

ALPINE ENERGY LIMITED

# INFORMATION DISCLOSURE

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PREPARED IN ACCORDANCE WITH SUBPART 3 OF PART 4A OF THE COMMERCE ACT 1986

FOR THE YEAR ENDED 31 MARCH 2008

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## **INTRODUCTION**

These Information Disclosure documents are submitted by Alpine Energy Limited pursuant to subpart 3 of Part 4A of 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).

## **DISCLAIMER**

The information disclosed in this 2008 Information Disclosure package issued by Alpine Energy Limited has been prepared in accordance with the requirements listed above.

The Requirements require the information to be disclosed in the manner it is presented.

The information should not be used for any other purposes than that intended under the Requirements.

The financial information presented is for the line business as described within the Requirements. There are also additional activities of the Company that are not required to be reported under the Requirements.

Alpine Energy Limited has no non-contiguous networks and is not consumer controlled and therefore additional disclosures under clauses 6(1)(b) and 6(1)(c) of the Electricity Distribution (Information Disclosure) Requirement 2008 are not required.

## SCHEDULES

## FS1 – REGULATORY PROFIT STATEMENT

REPORT FS1: REGULATORY PROFIT STATEMENT		Electricity Distribution Business:	Alpine Energy Limited
ref		For Year Ended	2008
5			
6	<b>Income</b>		
7			<b>(\$000)</b>
8	Net Line Charge Revenue Received	29,233	
9	<i>plus</i> Discretionary Discounts and Customer Rebates	-	FS1a
10	<b>Gross Line Charge Income</b>		<b>29,233</b>
11			
12			
13	Capital Contributions	2,648	
14	<i>plus</i> Net Value of Vested Assets	-	
15	<b>Total Capital Contributions and Vested Assets</b>		<b>2,648</b>
16			
17	AC Loss Rental Rebates Received	852	
18	<i>less</i> AC Loss Rental Rebates Passed On	-	
19	<b>Net AC loss rental income (deficit)</b>		<b>852</b>
20			
21			
22	<b>Other Income</b>	16	
23			<b>16</b>
24			
25	<b>Total regulatory income</b>		<b>32,749</b>
26			
27			
28	<b>Expenses</b>		
29			
30	Transmission Charges - Payments to Transpower	9,356	
31	<i>plus</i> Avoided Transmission Charges - payments to parties other than Transpower	-	
32	<b>Total Transmission Costs</b>		<b>9,356</b>
33			
34	<b>Operational Expenditure:</b>		
35	General Management, Administration and Overheads	-	
36	System Management and Operations	-	
37	Routine and Preventative Maintenance	-	to AM1
38	Refurbishment and Renewal Maintenance	-	to AM1
39	Fault and Emergency Maintenance	-	to AM1
40	Pass-through Costs	-	
41	Other	7,647	
42	<b>Total Operational Expenditure</b>		<b>7,647</b> to MP2
43			
44			
45	<b>Operational earnings</b>		<b>15,747</b>
46			
47			
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	5,084	from AV1
49	<i>plus</i> Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	534	from AV1
50	<b>Total Regulatory Depreciation</b>		<b>5,618</b> to FS3
51			
52			
53	<b>Earnings before interest and tax (EBIT)</b>		<b>10,129</b> to FS3
54			
55	<i>less</i> Regulatory Tax Allowance	1,679	from FS3
56			
57	<i>plus</i> Indexed Revaluation (of System Fixed Assets)	3,170	from AV1
58	<i>plus</i> Revaluations of Non-System Fixed Assets	-	from AV1
59			
60	<b>Regulatory profit / loss (pre-financing and distributions)</b>		<b>11,620</b> to MP2

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

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

75	<b>FS1b: Related party expenditure - summary</b>		<b>(\$000)</b>
76	Avoided Transmission Charges	-	
77	Operational Expenditure	3,096	
78	Subvention Payment	-	
79	Other related party expenditure	6,529	
80	<b>Total Related Party Expenditure</b>		<b>9,625</b>
81	<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>		
82			
83			
84			

87	<b>FS1c: Operational Expenditure notes</b>		<b>(\$000)</b>
88	<b>Merger and Acquisition Expenses</b>		
89	Merger and Acquisition Expenses (not to be included in Operational Expenditure)	-	
90	<b>Material items (if greater than 10% of the Operational Expenditure line item)</b>		
91	Material item amount 1	2,945	<i>Notes to be provided separately</i>
92	within expenditure category:	Other	
93	Material item amount 2	2,304	<i>Notes to be provided separately</i>
94	within expenditure category:	Other	
95	Material item amount 3	-	<i>Notes to be provided separately</i>
96	within expenditure category:	Select one	
97	<i>(further disclosures to be provided on separate page if required)</i>		
98			
99			
100			
101			
102			
103			

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

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

FS1(c) Further description of FS1(c) – Material Items

Material Item 1 \$2,945,000 for Contractor Payments

Material Item 2 \$2,304,000 for Labour Costs

FS1(b) For further details, refer to separate Related Party note below.

FS1(e) Under the Transitional Provisions, this information is not required to be disclosed for the current year.

## FS2 – REGULATORY ASSET AND FINANCING STATEMENT

<b>REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT</b>		Electricity Distribution Business: <b>Alpine Energy Limited</b>	
ref		For Year Ended	2008
5			
6			
7	<b>Capital Expenditure on System Fixed Assets (by primary purpose)</b>		<b>(\$000)</b>
8	Customer Connection	-	to AM1
9	System Growth	-	to AM1
10	Reliability, Safety and Environment	-	to AM1
11	Asset Replacement and Renewal	-	to AM1
12	Asset Relocations	9,610	to AM1
13	<b>Total Capital Expenditure on System Fixed Assets</b>	<b>9,610</b>	to AM1
14			
15			
16	<b>Capital Expenditure on Non-System Fixed Assets</b>	<b>1,071</b>	from AV1
17			
18			
19	<b>Capital works roll-forward (for System Fixed Assets)</b>		
20	Works Under Construction at Beginning of Year	8,651	
21	plus Total Capital Expenditure on System Fixed Assets	9,610	
22	less Assets Commissioned in Year	12,275	from AV1
23	<b>Works under construction at year end</b>	<b>5,986</b>	
24			
25			
26	<b>Regulatory Investment Value calculation</b>		
27	System Fixed Assets: regulatory value at end of Previous Year	94,182	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	747	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	2,307	2.45%
30	<b>Total Regulatory Asset Base value at beginning of Current Financial Year</b>	<b>97,236</b>	
31			
32	plus (System Fixed Assets Commissioned in Year	12,275	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	1,071	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	13,346	
36	<b>Regulatory Asset Base investment in Current Financial Year - average</b>	<b>6,673</b>	
37			
38	plus (minus) where a merger or acquisition has taken place within the year		
39	<b>Adjustment for merger, acquisition or sale to another EDB</b>	<b>-</b>	from AV4
40			
41	<b>Regulatory Investment Value</b>	<b>103,909</b>	to MP2

**Note** - All Capital Expenditure on System Fixed Assets has been included in the "Asset Relocations" category. Under the Transitional Provisions, the primary purpose allocations are not required in the current year and the "total" cell is blocked from editing.

## FS3 – REGULATORY TAX ALLOWANCE CALCULATION

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION		Electricity Distribution Business: <b>Alpine Energy Limited</b>	
		For Year Ended <b>2008</b>	
5			
6			
7			<b>(\$000)</b>
8	<b>Earnings before interest and tax (EBIT)</b>	10,129	<i>from FS1</i>
9			
10	<i>add</i> Total Regulatory Depreciation	5,618	<i>from FS1</i>
11	Other Permanent Differences - not deductible	-	
12	Other Temporary Adjustments - Current Period	946	
13		6,564	
15	<i>less</i> Non Taxable Capital Contributions and Vested Assets	2,648	
16	Tax Depreciation	5,289	
17	Deductible Discretionary Discounts and Customer Rebates	-	
18	Deductible Interest	3,325	<i>from row 53</i>
19	Other Permanent Differences - Non Taxable	-	
20	Other Temporary Adjustments - Prior Period	343	
21		11,605	
22			
23	<b>Regulatory taxable income for Year</b>	<b>5,088</b>	
24			
25	<i>less</i> Tax Losses Available at Start of Year	-	
26	<b>Net taxable income</b>	<b>5,088</b>	
27			
28	Statutory Tax Rate	33%	
29	<b>Regulatory Tax Allowance</b>	<b>1,679</b>	<i>to FS1</i>

## Notes to Regulatory Tax Allowance Calculation

36 **FS3a: Description of adjustments classified as "other"**

37  
38  
39  
40  
41  
42  
43  
44  
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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).

Other Temporary Adjustments - Current Period relate to holiday accruals, long service leave accruals, and accounting loss on disposal of assets. Other Temporary Adjustments - Prior Period relate to holiday accruals, long service leave accruals, depreciation on capitalised expenditure, and accounting loss on disposal of assets.

48 **FS3b: Financing assumptions (for Deductible Interest and Interest Tax Shield calculation)**

49  
50  
51  
52  
53  
54  
55  
56

Standard Debt Leverage Assumption (debt/total assets)	40%	%	
Standard Cost of Debt Assumption	8.00%	%	
Deductible Interest	3,325	\$000	<i>to row 18</i>
Interest Tax Shield Adjustment	1,097	\$000	<i>to MP2</i>



## AV2 – REGULATORY VALUATION DISCLOSURE BY ASSET CLASS

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

ref	Electricity Distribution Business: <b>Alpine Energy Limited</b>							For Year Ended: <b>2008</b>	
6									
7									
8									
9									
10	<b>Subtotals by Asset Class (for System Fixed Assets)</b>								
								(\$000)	
								<b>Total for System Fixed Assets (per AV1)</b>	
11	<b>System Fixed Assets</b>	Subtransmission	Zone Substations	Distribution & LV Lines	Distribution & LV Cables	Distribution Substations and Transformers	Distribution Switchgear	Other System Fixed Assets	
12									
13	Regulatory Value of System Fixed Assets (as per most recent ODV)	6,446	5,817	27,488	21,835	14,762	5,052	384	<b>81,784</b>
14									<i>from AV1</i>
15	<b>Cumulative roll-forward since most recent ODV:</b>								
16	Asset Additions								31,522
17	Indexed Revaluation (of System Fixed Assets)								10,615
18	<i>less</i> Regulatory Depreciation (of System Fixed Assets)								19,378
19	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-
20	Net Increase (Decrease) Due to Changes in Asset Register Information								-
21	<b>Regulatory Value of System Fixed Assets at Year End</b>								<b>104,543</b>
									<i>from AV1</i>

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

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

ref	Electricity Distribution Business: <b>Alpine Energy Limited</b>				
	For Year Ended:	2005	2006	2007	2008
4	<b>System Fixed Assets - Replacement Cost</b>				
5					
6		(\$000)	(\$000)	(\$000)	(\$000)
7	Replacement cost at end of previous year	191,926	201,051	212,303	222,262
8					
9	Asset Additions	7,493	6,281	5,473	12,275
10	Indexed Revaluation (of System Fixed Assets)	5,336	6,666	5,384	7,482
11	<i>less</i> Replacement Cost of Assets Decommissioned	3,704	1,695	898	1,274
12	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-
13	Net Increase (Decrease) Due to Changes in Asset Register Information				
14	<b>Replacement cost of System Fixed Assets at year end</b>	<b>201,051</b>	<b>212,303</b>	<b>222,262</b>	<b>240,745</b>
15					
16					
17	<b>System Fixed Assets - Depreciated Replacement Cost</b>				
18					
19	Depreciated Replacement Cost at end of previous year	83,577	88,273	92,804	96,134
20					
21	Asset Additions	7,493	6,281	5,473	12,275
22	Indexed Revaluation (of System Fixed Assets)	2,324	2,927	2,354	3,236
23	<i>less</i> Depreciation of Replacement Cost	3,996	4,144	4,245	4,433
24	<i>less</i> Depreciated Replacement Cost of Assets Decommissioned	1,125	532	252	651
25	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-
26	Net Increase (Decrease) Due to Changes in Asset Register Information				
27	<b>Depreciated replacement cost of System Fixed Assets at year end</b>	<b>88,273</b>	<b>92,804</b>	<b>96,134</b>	<b>106,561</b>

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

35	<b>AV3a: New Asset Additions</b>				
36					
37	Asset Additions - Depreciated Replacement Cost	7,493	6,281	5,473	12,275
38	<i>plus</i> Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions				
39					
40	<b>Asset Additions - Replacement Cost</b>	<b>7,493</b>	<b>6,281</b>	<b>5,473</b>	<b>12,275</b>
41					

AV4 – BUSINESS MERGER, ACQUISITION OR SALE – REGULATORY ASSET BASE DISCLOSURE

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

Electricity Distribution Business: Alpine Energy Limited

ref	6 <b>Disclosure required? (YES or NIL DISCLOSURE):</b>	NO DISCLOSURE REQUIRED							
7									
8									
9						As at (date): <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
10						Proportion of year following transfer of assets: <span style="border: 1px solid black; display: inline-block; width: 50px; text-align: center;">0%</span>			
11									
12	<b>PART 1: Most recent ODV valuation of System Fixed Assets transferred</b>						(\$'000)		
		Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transforme	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
13									
14									-
15									-
16	less								-
17		-	-	-	-	-	-	-	-
18									-
19	less								-
20		-	-	-	-	-	-	-	-
21									-
22	less								-
23		-	-	-	-	-	-	-	-
24									-
25									
26	<b>PART 2: Valuation disclosure for transferred assets by Asset Class (at transfer date)</b>						(\$'000)		
							Total for System Fixed Assets	Non-System Fixed Assets	Total RAB value (excl. FDC)
27							-		-
28									
29									
30	<b>Cumulative roll-forward since most recent ODV:</b>								
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	<b>RAB Value of Transferred Assets at Transfer Date</b>						-		-
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	<b>Adjustment for merger, acquisition or sale to another EDB</b>							-	to FS2
45									
46									
47	<b>PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred</b>						(\$'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									
54									
55									
56									
57									

Signed by: Selling Entity

Acquiring Entity

## MP1 – NETWORK INFORMATION

**REPORT MP1: NETWORK INFORMATION**

(Separate report required for each Non-Contiguous Network)

ref		Electricity Distribution Business:	Alpine Energy Limited	
6			For Year Ended: 2008	
7	Network Name:	Alpine Energy Limited		(enter "Total Business" or name of network)
	Disclosure:	Annual Disclosure - Requirement 6(1)		
9	<b>Circuit Length by Operating Line Voltage (at year end)</b>			
10		<b>Overhead</b>	<b>Underground</b>	<b>Total</b>
11		<b>(km)</b>	<b>(km)</b>	<b>(km)</b>
12	> 66kV	-	-	-
13	50kV & 66kV	-	-	-
14	33kV	203	28	231
15	SWER (all SWER voltages)	-	-	-
16	22kV (other than SWER)	143	0	143
17	6.6kV to 11kV (inclusive - other than SWER)	2,692	273	2,965
18	Low Voltage (< 1kV)	385	291	676
19	<b>Total circuit length (for Supply)</b>	<b>3,424</b>	<b>592</b>	<b>4,016</b>
20				to MP2
21	<b>Dedicated Street Lighting Circuit Length</b>	-	-	-
22				
23	<b>Overhead Circuit Length by Terrain (at year end)</b>			
24		<b>(km)</b>	<b>(%)</b>	
25	Urban (only)	316	9%	
26	Rural (only)	3,086	90%	
27	Remote (only)	-	0%	
28	Rugged (only)	12	0%	
29	Rural & rugged (only)	-	0%	
30	Remote & rugged (only)	-	0%	
31	Unallocated overhead lines	10	0%	
32	<b>Total overhead length</b>	<b>3,424</b>	<b>100%</b>	
33				
34	<b>Transformer capacity (at year end)</b>			
35	Distribution Transformer Capacity (EDB Owned)	341	MVA	333
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	87	MVA	78
37	<b>Total Distribution Transformer Capacity</b>	<b>428</b>	<b>MVA (to MP2)</b>	<b>411</b>
38				
39	Zone Substation Transformer Capacity	238	MVA	206
40				
41	<b>System Fixed Assets age (at year end)</b>			
42	Average Age of System Fixed Assets	26	Years	
43	Average Expected Total Life of System Fixed Assets	48	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	17%	%	
47				
48				
49				
50				
51	<b>Electricity demand</b>			
52		<b>Maximum coincident system demand (MW)</b>	<b>Non-coincident Sum of maximum demands (MW)</b>	
53	<b>GXP Demand</b>	122	137	
54	plus Embedded Generation Output at HV and Above	7		
55	<b>Maximum System Demand</b>	<b>129</b>		
56	less Net Transfers to (from) Other EDBs at HV and Above	0		
57	<b>Demand on system for supply to customers' Connection Points</b>	<b>129</b>		
58	less Subtransmission Customers' Connection Point Demand	-	-	
59	<b>Maximum Distribution Transformer Demand</b>	<b>129</b>		to MP2
60				
61	GXP Demand not Supplied at Subtransmission Level	-		
62	Embedded Generation Output - Connected to Subtransmission System	7	7	
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
64				
65	<b>Estimated Controlled Load Shed at Time of Maximum System Demand (MW)</b>	-		
66				
67	<b>Five-Year System Maximum Demand Growth Forecast</b>		8.4 % p.a.	

68				
69	<b>Electricity volumes carried</b>		<b>(GWh)</b>	
70	Electricity Supplied from GXPs	694		
71	less Electricity Exports to GXPs	9		
72	plus Electricity Supplied from Embedded Generators	16		
73	less Net Electricity Supplied to (from) Other EDBs	-		
74	<b>Electricity entering system for supply to customers' Connection Points</b>	<b>701</b>		
75	less Electricity Supplied to Customers' Connection Points	666		to MP2
76	<b>Electricity Losses (loss ratio)</b>	<b>35</b>	<b>5.0%</b>	%
77				
78	Electricity Supplied to Customers' Connection Points	666		
79	less Electricity Supplied to Largest 5 Connection Points	167		
80	<b>Electricity supplied other than to Largest 5 Connection Points</b>	<b>499</b>	<b>75%</b>	%
81				
82	<b>Load Factor</b>	<b>62%</b>	%	
83				
84	<b>Number of Connection Points (at year end)</b>	<b>29,849</b>	ICPs	to MP2
85				
86	<b>Intensity of service requirements</b>			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	32	kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	166	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	7	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	22,296	kWh/ICP	

**Note:** The Zone Substation Transformer Capacity for 2007 (Line 39) has been adjusted to account for two 9MVA Transformers that were in use during the year ended 1 April 2008 but do not show in reporting from the Engineering Database.

The Estimated Portion of Assets within 10 years of Total Life (line 46) is based on the age and replacement costs of Subtransmission Lines and Cables, Distribution Lines and Cables, Low Voltage Lines and Cables and Distribution Transformers. It is assumed that the other system fixed asset categories have similar age and replacement cost profiles.

There is no collected data available for the Estimated Controlled Load Shed at Time of Maximum System Demand (row 55). However during the summer months (as the Time of System Maximum Demand was at 3pm on 13 November 2007), load control is generally only utilised when Network Constraints are in place. Therefore it is estimated that no load control was in operation during the System Maximum Demand.

## MP2 – PERFORMANCE MEASURES

REPORT MP2: PERFORMANCE MEASURES						
ref		Electricity Distribution Business:	Alpine Energy Limited			
			For Year Ended: 2008			
5						
6	<b>Performance comparators</b>					
7			<b>Previous Years:</b>			<b>Current Financial Year</b>
8			<b>Current Yr - 3</b>	<b>Current Yr - 2</b>	<b>Current Yr - 1</b>	
9	<b>Operational expenditure ratio</b>					
10		Total Operational Expenditure				8 \$m from FS1
11		Replacement Cost of System Fixed Assets (at year end*)				241 \$m from AV3
12		<b>Ratio (%)</b>	Not defined	Not defined	Not defined	<b>3.18%</b>
13						
14	<b>Capital expenditure ratio</b>					
15		Total Capital Expenditure on System Fixed Assets				10 \$m from FS2
16		Replacement Cost of System Fixed Assets (at year end*)				241 \$m from AV3
17		<b>Ratio (%)</b>	Not defined	Not defined	Not defined	<b>3.99%</b>
18						
19	<b>Capital expenditure growth ratio</b>					
20		Capital Expenditure: Customer Connection and System Growth				- \$m from FS2
21		Change in Total Distribution Transformer Capacity				17 MVA from MP1
22		<b>\$/kVA</b>	Not defined	Not defined	Not defined	- \$/kVA
23						
24	<b>Renewal expenditure ratio</b>					
25		Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal				- \$m from FS1 & 2
26		Regulatory Depreciation of System Fixed Assets				5 \$m from AV1
27		<b>Ratio (%)</b>	Not defined	Not defined	Not defined	<b>0%</b>
28						
29	<b>Distribution Transformer Capacity Utilisation</b>					
30		Maximum Distribution Transformer Demand	110	113	117	129 MW from MP1
31		Total Distribution Transformer Capacity (at year end*)	361	394	410	428 kVA from MP1
32		<b>Ratio (%)</b>	30.5%	28.7%	28.5%	<b>30.2%</b>
33						
34	<b>Return on Investment</b>					
35		Regulatory Profit / Loss (pre-financing and distributions)				12 \$m from FS1
36		less Interest Tax Shield Adjustment				1 \$m from FS3
37		Adjusted Regulatory Profit	-	-	-	11 \$m
38		Regulatory Investment Value				104 \$m from FS2
39		<b>Ratio (%)</b>	Not defined	Not defined	Not defined	<b>10.13%</b>
40						
41						
42	<b>Expenditure comparison table</b>					
43						
44			<b>Expenditure metrics (\$ per):</b>			
45			<b>Total circuit length (for Supply)</b>	<b>Electricity Supplied to Customers' Connection Points</b>	<b>Maximum coincident system demand</b>	<b>Distribution Transformer Capacity (EDB-Owned)</b>
46			(\$/km)	(\$/MWh)	(\$/MW)	(\$/MVA)
47		<b>Capital Expenditure (\$ per)</b>	2,659	16	82,607	31,322 from FS2 & MP1
48		<b>Operational Expenditure (\$ per)</b>	1,904	11	59,141	22,424 from FS1 & MP1
49						

**Note:** 2006/07 Information Disclosure Accounts have been used to calculate the previous years information on Distribution Transformer Capacity (Line 31). In previous years, only ELB-owned Transformer capacity was disclosed (although the Total Distribution Transformer Capacity was extracted). The Total Distribution Transformer Capacity is included in the figures above.

Under the Transitional Provisions, there is no requirement to provide prior year information for Operational Expenditure Ratio, Capital Expenditure Ratio, Capital Expenditure Growth Ratio, Renewal Ratio and Return on Investment. The current year information for Capital Expenditure Growth Ratio and Renewal Expenditure Ratio are not required to be disclosed. Due to rounding and automatic calculations in the spreadsheets there may be minor summing variances.

MP3 – PRICE AND QUALITY MEASURES

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

ref	Electricity Distribution Business: <b>Alpine Energy</b>	
6	For Year Ended: <b>2008</b>	
7	Network Name: <b>Alpine Energy Limited</b>	
9	Disclosure: <b>Annual Disclosure - Requirement 6(1)</b>	
10	<b>QUALITY</b>	
11	<b>Interruptions</b>	
12	<b>Interruptions by class</b>	
13	Class A	1 planned interruptions by Transpower
14	Class B	260 planned interruptions on the network
15	Class C	74 unplanned interruptions on the network
16	Class D	2 unplanned interruptions by Transpower
17	Class E	- unplanned interruptions of network owned generation
18	Class F	- unplanned interruptions of generation (non-network)
19	Class G	- unplanned interruptions caused by other electricity industry participant
20	Class H	- unplanned interruptions caused by other electricity industry participant
21	Class I	- unplanned interruptions caused by other electricity industry participant
22	<b>Total</b>	<b>337 Total of above</b>
23	<b>Interruption targets for Forecast Year</b>	
24	Class B	<b>2009</b> 40 <b>Current Financial Year +1</b> planned interruptions on the network
25	Class C	90 unplanned interruptions on the network
26	<b>Average interruption targets for 5 Forecast Years</b>	
27	Class B	<b>2009-2013</b> 40 <b>Current Financial Year +1 to +5</b> planned interruptions on the network
28	Class C	90 unplanned interruptions on the network
29	<b>Class C interruptions restored within</b>	
30		<b>&lt;=3Hrs</b> <b>&gt;3hrs</b>
31		63 11
32	<b>Faults</b>	
33	<b>Faults per 100 circuit kilometres</b>	
34	The total number of faults for Current Financial Year	1.84 in year 2008
35	The total number of faults forecast for the Forecast Year	4.00 in year 2009
36	The average annual number of faults forecast for the 5 Forecast Years	4.00 average over years 2009-2013
37	<b>Fault Information per 100 circuit kilometres by Voltage and Type</b>	
38		6.6kV & 11kV non-SWER 22kV non-SWER SWER 33kV 50kV & 66kV >66kV
39	Is this voltage part of the EDB system?	Yes Yes Yes Yes No No
40	Current Financial Year	2.39 - - 1.30
41	Forecast Year	3.00 - - 1.00
42	Average annual for 5 Forecast Years	3.00 - - 1.00
43	<b>Fault Information per 100 circuit kilometres by Voltage and Type</b>	
44		6.6kV & 11kV non-SWER 22kV non-SWER SWER 33kV 50kV & 66kV >66kV
45	Underground	0.73 - - -
46	Overhead	2.56 - - 1.48
47	<b>Reliability</b>	
48	<b>Overall reliability</b>	
49	Based on the total number of interruptions	<b>SAIDI</b> 149.50 <b>SAIFI</b> 1.69 <b>CAIDI</b> 88.46
50	<b>Reliability by interruption class</b>	
51	Class B	<b>SAIDI</b> 62.32 <b>SAIFI</b> 0.30 <b>CAIDI</b> 207.73
52	Class C	87.18 1.38 63.17
53	<b>Targets for Forecast Year</b>	
54	Class B	<b>SAIDI</b> 15.00 <b>SAIFI</b> 0.10 <b>CAIDI</b> 85.00
55	Class C	66.00 1.20 62.00
56	<b>Average targets for 5 Forecast Years</b>	
57	Class B	<b>SAIDI</b> 15.00 <b>SAIFI</b> 0.10 <b>CAIDI</b> 85.00
58	Class C	66.00 1.20 62.00

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)	848	17,551	6,540	4,294	29,233
Electricity Supplied to Customers' Connection Points (MWh)	15,603	354,498	128,561	166,862	665,524
Number of Connection Points (ICPs) at year end	3,376	26,315	153	5	29,849
Unit Price (cents/kWh)	5.4	5.0	5.1	2.6	4.4
Relative Unit Price Index	1.00	0.91	0.94	0.47	0.81

from FS1

from MP1

from MP1

## REPORT MP3: PRICE AND QUALITY (cont)

### Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints	
Connection Point Class breakpoints methodology	Metering installation category based breakpoints
kVA based breakpoints - additional disclosure	
Breakpoint between small and medium classes	_____ kVA
Breakpoint between large and medium classes	_____ kVA

**Note:** Alpine Energy is unable to fully provide the information required in the Report MP3 (lines 70-96) as we currently reconcile all customers at the Transpower GXP level and not at the ICP level, which is the level of detail required to complete the "Price information by Connection Point Class" table.

The only exception to this is the larger Time of Use (TOU) customers which have generally elected to have metering which records half hour data records.

While Alpine Energy employs a lines charge tariff which uses a balance between fixed charges and variable energy charges, it would be difficult to warrant the accuracy of the detail provided from a third party in completing the disclosure statement. There would be no reasonable auditing facility in the time available to certify the accuracy of this data, particularly as each Retailer would potentially use a different data format.

Alpine Energy holds no details regarding the volumes attributed to the individual ICP groups so would be unable to determine the volume break points between the "Connection Point Class" connections.

Alpine Energy is able to provide the data we receive from the GXP figures as well as a breakdown of the number of customers against our "Connection Point Class". However Alpine Energy is unable to accurately disaggregate this data down to the further levels as required for the information disclosure Report MP3 (lines 70-96).

For the reasons given above, Alpine Energy sought an exemption from the requirement to disclose connection point class pricing. Subsequently, the Commerce Commission granted a partial exemption. A copy of their letter is attached.

The Connection point classes have been derived on the basis set out in the Commerce Commission letter, as follows:

Small: Comprises of LOW users

Medium: Is the remainder of connected customers (which also includes some large Assessed Capacity sites)

Large: Includes all TOU Customers, except the largest.

Largest: Includes 5 ICPs for 4 customers – one customer has two ICPs in the top 5. Another customer has one ICP in the top 5 but billing for that customer comprises of a fixed annual charge across two of their ICPs. A proportion of the amount invoiced has been pro-rated based on the consumption of the two ICPs.

For sites in the medium grouping, no consumption information is available, so their consumption information is the National Reconciliation Manager's (NRM) Non-half hour (NHH) consumption minus the LOW users (for which Retailers provide consumption information).

The Gross line charge income for Medium Connection Points has not been extracted. Instead, it has been derived from the Grand Total minus the other Class Totals.

The connection point class breakpoints have been defined on the basis of load groups. There is considerable over-lap in terms of kVA or kW ratings between load groups. LOW users typically have the same 15kVA rating as other domestic users. TOU consumers in the large category have maximum demands ranging from 8 to 1,570 kW, while ASS customers in the medium category have assessed demands ranging from 5 to 1,347 kW.



stating why Alpine has been unable to supply the data in the form requested in rows 70 to 96 of Report MP3 (Schedule 11) of the Requirements.

The Commission reserves the right to request this information for the original connection point classes of report MP3 for the 2008 financial year retrospectively, should it establish that the required information can be provided.

Yours sincerely



Brent Alderton  
**Acting Director**  
**Network Performance Branch**

**TRANSITIONAL PROVISIONS****Network Statistics - 31 March 2008**

		<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Total System Length (km)</b>	33kV	231	213	213	203
	22kV	143	146	146	146
	11kV	2,957	2,884	2,866	2,841
	6.6kV	8	8	8	8
	230/400 V	676	589	583	577
	<b>Total</b>	<b>4,016</b>	<b>3,840</b>	<b>3,816</b>	<b>3,775</b>
<b>Overhead Circuit Length (km)</b>	33kV	203	183	183	183
	22kV	143	145	145	145
	11kV	2,692	2,634	2,634	2,624
	6.6kV	0	0	0	0
	230/400 V	385	326	326	330
	<b>Total</b>	<b>3,424</b>	<b>3,288</b>	<b>3,288</b>	<b>3,282</b>
<b>Underground Circuit Length (km)</b>	33kV	28	30	30	20
	22kV	0	0.5	0.5	0.5
	11kV	265	250	232	217
	6.6kV	8	8	8	8
	230/400 V	291	263	257	246.5
	<b>Total</b>	<b>592</b>	<b>552</b>	<b>528</b>	<b>492</b>
<b>Transformer Capacity (kVA)</b>		341,000	333,492	316,550	304,932
<b>Maximum Demand (kW)</b>		129,000	112,778	110,793	103,062

**Efficiency Performance Measures - 31 March 2008**

		<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Direct line costs per kilometre</b>		<b>\$1,384</b>	<b>\$1,589</b>	<b>\$929</b>	<b>\$993</b>
	Total System Length (km)	4,016	3,840	3,816	3,775
<b>Indirect line costs per consumer</b>		<b>\$49</b>	<b>\$30</b>	<b>\$29</b>	<b>\$31</b>
	Customers	29,849	29,367	29,163	28,697

**RELATED PARTY NOTE****Associated Entity:** NetCon Limited (excl GST)

NetCon is 50% owned by Alpine Energy Limited and provided asset maintenance and construction services for the network from 1 April 2007 to 31 March 2008. Services were charged on both a fixed price basis or 'time and materials' basis.

During the period, this charge totalled \$9,624,544 (2007 \$10,818,355). The outstanding amount as at 31 March 2008 was \$1,079,332 (2007 \$552,123) payable on normal commercial terms.

No debts were written off or forgiven and no transactions took place at nil or nominal value.

During the period capital construction transactions totalled the following:

	<b>2008</b>
	<b>\$`000</b>
Asset Construction:	
Subtransmission assets	0
Zone Substations	0
Distribution and LV Lines	4,267
Distribution and LV Cables	2,175
Distribution Substations and Transformers	87
Distribution Switchgear	0
Other System Fixed Assets (as per the ODV Handbook)	0
Maintenance of Assets	3,096

**AUDITORS REPORT**





**DIRECTORS CERTIFICATES****CERTIFICATE FOR DISCLOSED INFORMATION**

We, Ian James Bowan and Donald Murray Douglas Cleverley, directors of Alpine Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Alpine Energy 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:

FS1 – Regulatory Profit Statement

FS2 – Regulatory Asset and Financing Statement

FS3 – Regulatory Tax Allowance Calculation

AV1 – Annual Regulatory Valuation Roll-Forward Report

AV2 – Regulatory Valuation Disclosure by Asset Class

AV3 – System Fixed Assets Replacement Cost Roll-Forward Report

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

MP1 – Network Information

MP2 – Performance Measures

MP3 – Price and Quality Measures

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Ian James Bowan  
Director

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Donald Murray Douglas Cleverley  
Director

10<sup>th</sup> April 2009