV4 at Appendix 2 of this document.

In addition, AV3 reports for 31 March 2006, 31 March 2007 and 31 March 2008 have been included to meet the transitional provision requirement.

The distribution business has not entered into a merger or asset transfer with another distribution business in this financial year.

3. Disclosure relating to financial and efficiency performance measures

To meet this requirement Buller Electricity has disclosed the distribution business reports MP1, MP2 and MP3 at Appendix 3 of this document.

The distribution business consists of one non-contiguous network and is consumer-controlled by way of a Consumer Trust.

The majority of the information used to compile the financial and efficiency performance measures has been extracted from the GIS system operated by the distribution business. No estimation procedures have been used in the extraction of this information.

4. Disclosure relating to asset management plans

To meet the requirements of paragraph 6(1) of the Electricity Distribution (Information Requirements) Buller Electricity has disclosed the distribution business reports AM1 at Appendix 4 of this document.

5. Disclosure of transfer payments and other related party disclosures

Additional disclosures are required to comply with paragraph (8) of the Electricity Distribution (Information Requirements). These are outlined in section 3 of Electricity Information Disclosure Handbook and relate to the transactions entered into between the Distribution business and Other businesses.

The contracting business operated by Buller Electricity meets the definition of an “other business” and therefore details of the transactions entered into are required to be disclosed.

The contracting division performs maintenance of the distribution business network and capital works for the distribution business.

During the year ending 31 March 2009 the following transactions were performed by the contracting division for the distribution business-

Description of good or service	2009 \$	2008 \$
Network maintenance	531,905	688,171
Capital works		
• subtransmission assets	56,292	62,781
• zone substations	0	182,175
• distribution and LV lines	191,901	240,550
• distribution and LV cables	104,316	176,473
• distribution substations and transformers	142,739	71,023
• distribution switchgear	164,378	210,230
• other system fixed assets	587,079	137,047
Subtotal capital works	1,190,413	1,080,279
Total expenditure	1,722,318	\$1,768,450

Separate bank accounts are not maintained for the lines business and the contracting business and thus there are no outstanding trade balances at 31 March 2009. No related party debts have been written off or forgiven during the year.

All transactions are recognised based on the avoided cost allocation methodology (“ACAM”) required by the Electricity Information Disclosure Handbook. The pricing used is tested periodically by obtaining quotes from the market.

There are no related party transactions in respect of customer connections and disconnections.

Certain Information Disclosures have been audited. The audit report is presented in Appendix 5

6. Continuation of certain provisions of the original requirements

Within Part 4 of the Electricity Distribution (Information Disclosure) Requirements 2008 certain requirements of the Electricity Information Disclosure requirements issued 31 March 2004 (and subsequent amendments) are required to be performed for the 2008/2009 financial year.

The information required to be disclosed in 14(7) and 14(8) of the Electricity Distribution (Information Disclosure) Requirements 2008 is disclosed in Appendix 6 and Appendix 7 respectively.

Appendix 1 - Disclosure relating to financial statements

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Buller Electricity	
			For Year Ended	2009
5				
6	Income			
7				(\$000)
8	Net Line Charge Revenue Received		4,390	
9	plus Discretionary Discounts and Customer Rebates		297	FS1a
10	Gross Line Charge Income		4,687	
11				
12				
13	Capital Contributions		260	
14	plus Net Value of Vested Assets		168	
15	Total Capital Contributions and Vested Assets		428	
16				
17	AC Loss Rental Rebates Received		151	
18	less AC Loss Rental Rebates Passed On			
19	Net AC loss rental income (deficit)		151	
20				
21				
22	Other Income			
23			-	
24				
25	Total regulatory income		5,266	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower		862	
31	plus Avoided Transmission Charges - payments to parties other than Transpower			
32	Total Transmission Costs		862	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads		677	
36	System Management and Operations		494	
37	Routine and Preventative Maintenance		468	to AM1
38	Refurbishment and Renewal Maintenance		-	to AM1
39	Fault and Emergency Maintenance		231	to AM1
40	Pass-through Costs		-	
41	Other		-	
42	Total Operational Expenditure		1,870	to MP2
43				
44				
45	Operational earnings		2,534	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)		985	from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)		120	from AV1
50	Total Regulatory Depreciation		1,105	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		1,429	to FS3
54				
55	less Regulatory Tax Allowance		114	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		692	from AV1
58	plus Revaluations of Non-System Fixed Assets		157	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		2,165	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	297	
72	Total Discretionary Discounts and Customer Rebates		297

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	770	
78	Subvention Payment		
79	Other related party expenditure	491	
80	Total Related Party Expenditure		1,261
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	n/a	Notes to be provided separately
94	within expenditure category:	Select one	
95			
96	Material item amount 2	n/a	Notes to be provided separately
97	within expenditure category:	Select one	
98			
99	Material item amount 3	n/a	Notes to be provided separately
100	within expenditure category:	Select one	
101			
102			(further disclosures to be provided on separate page if required)
103			

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

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:	Other	
113	New classification:	Other	
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:	Other	
118	New classification:	Other	
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:	Other	
123	New classification:	Other	
124			

to be repeated as required for multiple reclassifications

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Buller Electricity Limited	
5		For Year Ended	2009
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)	(\$000)	
8	Customer Connection	401	to AM1
9	System Growth		to AM1
10	Reliability, Safety and Environment		to AM1
11	Asset Replacement and Renewal	621	to AM1
12	Asset Relocations		to AM1
13	Total Capital Expenditure on System Fixed Assets	1,022	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	249	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year		
21	plus Total Capital Expenditure on System Fixed Assets	1,022	
22	less Assets Commissioned in Year	1,022	from AV1
23	Works under construction at year end	-	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	23,311	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	1,862	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	571	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	25,744	
31			
32	plus System Fixed Assets Commissioned in Year	1,022	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	249	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	1,271	
36	Regulatory Asset Base investment in Current Financial Year - average	636	
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	26,379	to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION		Electricity Distribution Business: Buller Electricity	
		For Year Ended	2009
5			
6			
7			(\$000)
8	Earnings before interest and tax (EBIT)		1,429 <i>from FS1</i>
9			
10	<i>add</i> Total Regulatory Depreciation	1,105	<i>from FS1</i>
11	Other Permanent Differences - not deductible	58	
12	Other Temporary Adjustments - Current Period		
13			1,163
15	<i>less</i> Non Taxable Capital Contributions and Vested Assets	428	
16	Tax Depreciation	941	
17	Deductible Discretionary Discounts and Customer Rebates		
18	Deductible Interest	844	<i>from row 53</i>
19	Other Permanent Differences - Non Taxable		
20	Other Temporary Adjustments - Prior Period		
21			2,213
22			
23	Regulatory taxable income for Year		379
24			
25	<i>less</i> Tax Losses Available at Start of Year		
26	Net taxable income		379
27			
28	Statutory Tax Rate	30%	
29	Regulatory Tax Allowance		114 <i>to FS1</i>

Notes to Regulatory Tax Allowance Calculation

36	FS3a: Description of adjustments classified as "other"
37	
38	The Electricity Distribution Business is to provide descriptions of items recorded in the four "other" categories above (explanatory notes can be provided in a separate note if necessary).
39	
40	
41	
42	
43	
44	
45	

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	8.00%	%
53			
54	Deductible Interest	844	\$000 <i>to row 18</i>
55			
56	Interest Tax Shield Adjustment	253	\$000 <i>to MP2</i>

Appendix 2 – Disclosure relating to asset valuations

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref		Electricity Distribution Business:	Buller Electricity				
5						For Year Ended:	2009
6						Year of most recent ODV	2004
7							
8							
9							
10							
11							
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49							

Notes to Annual Regulatory Valuation Roll-forward Report

57	AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets	
58		CPI as at date of ODV <input type="text" value="928"/>
59		
60		
61		
62		
63		
64		
65		

	For Year Ended	2005	2006	2007	2008	2009
	CPI at CPI reference date	953	985	1010	1044	1075
	Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%
	System Fixed Assets: Regulatory Value at End of Previous Year	18,654	20,632	21,929	22,279	23,311
	Indexed Revaluation of System Fixed Assets	503	693	557	750	692

68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB	
69		
70		
71		
72		

	For Year Ended	2005	2006	2007	2008	2009
	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					

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

ref	Electricity Distribution Business: Buller Electricity								
6								For Year Ended: 2009	
7									
8									
9									
10									
	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	Regulatory Value of System Fixed Assets (as per most recent ODV)							18,654	<i>from AV1</i>
13	2,264	5,530	6,404	1,772	2,000	170	514		
14	Cumulative roll-forward since most recent ODV:								
15	Asset Additions							6,185	<i>from AV1</i>
16	Indexed Revaluation (of System Fixed Assets)							3,194	<i>from AV1</i>
17	less Regulatory Depreciation (of System Fixed Assets)							4,282	<i>from AV1</i>
18	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB							-	<i>from AV1</i>
19	Net Increase (Decrease) Due to Changes in Asset Register Information							457	<i>from AV1</i>
20	Regulatory Value of System Fixed Assets at Year End							24,208	<i>from AV1</i>
21									

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

ref		Electricity Distribution Business:	Buller Electricity
		For Year Ended:	2009
5			
6	System Fixed Assets - Replacement Cost		
7		(\$000)	
8	Replacement cost at end of previous year	41,118	
9			
10	Asset Additions	1,190	AV3a
11	Indexed Revaluation (of System Fixed Assets)	1,221	
12	<i>less</i> Replacement Cost of Assets Decommissioned	546	
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
14	Net Increase (Decrease) Due to Changes in Asset Register Information		
15	Replacement cost of System Fixed Assets at year end	42,983	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	23,956	
21			
22	Asset Additions	1,190	AV3a
23	Indexed Revaluation (of System Fixed Assets)	711	
24	<i>less</i> Depreciation of Replacement Cost	826	
25	<i>less</i> Depreciated Replacement Cost of Assets Decommissioned	172	
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
27	Net Increase (Decrease) Due to Changes in Asset Register Information		
28	Depreciated replacement cost of System Fixed Assets at year end	24,859	

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

Notes to Price and Quality Measures

36	AV3a: New Asset Additions		
37			
38	Asset Additions - Depreciated Replacement Cost	1,190	from AV1
39	<i>plus</i> Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	Asset Additions - Replacement Cost	1,190	
42			

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

ref		Electricity Distribution Business:	Buller Electricity
5		For Year Ended:	2008
6	System Fixed Assets - Replacement Cost		
7		(\$000)	
8	Replacement cost at end of previous year	38,974	
9			
10	Asset Additions	1,199	AV3a
11	Indexed Revaluation (of System Fixed Assets)	1,312	
12	<i>less</i> Replacement Cost of Assets Decommissioned	368	
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
14	Net Increase (Decrease) Due to Changes in Asset Register Information	-	
15	Replacement cost of System Fixed Assets at year end	41,117	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	22,913	
21			
22	Asset Additions	1,199	AV3a
23	Indexed Revaluation (of System Fixed Assets)	771	
24	<i>less</i> Depreciation of Replacement Cost	783	
25	<i>less</i> Depreciated Replacement Cost of Assets Decommissioned	146	
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
27	Net Increase (Decrease) Due to Changes in Asset Register Information	-	
28	Depreciated replacement cost of System Fixed Assets at year end	23,954	

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	1,199	from AV1
39	<i>plus</i> Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	Asset Additions - Replacement Cost	1,199	
42			

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

ref		Electricity Distribution Business:	Buller Electricity
		For Year Ended:	2007
5			
6	System Fixed Assets - Replacement Cost		
7		(\$000)	
8	Replacement cost at end of previous year	37,616	
9			
10	Asset Additions	710	AV3a
11	Indexed Revaluation (of System Fixed Assets)	955	
12	less Replacement Cost of Assets Decommissioned	307	
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
14	Net Increase (Decrease) Due to Changes in Asset Register Information	-	
15	Replacement cost of System Fixed Assets at year end	38,974	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	22,559	
21			
22	Asset Additions	710	AV3a
23	Indexed Revaluation (of System Fixed Assets)	573	
24	less Depreciation of Replacement Cost	792	
25	less Depreciated Replacement Cost of Assets Decommissioned	137	
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
27	Net Increase (Decrease) Due to Changes in Asset Register Information	-	
28	Depreciated replacement cost of System Fixed Assets at year end	22,913	

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	710	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions		
40			
41	Asset Additions - Replacement Cost	710	
42			

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

ref		Electricity Distribution Business:	Buller Electricity
		For Year Ended:	2006
5			
6	System Fixed Assets - Replacement Cost		
7		(\$000)	
8	Replacement cost at end of previous year	35,087	
9			
10	Asset Additions	893	AV3a
11	Indexed Revaluation (of System Fixed Assets)	1,179	
12	less Replacement Cost of Assets Decommissioned	-	
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
14	Net Increase (Decrease) Due to Changes in Asset Register Information	457	
15	Replacement cost of System Fixed Assets at year end	37,616	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	21,252	
21			
22	Asset Additions	893	AV3a
23	Indexed Revaluation (of System Fixed Assets)	714	
24	less Depreciation of Replacement Cost	757	
25	less Depreciated Replacement Cost of Assets Decommissioned	-	
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	from AV4
27	Net Increase (Decrease) Due to Changes in Asset Register Information	457	
28	Depreciated replacement cost of System Fixed Assets at year end	22,559	

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	893	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-	
40			
41	Asset Additions - Replacement Cost	893	
42			

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

Electricity Distribution Business: Buller Electricity Limited

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

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

PART 1: Most recent ODV valuation of System Fixed Assets transferred (\$000)

	Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transformers	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
Replacement Cost (RC)								-
less Depreciation								-
Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
less Optimisation adjustment								-
Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
less Economic Value Adjustment (EVA)								-
Most recent ODV value	-	-	-	-	-	-	-	-

PART 2: Valuation disclosure for transferred assets by Asset Class (at transfer date) (\$000)

	Total for System Fixed Assets	Non-System Fixed Assets	Total RAB value (excl. FDC)
Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
Cumulative roll-forward since most recent ODV:			
Asset Additions			
Indexed Revaluation (of System Fixed Assets)			
less Regulatory Depreciation (of System Fixed Assets)			
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
Net Increase (Decrease) due to Changes in Asset Register Information			
RAB Value of Transferred Assets at Transfer Date	-		-
Acquisition of Assets from Another EDB	-	-	to AV1
Sale of Assets to Another EDB	-	-	to AV1
RAB Value of Transferred Assets at Transfer Date	-		
"p" factor (proportion of year following transfer of assets)	0%		
Adjustment for merger, acquisition or sale to another EDB		-	to FS2

PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred (\$000)

	RC & DRC values of System Fixed Assets at transfer date	RAB value of acquired/(sold) assets
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		- to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		- to AV3

Signed by: Selling Entity
Acquiring Entity

Appendix 3 – Disclosure relating to financial and efficiency performance measures

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

ref		Electricity Distribution Business:	Buller Electricity Limited	
6			For Year Ended:	2009
7	Network Name:	<input type="text"/>		
		<small>(enter "Total Business" or name of network)</small>		
9	Disclosure:	Annual Disclosure - Requirement 6(1)		
10	Circuit Length by Operating Line Voltage (at year end)	Overhead (km)	Underground (km)	Total (km)
11				
12	> 66kV	2		2
13	50kV & 66kV			-
14	33kV	105	1	105
15	SWER (all SWER voltages)			-
16	22kV (other than SWER)			-
17	6.6kV to 11kV (inclusive - other than SWER)	349	12	362
18	Low Voltage (< 1kV)	117	18	134
19	Total circuit length (for Supply)	572	30	602
20				to MP2
21	Dedicated Street Lighting Circuit Length			-
22				
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)	
24	Urban (only)	96	17%	
25	Rural (only)	417	73%	
26	Remote (only)	10	2%	
27	Rugged (only)	50	9%	
28	Rural & rugged (only)		0%	
29	Remote & rugged (only)		0%	
30	Unallocated overhead lines		0%	
31	Total overhead length	572	100%	
32		<small>Error (Row19)</small>		
33				
34	Transformer capacity (at year end)			Previous Year
35	Distribution Transformer Capacity (EDB Owned)	35	MVA	33
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	1	MVA	1
37	Total Distribution Transformer Capacity	36	MVA (to MP2)	34
38				
39	Zone Substation Transformer Capacity	49	MVA	47
40				
41	System Fixed Assets age (at year end)			
42	Average Age of System Fixed Assets	25	Years	
43	Average Expected Total Life of System Fixed Assets	50	Years	
44	Average Age as a Proportion of Average Expected Total Life	50%	%	
45				
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	13%	%	
47				
48				
49				
50				
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
52				
53	GXP Demand	9		
54	plus Embedded Generation Output at HV and Above			
55	Maximum System Demand	9		
56	less Net Transfers to (from) Other EDBs at HV and Above			
57	Demand on system for supply to customers' Connection Points	9		
58	less Subtransmission Customers' Connection Point Demand			
59	Maximum Distribution Transformer Demand	9		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)	2		
66				
67	Five-Year System Maximum Demand Growth Forecast	1.0	% p.a.	
68				
69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	49		
71	less Electricity Exports to GXPs			
72	plus Electricity Supplied from Embedded Generators			
73	less Net Electricity Supplied to (from) Other EDBs			
74	Electricity entering system for supply to customers' Connection Points	49		
75	less Electricity Supplied to Customers' Connection Points	45		to MP2
76	Electricity Losses (loss ratio)	4	7.9% %	
77				
78	Electricity Supplied to Customers' Connection Points	45		
79	less Electricity Supplied to Largest 5 Connection Points	8		
80	Electricity supplied other than to Largest 5 Connection Points	37	83% %	
81				
82	Load Factor	65%	%	
83				
84	Number of Connection Points (at year end)	4,398	ICPs	to MP2
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	14	kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	75	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	7	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	10,270	kWh/ICP	

REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business:	Buller Electricity Limited	
	For Year Ended:	2009	
5	Performance comparators		
6		Previous Years:	
7			Current Financial Year
8		Current Yr - 3	Current Yr - 2
9		Current Yr - 1	
10	Operational expenditure ratio		
11	<i>Total Operational Expenditure</i>		2 \$m from FS1
12	<i>Replacement Cost of System Fixed Assets (at year end*)</i>		43 \$m from AV3
13	Ratio (%)	Not defined	Not defined
14	Capital expenditure ratio		
15	<i>Total Capital Expenditure on System Fixed Assets</i>		1 \$m from FS2
16	<i>Replacement Cost of System Fixed Assets (at year end*)</i>		43 \$m from AV3
17	Ratio (%)	Not defined	Not defined
18	Capital expenditure growth ratio		
19	<i>Capital Expenditure: Customer Connection and System Growth</i>		0 \$m from FS2
20	<i>Change in Total Distribution Transformer Capacity</i>	1	3 from MP1
21	\$/kVA	Not defined	- - 265 \$/kVA
22	Renewal expenditure ratio		
23	<i>Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal</i>		1 \$m from FS1 & 2
24	<i>Regulatory Depreciation of System Fixed Assets</i>	1	1 \$m from AV1
25	Ratio (%)	0%	0% 0% 63%
26	Distribution Transformer Capacity Utilisation		
27	<i>Maximum Distribution Transformer Demand</i>	8	8 8 9 MW from MP1
28	<i>Total Distribution Transformer Capacity (at year end*)</i>	29	30 34 36 kVA from MP1
29	Ratio (%)	27.6%	26.7% 23.5% 24.3%
30	Return on Investment		
31	<i>Regulatory Profit / Loss (pre-financing and distributions)</i>		2 \$m from FS1
32	<i>less Interest Tax Shield Adjustment</i>		0 \$m from FS3
33	<i>Adjusted Regulatory Profit</i>	-	- - 2 \$m
34	<i>Regulatory Investment Value</i>		26 \$m from FS2
35	Ratio (%)	Not defined	Not defined
36			7.25%
37			
38			
39			
40			
41			
42	Expenditure comparison table		
43			
44			
45			
46			
47			
48			
49			

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

Expenditure metrics (\$ per):

	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)	
Capital Expenditure (\$) per	2,110	28	147,072	289	36,825	from FS2 & MP1
Operational Expenditure (\$) per	3,105	41	216,385	425	54,179	from FS1 & MP1

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

ref	Electricity Distribution Business:	Buller Electricity
6	For Year Ended:	2009
7	Network Name:	
8	Disclosure:	Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A		planned interruptions by Transpower:
Class B	32	planned interruptions on the network
Class C	44	unplanned interruptions on the network
Class D	1	unplanned interruptions by Transpower
Class E		unplanned interruptions of network owned generation
Class F		unplanned interruptions of generation (non-network)
Class G		unplanned interruptions caused by other electricity industry participant
Class H		planned interruptions caused by other electricity industry participant
Total	77	Total of above

Interruption targets for Forecast Year

	2010	Current Financial Year +1
Class B	55	planned interruptions on the network
Class C	44	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

	2010-2014	Current Financial Year +1 to +5
Class B	55	planned interruptions on the network
Class C	40	unplanned interruptions on the network

Class C interruptions restored within

	≤3Hrs	>3hrs
	31	13

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	9.40	in year	2009
The total number of faults forecast for the Forecast Year	9.30	in year	2010
The average annual number of faults forecast for the 5 Forecast Years	8.28	average over years	2010-2014

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SW		22kV non-SW		SW	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	No	No	No	Yes	No	Yes	
Current Financial Year	11.07				3.80			-
Forecast Year	10.00				4.00			-
Average annual for 5 Forecast Years	10.00				3.00			-

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SW		22kV non-SW		SW	33kV	50kV & 66kV	>66kV
Underground	8.28							
Overhead	11.16					3.82		

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	273.26	2.52	108.44

Reliability by interruption class

	SAIDI	SAIFI	CAIDI
Class B	98.64	0.40	246.60
Class C	150.67	1.12	134.53

Targets for Forecast Year

	SAIDI	SAIFI	CAIDI
Class B	96.00	0.65	148.00
Class C	120.00	1.12	90.00

Average targets for 5 Forecast Years

	SAIDI	SAIFI	CAIDI
Class B	96.00	0.65	148.00
Class C	115.00	1.00	95.00

PRICES

Price information by Connection Point Class

	Connection Point Class					
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total	
Gross line charge income (\$000)	3,479	375	230	603	4,687	from FS1
Electricity Supplied to Customers' Connection Points (MWh)	30,031	4,502	2,820	7,813	45,166	from MP1
Number of Connection Points (ICPs) at year end	4,303	75	9	8	4,395	Error (MP1)
Unit Price (cents/kWh)	11.6	8.3	8.2	7.7	10.4	
Relative Unit Price Index	1.00	0.72	0.70	0.67	0.90	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

Connection Point Class breakpoints methodology	kVA based breakpoints
kVA based breakpoints - additional disclosure	
Breakpoint between small and medium classes	100 kVA
Breakpoint between large and medium classes	200 kVA

Appendix 4 – Disclosure relating to asset management plans

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

Electricity Distribution Business: Buller Electricity
For Year Ended 2009
(\$000)

ref	A) Five year forecasts of expenditure From most recent Asset Management Plan	Actual for Current Financial Year	Forecast Years					
			year 1	year 2	year 3	year 4	year 5	
	for year ended	2009	2010	2011	2012	2013	2014	
8	Capital Expenditure: Customer Connection	401	190	190	190	190	190	from FS2
10	Capital Expenditure: System Growth	-	850	30	30	30	30	from FS2
12	Capital Expenditure: Reliability, Safety and Environment	-	378	242	196	197	151	from FS2
13	Capital Expenditure: Asset Replacement and Renewal	621	365	332	394	337	332	from FS2
14	Capital Expenditure: Asset Relocations	-	30	30	30	30	30	from FS2
15	Subtotal - Capital Expenditure on asset management	1,022	1,813	824	840	784	733	
17	Operational Expenditure: Routine and Preventative Maintenance	468	259	228	218	218	218	from FS1
18	Operational Expenditure: Refurbishment and Renewal Maintenance	-	601	596	676	589	373	from FS1
19	Operational Expenditure: Fault and Emergency Maintenance	231	239	244	245	244	244	from FS1
20	Subtotal - Operational Expenditure on asset management	699	1,099	1,068	1,139	1,051	835	
22	Total direct expenditure on distribution network	1,721	2,912	1,892	1,979	1,835	1,568	
24	Overhead to Underground Conversion Expenditure		30	30	30	30	30	
26	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).							

B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure

ref		Actual for Current Financial Year	Previous forecast for Current Financial Year	% Variance (a)/(b)-1	
		(a)	(b)	(a)/(b)-1	
34	Capital Expenditure: Customer Connection	401	509	-21.2%	from row 10
35	Capital Expenditure: System Growth	-		Not defined	from row 11
36	Capital Expenditure: Asset Replacement and Renewal	-		Not defined	from row 12
38	Capital Expenditure: Reliability, Safety and Environment	621	709	-12.4%	from row 13
38	Capital Expenditure: Asset Relocations	-		Not defined	from row 14
39	Subtotal - Capital Expenditure on asset management	1,022	1,218	-16.1%	
41	Operational Expenditure: Routine and Preventative Maintenance	468	637	-26.5%	from row 17
42	Operational Expenditure: Refurbishment and Renewal Maintenance	-		Not defined	from row 18
43	Operational Expenditure: Fault and Emergency Maintenance	231		Not defined	from row 19
44	Subtotal - Operational Expenditure on asset management	699	637	9.7%	
46	Total direct expenditure on distribution network	1,721	1,855	-7.2%	
49	Explanation of variances				
50	Distribution Business must provide a brief explanation for any line item variance of more than 10%				

Appendix 5 – Audit report



AUDITOR'S INDEPENDENT ASSURANCE REPORT

To the Board of Directors of Buller Electricity Limited

REPORT ON BULLER ELECTRICITY LIMITED'S COMPLIANCE WITH THE ELECTRICITY DISTRIBUTION (INFORMATION DISCLOSURE) REQUIREMENTS 2008 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

The Auditor-General is the auditor of Buller Electricity Limited (the company). The Auditor-General has appointed me, Alex Skinner, using the staff and resources of KPMG, to provide an opinion on the compliance of the attached reports on pages 5 to 23 prepared by the company with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements) for the financial year ended 31 March 2009. In this independent assurance report the attached reports are called the 'disclosure information'.

Respective Responsibilities

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

Clause 10 of the Requirements requires the Auditor-General to provide an opinion that the disclosure information prepared by the company complies with and is presented in all material respects in accordance with the Requirements for the financial year ended 31 March 2009.

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 2009. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

Material misstatements, whether caused by fraud or error, are differences or omissions of amounts and disclosures that would affect a user's overall understanding of the disclosure information prepared by the company.

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 Threshold Compliance Statements prepared pursuant to the Commerce Act (Electricity Lines Thresholds) Notice 2004 for the year ended 31 March 2009 have been subject to audit. The audit opinions on the financial statements and Threshold Compliance Statements of the company for the year ended 31 March 2009 were both unqualified and were dated 25 May 2009 and 27 May 2009 respectively.

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

Historical Financial and Non-Financial Information

We conducted the engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* 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 Threshold Compliance Statement audits has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements or Threshold Compliance Statements of the company.

Our work in respect of amounts and disclosures that were not audited under the financial statement and Threshold 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 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 2009 and the immediately preceding financial year, and that the information has been calculated based on source data provided by the company, whilst acknowledging 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). We have not performed audit procedures on the source data.

Independence

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

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

Unqualified Opinions

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 2009 complies with the Requirements.

Historical Financial and Non-Financial Information

In our opinion, the company has:

- presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2009 that complies with the Requirements, in all material respects; 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 unaudited source data provided by the company.

Prospective Financial and Non-Financial Information

In our opinion, the company has presented the 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 2009 and the immediately preceding financial year, and has calculated the prospective financial and non-financial information based on unaudited source data provided by the company.



Alex Skinner
KPMG
On behalf of the Auditor-General
Christchurch
28 August 2009

Appendix 6 – Financial performance measures and efficiency performance measures

Disclosure of financial performance measures and efficiency performance measures under requirement 14 of the Electricity Information Disclosure Requirements 2004.

Efficiency Performance Measures

	2009	2008	2007	2006
(a) Direct line costs per kilometre	\$1,765	\$1,998	\$1,918	\$2,184
System Length Km	602	600	590	586
(b) Indirect line costs per electricity consumer	\$146	\$169	\$191	\$147
Total consumers	4,398	4,320	4,258	4,211

Appendix 7 – Energy delivery efficiency performance measures

Disclosure of energy delivery efficiency performance measures under Requirement 20 of the Electricity Information Disclosure Requirements 2004.

	2009	2008	2007	2006
(a) System Length (Total) (kms)				
Circuit Kilometres 110kV	2	2	1	2
Circuit Kilometres 33kV	105	105	102	102
Circuit Kilometres 11kV	362	361	357	355
Circuit Kilometres 400V	134	132	130	128
Total	602	600	590	587
(b) Transformer Capacity (In Kilovolt Amperes)	35,000	33,000	29,700	29,103
(c) Total Customers	4,398	4,320	4,258	4,211

BULLER ELECTRICITY LIMITED

Disclosure of Pricing Methodology
For Pricing as at
1st April 2009

Pursuant to
Requirements 22 and 23 of the
Electricity Information
Disclosure Requirements 2004

May 2009

INTRODUCTION

This publication sets out the methodology used to determine line charges to convey electricity from the generating stations to the Consumers installations. Line charges recover costs associated with the use of Transpower New Zealand Limited National Grid and the costs of operating and maintaining Buller Electricity Limited Network together with a provision to provide a rate of return on the investment in the distribution system.

Under requirements 22 and 23 of the Electricity Information Disclosure Requirements 2004, Buller Electricity Limited is required to show how their line charges are derived for the line business. They also cover ripple control equipment costs.

The information herein describes the line owners:

- (a) Line Pricing Methodology used to determine prices charged as at 1st April 2009 for the supply of line function services.
- (b) The methodology used for allocation of costs, revenues and assets from 1 April 2009.
- (c) Costs and revenues attributable to load groups and the methodology used to allocate those costs and revenue between load groups from 1st April 2009.

The information in this publication was prepared by Buller Electricity Limited after making all reasonable enquiries and to the best of the knowledge of the company complies with the above sections of the Electricity Information Disclosure Requirements 2004.

All charges shown in the Electricity Price Schedule are exclusive of goods and services tax.

M J McSHERRY
Chief Executive

BULLER ELECTRICITY LIMITED

ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004

1. PREFACE

The methodology used by Buller Electricity Limited to determine line function services applying as at 1 April 2009 is based on Requirement 23 of the Electricity Information Disclosure Guidelines and Handbooks on business procedures issued by the Commerce Commission.

The line tariff is based on charges applied to the metering information as supplied by energy retailers for Installation Control Points (ICPs).

The transmission cost recovery is spread equally over all consumers as no single consumer can be identified as having a marked effect on the maximum demand that drives the transmission charges. The Buller network maintains an evening peak which suggests no large industrial loads affect the maximum demand.

Appropriate details and any departure from the methodology set out in the guidelines are set out below.

2. REVENUE REQUIREMENT

In accordance with Requirement 23 the revenue requirement of the company's line business is based on the recovery of the following costs and return on investment.

- Operations and Maintenance
- Administration and Overheads
- Interest Payments
- Depreciation of System Assets
- Transmission Costs
- Taxation
- Cost of Capital (Return on Investment)

3. COST IDENTIFICATION

The major cost elements are:

Element	\$000
Operations and Maintenance	984
Line Business Administration	1,769
Interest Payments	140
Depreciation of System Assets	858
Transmission Costs	892
Taxation	100
Cost of Capital	234
Total Revenue Requirement	4,978

A transfer pricing system allocates costs to the appropriate business units from corporate support services in accordance with the guidelines. This ensures that costs are correctly apportioned between the cost centres of each business unit within the company.

Lines business administration expenditure includes the management of designing and running the line business and the management of the computerised load control system and geographical information system. Operations and maintenance are the direct costs associated with the system assets and the cost of capital is the expected return on investment.

In calculating line charges, budgets incorporating the transfer pricing are used.

3.1 COST ALLOCATION METHODOLOGIES

Allocations of direct and indirect costs, revenues and assets that are identifiable to the lines business have been allocated which is consistent with the disclosure guidelines.

4. NETWORK COMPONENTS

Network related expenditure comprises that applicable to the meshed and dedicated networks as follows:

- Operations and Maintenance
- Administration
- Interest
- Depreciation
- Transmission Costs
- Tax
- Return on Investment

The Network components are grouped into the following components

- 400V Lines General
- 400V Lines Dedicated
- Distribution Transformers
- 11kV Lines General
- 11kV Lines Dedicated
- Zone Substations
- Subtransmission Lines
- Dedicated Network

400V and 11kV refer to the voltage level at which the Consumer receives supply indicating which component in the network the consumer uses.

5. LINE LOSSES

The cost of distribution line losses between the Grid Exit Point and the Consumers premises are treated as an electricity supply business cost and are included in the variable energy charge of the energy trader.

Loss adjustment factors reflect the total losses incurred via the various components of the distribution network when electricity is conveyed across the network.

6. REVENUE REQUIREMENTS

All costs identified in paragraphs 3 and 4 above aggregate to the distribution business total costs equating to the company's total revenue requirements.

7. DISAGGREGATION OF LINE CHARGES

The total line charge is allocated into six load groups and line charges are derived based on their use of the various network components and their capacity requirements.

As per the Government Policy Statement, Buller Electricity Limited does not differentiate in pricing by geographic location for load groups even though the cost of supply for remote rural feeders is higher than urban areas. This means that rural consumers benefit due to a high level of cross subsidy.

8. PRICE AND MANNER OF CALCULATIONS

The revenue requirement is divided amongst the total number of separately metered installations to be recovered by using a fixed and variable line charge. The variable charge is dependent on the amount of energy consumed.

9. FIXED CHARGES

The fixed line charge applies to all separately metered installations. For low user domestic consumers the amount is controlled by regulation. Buller Electricity Limited applies different amounts to standard domestic and low user fixed charges to encourage consumers eligible for low fixed charges to apply to the energy retailer for the low fixed charge tariff. Commercial consumers traditionally attract maximum demand charges to reflect the costs imposed on the distribution network by those demands. Keeping track of measurement of those demands became difficult with the split in line and energy companies so Buller Electricity Limited has applied a fixed daily charge to commercial consumers based on, and equivalent to, the old demand charges. At the time of transfer between the two charges the effect on revenue was neutral.

A small number of commercial customers continue to pay an asset specific charge relating to transformer installations. The revenue from these is included in the line charge revenue.

10. METERING AND LOAD CONTROL EQUIPMENT

Buller Electricity Limited sold its metering and ripple control relays to TrustPower, the incumbent energy retailer. Buller Electricity Limited, however, retained the operational services for load control and charges the network users for this service. The revenue from these services is included in the line charge revenue.

11. LOAD GROUPS

Installations have been grouped into six load groups for pricing according to their assessed kVA capacity or maximum power loadings. The groups reflect the significant cost differences between low and high voltage supply. Separate pricing options are set out in a pricing schedule which changes from time to time.

Revenue requirements are split between fixed and variable line charges. The Table below indicates the usage of each load group and the number of consumers connected to the network in each group. Buller Electricity Limited allocates costs to load groups by their designated share of the use of the assets.

The following statistics, as at 1st April 2009, are formulated to allocate costs:

	Load Group 1	Low User Group	Load Group 2	Load Group 3	Load Group 4	Load Group 5	Total
GWhrs	9.6	10.3	9.7	4.3	3.2	7.8	44.9
No. of Connections	1,418	2,316	569	75	9	8	4,395
Share of Assets	21%	23%	22%	10%	7%	17%	100%

Costs are then allocated to the load groups as below, using the share of assets allocation.

\$000	Load Group 1	Low User Group	Load Group 2	Load Group 3	Load Group 4	Load Group 5	Total
Operations and Maintenance	211	225	212	95	69	172	984
Line Business Administration	379	405	382	170	124	309	1,769
Interest Payments	30	32	30	13	10	24	140
Depreciation of System Assets	184	196	185	83	60	150	858
Transmission Costs	191	204	192	86	63	156	892
Taxation	22	23	22	10	7	18	100
Cost of Capital	50	54	51	23	16	41	234
Total Cost Recovery	1,068	1,139	1,074	479	350	869	4,978

Each load group has a revenue requirement derived from this table that is detailed in the data

below.

11.1 LOAD GROUP ONE

Up to 15 kVA capacity loads supplied at 400V sharing the use of the low voltage urban and rural meshed network and all other assets. This load group comprises all domestic and low consumption business consumers.

		Revenue \$000	No Consumers
(a)	Fixed Charge	509	1,418
(b)	Variable Charge	769	
(c)	Ancillary Charges		

11.2 LOAD GROUP LOW USER

Domestic consumers living permanently at the premises and using less than 8,000 kWh of energy in any one year may be eligible (at the retailers discretion) for low user rates.

		Revenue \$000	No Consumers
(a)	Fixed Charge	127	2,316
(b)	Variable Charge	1,214	
(c)	Ancillary Charges		

11.3 LOAD GROUP TWO

Over 15 kVA supplied from the general 400V system sharing the use of the low voltage circuits and network assets. The group comprises farm and business consumers (including street lighting) with maximum power demands between 15kVA and 99kVA.

		Revenue \$000	No Consumers
(a)	Fixed Charge	204	569
(b)	Variable Charge	854	
(c)	Ancillary Charges		

11.4 LOAD GROUP THREE

Over 15kVA supplied at 400V with dedicated supply feeders. This group are mainly non domestic installations between 15 and 99kVA.

		Revenue \$000	No Consumers
(a)	Fixed Charge	107	75
(b)	Variable Charge	284	
(c)	Ancillary Charges		

11.5 LOAD GROUP FOUR

Over 100 kVA supplied from the general 11 kV system taking supply at 400V. This group is medium industrial consumers.

		Revenue \$000	No Consumers
(a)	Fixed Charge	47	9
(b)	Variable Charge	222	
(c)	Ancillary Charges		

11.6 LOAD GROUP FIVE

Over 200 kVA with dedicated 11kV supply feeders. These are industrial consumers who take supply at high voltage and have dedicated transformers to supply them. The pricing structure has a power demand component and has maximum loadings over 200kVA.

		Revenue \$000	No Consumers
(a)	Fixed Charge	93	8
(b)	Variable Charge	532	
(c)	Ancillary Charges	17	

11.7 TOTAL REVENUE REQUIREMENTS

Total revenue requirements are summarised below.

	\$000
Total Fixed Charges	1,086
Total Variable Charges	3,875
Ancillary Charges	17
Total Revenue	4,978

12. TRANSMISSION PRICING

Transpower's pricing structure at each of the two grid exit points is a fixed charge per annum. The maximum demand entitlement is applied to each of the two substations which are based on the peak loadings that Buller Electricity Limited imposes on each of the Grid connection points.

The company's policy for allocating transmission charges to each load group is as follows:

As all consumers share the common use of the Grid, transmission charges including the connection, capacity and network charges reflect the average costs incurred and have been allocated across all consumers.

12.1 ALL LOAD GROUPS

Transmission costs for the Load Groups are recovered by a variable unit charge of 2.00 cents per unit with no fixed component and total costs of the two points of supply are averaged over the 6 load groups.

Transmission Charges	Units of energy Sold	Cost per Unit
\$892K	44.9 MWhrs	1.99 cents

13. GENERAL

All energy retailers using the Buller Electricity Limited network pay the same line charges. However pricing options may differ between energy retailers which may have an affect on the final charge the consumer pays.