



ALPINE ENERGY LIMITED

INFORMATION DISCLOSURE

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



FOR THE YEAR ENDED 31 MARCH 2011

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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 2011 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	2011	
5				
6	Income			
7				
8				
9	Net Line Charge Revenue Received		33,178	
10	plus Discretionary Discounts and Customer Rebates		-	FS1a
11	Gross Line Charge Income		33,178	
12				
13	Capital Contributions		1,352	
14	plus Net Value of Vested Assets		-	
15	Total Capital Contributions and Vested Assets		1,352	
16				
17	AC Loss Rental Rebates Received		873	
18	less AC Loss Rental Rebates Passed On		-	
19	Net AC loss rental income (deficit)		873	
20				
21				
22	Other Income		1	
23				
24				
25	Total regulatory income		35,403	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower		9,646	
31	plus Avoided Transmission Charges - payments to parties other than Transpower		-	
32	Total Transmission Costs		9,646	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads		3,075	
36	System Management and Operations		3,176	
37	Routine and Preventative Maintenance		2,898	to AM1
38	Refurbishment and Renewal Maintenance		1,405	to AM1
39	Fault and Emergency Maintenance		657	to AM1
40	Pass-through Costs		201	
41	Other		647	
42	Total Operational Expenditure		12,058	to MP2
43				
44				
45	Operational earnings		13,699	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)		5,556	from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)		178	from AV1
50	Total Regulatory Depreciation		5,734	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		7,965	to FS3
54				
55	less Regulatory Tax Allowance		1,290	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		5,373	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		12,048	to MP2

REPORT FS1: REGULATORY PROFIT STATEMENT (cont)

Notes to Regulatory Profit Statement

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

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	4,860	
78	Subvention Payment		
79	Other related party expenditure	5,749	
80	Total Related Party Expenditure		10,609

N.B.: The additional Related Party information that is required to be disclosed in accordance with Section 3 of the Information Disclosure Handbook is to be disclosed by way of a separate note to this Schedule and forms part of this Schedule.

87	FS1c: Operational Expenditure notes		(\$000)
88			
89	Merger and Acquisition Expenses		
90	Merger and Acquisition Expenses (not to be included in Operational Expenditure)		
91			
92	Material items (if greater than 10% of the Operational Expenditure line item)		
93	Material item amount 1	5,411	<i>Notes to be provided separately</i>
94	within expenditure category:	Other	
95			
96	Material item amount 2	3,492	<i>Notes to be provided separately</i>
97	within expenditure category:	General Management, Administration	
98			
99	Material item amount 3		<i>Notes to be provided separately</i>
100	within expenditure category:	Select one	
101			
102			
103			<i>(further disclosures to be provided on separate page if required)</i>

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

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

to be repeated as required for multiple reclassifications

Notes:

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

Material Item 1 \$5,410,628 for Contractor Payments

Material Item 2 \$3,492,391 for Labour Costs

FS1(b) For further details, refer to separate Related Party note on page 19.

FS2 – Regulatory Asset and Financing Statement

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Alpine Energy Limited	For Year Ended	2011	
5					
6					
7	Capital Expenditure on System Fixed Assets (by primary purpose)				(\$000)
8	Customer Connection	1,625			<i>to AM1</i>
9	System Growth	9,623			<i>to AM1</i>
10	Reliability, Safety and Environment	1,857			<i>to AM1</i>
11	Asset Replacement and Renewal	1,599			<i>to AM1</i>
12	Asset Relocations	-			<i>to AM1</i>
13	Total Capital Expenditure on System Fixed Assets			14,704	<i>to AM1</i>
14					
15					
16	Capital Expenditure on Non-System Fixed Assets			261	<i>from AV1</i>
17					
18					
19	Capital works roll-forward (for System Fixed Assets)				
20	Works Under Construction at Beginning of Year	6,632			
21	<i>plus</i> Total Capital Expenditure on System Fixed Assets	14,704			
22	<i>less</i> Assets Commissioned in Year	11,349			<i>from AV1</i>
23	Works under construction at year end			9,987	
24					
25					
26	Regulatory Investment Value calculation				
27	System Fixed Assets: regulatory value at end of Previous Year	120,291			<i>from AV1</i>
28	Non-System Fixed Assets: regulatory value at end of Previous Year	518			<i>from AV1</i>
29	Finance During Construction Allowance (on System Fixed assets)	2,947			2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year			123,757	
31					
32	<i>plus</i> System Fixed Assets Commissioned in Year	11,349			<i>from AV1</i>
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-			<i>from AV1</i>
34	Non-System Fixed Assets: Asset Additions	261			<i>from AV1</i>
35	Regulatory Asset Base investment in Current Financial Year - total	11,610			
36	Regulatory Asset Base investment in Current Financial Year - average			5,805	
37					
38	<i>plus (minus) where a merger or acquisition has taken place within the year</i>				
39	Adjustment for merger, acquisition or sale to another EDB			-	<i>from AV4</i>
40					
41	Regulatory Investment Value			129,562	<i>to MP2</i>

FS3 – REGULATORY TAX ALLOWANCE CALCULATION

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION		Electricity Distribution Business: Alpine Energy Limited	
		For Year Ended 2011	
5			
6			
7			(\$000)
8	Earnings before interest and tax (EBIT)		7,965 <i>from FS1</i>
9			
10	<i>add</i> Total Regulatory Depreciation	5,734	<i>from FS1</i>
11	Other Permanent Differences - not deductible	231	
12	Other Temporary Adjustments - Current Period	1,119	
13			7,083
15	<i>less</i> Non Taxable Capital Contributions and Vested Assets	1,030	
16	Tax Depreciation	5,853	
17	Deductible Discretionary Discounts and Customer Rebates		
18	Deductible Interest	3,415	<i>from row 53</i>
19	Other Permanent Differences - Non Taxable		
20	Other Temporary Adjustments - Prior Period	451	
21			10,749
22			
23	Regulatory taxable income for Year		4,300
24			
25	<i>less</i> Tax Losses Available at Start of Year		
26	Net taxable income		4,300
27			
28	Statutory Tax Rate	30%	
29	Regulatory Tax Allowance		1,290 <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	Other Permanent Differences - not deductible: Asset impairment 231 Refer below re Other temporary adjustments.
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	6.59%	%
53			
54	Deductible Interest	3,415	\$000 <i>to row 18</i>
55			
56	Interest Tax Shield Adjustment	1,025	\$000 <i>to MP2</i>

OTHER TEMPORARY ADJUSTMENTS	CURRENT PERIOD	PRIOR PERIOD
Holiday pay	215	214
Long service leave	102	90
Provision for doubtful debts	81	88
Other	407	59
Reduction in tax base of buildings	314	0

AV1 – ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT								
ref	Electricity Distribution Business: Alpine Energy Limited							
5	For Year Ended:						2011	
6	Year of most recent ODV						2004	
7								
8								
9	(\$000)							
10	ODV Year +	ODV Year +	ODV Year +	ODV Year +	ODV Year +	ODV Year +	ODV Year +	
11	1	2	3	4	5	6	7	
12	For Year Ending:	2005	2006	2007	2008	2009	2010	2011
13	System Fixed Assets							
14	Regulatory Value at End of Previous Year*	81,784	86,430	90,900	94,182	104,543	115,421	120,291
15	plus							
16	Assets Commissioned	7,493	6,281	5,473	12,275	13,336	7,628	11,349
17	Gross Value of Vested Assets							
18	Assets Acquired from (Sold to) a Non-EDB							
19	Asset Additions	7,493	6,281	5,473	12,275	13,336	7,628	11,349
20	plus							
21	Indexed Revaluation	2,274	2,866	2,305	3,170	3,104	2,362	5,373
22	less							
23	Depreciation of System Fixed Assets	3,996	4,144	4,245	4,433	4,620	4,726	5,149
24	Regulatory Value of Assets Decommissioned	1,125	532	252	651	942	394	407
25	Regulatory Depreciation (incl. value of assets decommissioned)	5,121	4,676	4,497	5,084	5,562	5,120	5,556
26	plus (minus)							
27	Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	-	-
28	less							
29	Sale of System Fixed Assets to another EDB	-	-	-	-	-	-	-
30	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-	-	-	-
31	plus (minus)							
32	Net Increase (Decrease) Due to Changes in Asset Register Information							
33	Regulatory Value of System Fixed Assets at Year End	86,430	90,900	94,182	104,543	115,421	120,291	131,458
34								
35	Non-System Fixed Assets							
36	Regulatory value at end of previous year	26	52	709	747	1,284	891	518
37	plus							
38	Asset Additions	47	788	311	1,071	180	218	261
39	plus							
40	Revaluations							
41	less							
42	Depreciation (incl. value of assets decommissioned)	21	131	273	534	573	591	178
43	plus							
44	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	-	-
45	Regulatory Value of Non-System Fixed Assets at Year end	52	709	747	1,284	891	518	601
46								
47	Total Regulatory Asset Base Value (excluding FDC)	86,482	91,609	94,929	105,827	116,312	120,809	132,059
48								
49	* The commencing figure for completing this schedule is the most recent ODV value Note: Additional columns to be added if required							

Notes to Annual Regulatory Valuation Roll-forward Report

AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets								
57	CPI as at date of ODV							928
58								
59								
60	For Year Ended	2005	2006	2007	2008	2009	2010	2011
61	CPI at CPI reference date	953	985	1010	1044	1075	1097	1146
62	Revaluation Rate	2.78%	3.32%	2.54%	3.37%	2.97%	2.05%	4.47%
63								
64	System Fixed Assets: Regulatory Value at End of Previous Year	81,784	86,430	90,900	94,182	104,543	115,421	120,291
65	Indexed Revaluation of System Fixed Assets	2,274	2,866	2,305	3,170	3,104	2,362	5,373

AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB								
68	For Year Ended							(\$000)
69								
70	Acquisition of System Fixed Assets from another EDB							
71	Sale of System Fixed Assets to another EDB							
72	Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB							

Notes:

The Regulatory Value of Assets Decommissioned (line 22) is largely comprised of transformers and conductors and management is of the view that these represent the majority of disposals.

AV2 – REGULATORY VALUATION DISCLOSURE BY ASSET CLASS

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

Electricity Distribution Business: **Alpine Energy Limited**
For Year Ended: **2011**

ref		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)	6,446	5,817	27,488	21,835	14,762	5,052	384	81,784	from AV1
13	Cumulative roll-forward since most recent ODV:									
14	Asset Additions								63,835	from AV1
15	Indexed Revaluation (of System Fixed Assets)								21,454	from AV1
16	less Regulatory Depreciation (of System Fixed Assets)								35,616	from AV1
17	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-	from AV1
18	Net Increase (Decrease) Due to Changes in Asset Register Information								-	from AV1
19	Regulatory Value of System Fixed Assets at Year End								131,458	from AV1

AV3 – SYSTEM FIXED ASSETS REPLACEMENT COST ROLL-FORWARD REPORT

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

ref	Electricity Distribution Business: Alpine Energy Limited	
5		For Year Ended: 2011
6	System Fixed Assets - Replacement Cost	
7		(\$000)
8	Replacement cost at end of previous year	271,159
9		
10	Asset Additions	11,349
11	Indexed Revaluation (of System Fixed Assets)	12,112
12	<i>less</i> Replacement Cost of Assets Decommissioned	1,222
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
14	Net Increase (Decrease) Due to Changes in Asset Register Information	
15	Replacement cost of System Fixed Assets at year end	293,398
16		
17		
18	System Fixed Assets - Depreciated Replacement Cost	
19		
20	Depreciated Replacement Cost at end of previous year	122,412
21		
22	Asset Additions	11,349
23	Indexed Revaluation (of System Fixed Assets)	5,468
24	<i>less</i> Depreciation of Replacement Cost	5,149
25	<i>less</i> Depreciated Replacement Cost of Assets Decommissioned	407
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
27	Net Increase (Decrease) Due to Changes in Asset Register Information	-
28	Depreciated replacement cost of System Fixed Assets at year end	133,672

AV3a

from AV4

AV3a

from AV4

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	11,349
39	<i>plus</i> Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	
40		
41	Asset Additions - Replacement Cost	11,349
42		

from AV1

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

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

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

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

	Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transforme	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
13 Replacement Cost (RC)								.
14								
15 less Depreciation								.
16 Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	.
17								
18 less Optimisation adjustment								.
19 Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	.
20								
21 less Economic Value Adjustment (EVA)								.
22 Most recent ODV value	-	-	-	-	-	-	-	.
23								

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

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

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

	RC & DRC values of System Fixed Assets at transfer date	RAB value of acquired/(sold) assets
48		
49 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC	-	-
50 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC	-	-
51		

53 Signed by: Selling Entity

54

55 Acquiring Entity

56

57

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: 2011
7	Network Name:	Alpine Energy Limited <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)
11		Total (km)	
12	> 66kV	-	-
13	50kV & 66kV	-	-
14	33kV	203	32
15	SWER (all SWER voltages)	-	-
16	22kV (other than SWER)	144	-
17	6.6kV to 11kV (inclusive - other than SWER)	2,725	314
18	Low Voltage (< 1kV)	382	320
19	Total circuit length (for Supply)	3,454	666
20			4,120 <small>to MP2</small>
21	Dedicated Street Lighting Circuit Length	-	-
22			
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)
24	Urban (only)	319	9%
25	Rural (only)	3,041	88%
26	Remote (only)	-	0%
27	Rugged (only)	94	3%
28	Rural & rugged (only)	-	0%
29	Remote & rugged (only)	-	0%
30	Unallocated overhead lines	-	0%
31	Total overhead length	3,454	100%
32			
33			
34	Transformer capacity (at year end)		Previous Year
35	Distribution Transformer Capacity (EDB Owned)	371 MVA	367
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	88 MVA	89
37	Total Distribution Transformer Capacity	459 MVA (to MP2)	456
38			
39	Zone Substation Transformer Capacity	248 MVA	240
40			
41	System Fixed Assets age (at year end)		
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	19%	
47			
48			
49			
50	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)
51			
52	GXP Demand	115	146
53	<i>plus</i> Embedded Generation Output at HV and Above	7	
54	Maximum System Demand	122	
55	<i>less</i> Net Transfers to (from) Other EDBs at HV and Above	-	
56	Demand on system for supply to customers' Connection Points	122	
57	<i>less</i> Subtransmission Customers' Connection Point Demand	-	-
58	Maximum Distribution Transformer Demand	122	
59			<small>to MP2</small>
60			
61	GXP Demand not Supplied at Subtransmission Level	66	
62	Embedded Generation Output - Connected to Subtransmission System	7	7
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-
64			
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	-	
66			
67	Five-Year System Maximum Demand Growth Forecast	5.6	% p.a.
68			

68				
69	Electricity volumes carried		(GWh)	
70	Electricity Supplied from GXPs		722	
71	<i>less</i> Electricity Exports to GXPs		16	
72	<i>plus</i> Electricity Supplied from Embedded Generators		29	
73	<i>less</i> Net Electricity Supplied to (from) Other EDBs		-	
74	Electricity entering system for supply to customers' Connection Points		735	
75	<i>less</i> Electricity Supplied to Customers' Connection Points		717	to MP2
76	Electricity Losses (loss ratio)		18	2.4% %
77				
78	Electricity Supplied to Customers' Connection Points		717	
79	<i>less</i> Electricity Supplied to Largest 5 Connection Points		172	
80	Electricity supplied other than to Largest 5 Connection Points		545	76% %
81				
82	Load Factor		69% %	
83				
84	Number of Connection Points (at year end)		30,826	ICPs to MP2
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)		30	kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)		174	MWh/km
89	Connection Point Density (ICPs / Total circuit length)		7	ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)		23,256	kWh/ICP

Notes:

Line 17 includes 7.2 km of 6.6 kV underground SWER, as this cannot be entered in line 15.

The Distribution Transformer Capacity (EDB Owned) (row 35) rating does not include any uplifts due to cooling mechanisms as these are not considered to be significant across all transformers.

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.

The Time of System Maximum Demand (row 55) was at trading period 17, on 4 November 2010. 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:	2011	
5			
6	Performance comparators		
7		Previous Years:	Current Financial Year
8		Current Yr - 3	Current Yr - 2
9		Current Yr - 1	Current Financial Year
10	Operational expenditure ratio		
11	<i>Total Operational Expenditure</i>	8	8
12	<i>Replacement Cost of System Fixed Assets (at year end*)</i>	241	259
13	Ratio (%)	3.32%	3.09%
14			
15	Capital expenditure ratio		
16	<i>Total Capital Expenditure on System Fixed Assets</i>	10	10
17	<i>Replacement Cost of System Fixed Assets (at year end*)</i>	241	259
18	Ratio (%)	4.15%	3.86%
19			
20	Capital expenditure growth ratio		
21	<i>Capital Expenditure: Customer Connection and System Growth</i>	-	-
22	<i>Change in Total Distribution Transformer Capacity</i>	17	17
23	\$/kVA	-	-
24			
25	Renewal expenditure ratio		
26	<i>Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal</i>	-	-
27	<i>Regulatory Depreciation of System Fixed Assets</i>	5	6
28	Ratio (%)	0%	0%
29			
30	Distribution Transformer Capacity Utilisation		
31	<i>Maximum Distribution Transformer Demand</i>	129	130
32	<i>Total Distribution Transformer Capacity (at year end*)</i>	428	445
33	Ratio (%)	30.1%	29.2%
34			
35	Return on Investment		
36	<i>Regulatory Profit / Loss (pre-financing and distributions)</i>	12	14
37	<i>less Interest Tax Shield Adjustment</i>	1	1
38	<i>Adjusted Regulatory Profit</i>	11	13
39	<i>Regulatory Investment Value</i>	104	115
40	Ratio (%)	10.58%	11.30%
41			
42	Expenditure comparison table		
43			
44			
45			
46			
47	Capital Expenditure (\$) per	3,632	21
48	Operational Expenditure (\$) per	2,927	17
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	3,632	21	122,743	485	40,336
Operational Expenditure (\$) per	2,927	17	98,901	391	32,501

MP3 – Price and Quality Measures

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

ref	Electricity Distribution Business: Alpine Energy Limited		For Year Ended: 2011				
6							
7	Network Name:	Alpine Energy Limited					
8	Disclosure:	Annual Disclosure - Requirement 6(1)					
9	QUALITY						
10	Interruptions						
11	Interruptions by class						
12	Class A	2	planned interruptions by Transpower:				
13	Class B	239	planned interruptions on the network				
14	Class C	181	unplanned interruptions on the network				
15	Class D	-	unplanned interruptions by Transpower				
16	Class E	-	unplanned interruptions of network owned generation				
17	Class F	-	unplanned interruptions of generation (non-network)				
18	Class G	-	unplanned interruptions caused by other electricity industry participant				
19	Class H	-	planned interruptions caused by other electricity industry participant				
20	Total	422	Total of above				
21	Interruption targets for Forecast Year						
22	Class B	200	2012 Current Financial Year +1 planned interruptions on the network				
23	Class C	130	2012 Current Financial Year +1 unplanned interruptions on the network				
24	Average interruption targets for 5 Forecast Years						
25	Class B	200	2012-2016 Current Financial Year +1 to +5 planned interruptions on the network				
26	Class C	110	2012-2016 Current Financial Year +1 to +5 unplanned interruptions on the network				
27	Class C interruptions restored within						
28		≤3Hrs	>3hrs				
29		147	34				
30	Faults						
31	Faults per 100 circuit kilometres						
32	The total number of faults for Current Financial Year	4.27	in year	2011			
33	The total number of faults forecast for the Forecast Year	5.00	in year	2012			
34	The average annual number of faults forecast for the 5 Forecast Years	4.00	average over years	2012-2016			
35	Fault Information per 100 circuit kilometres by Voltage and Type						
36		6.6kV & 11kV non-SW	22kV non-SW	SWER	33kV	50kV & 66kV	>66kV
37	Is this voltage part of the EDB system?	Yes	Yes	No	Yes	No	No
38	Current Financial Year	5.26	4.86		3.83		
39	Forecast Year	5.30	4.20		4.00		
40	Average annual for 5 Forecast Years	5.00	4.00		3.80		
41	Fault Information per 100 circuit kilometres by Voltage and Type						
42		6.6kV & 11kV non-SW	22kV non-SW	SWER	33kV	50kV & 66kV	>66kV
43	Underground	0.64	-		-		
44	Overhead	5.80	4.86		4.43		
45	Reliability						
46	Overall reliability						
47	Based on the total number of interruptions	SAIDI	SAIFI	CAIDI			
48		225.92	1.71	132.11			
49	Reliability by interruption class						
50	Class B	SAIDI	SAIFI	CAIDI			
51	Class C	62.25	0.27	230.56			
52		163.28	1.43	114.18			
53	Targets for Forecast Year						
54	Class B	SAIDI	SAIFI	CAIDI			
55	Class C	68.00	0.34	200.00			
56		112.00	1.16	96.55			
57	Average targets for 5 Forecast Years						
58	Class B	SAIDI	SAIFI	CAIDI			
59	Class C	68.00	0.34	200.00			
60		112.00	1.16	96.55			

69	PRICES					
70	Price information by Connection Point Class					
71						
72						
73						
74						
		Connection Point Class				
		Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total
75						
76	Gross line charge income (\$000)	1,848	22,953	4,675	3,701	33,178
77	Electricity Supplied to Customers' Connection Points (MWh)	29,591	379,675	135,829	171,794	716,889
78	Number of Connection Points (ICPs) at year end	5,718	24,960	143	5	30,826
79	Unit Price (cents/kWh)	6.2	6.0	3.4	2.2	4.6
80	Relative Unit Price Index	1.00	0.97	0.55	0.35	0.74
81						

from FS1
from MP1
from MP1

REPORT MP3: PRICE AND QUALITY (cont)
Notes to Price and Quality Measures

89	MP3a: Connection Point Class breakpoints	
90		
91	Connection Point Class breakpoints methodology	Metering installation category based breakpoints
92		
93	kVA based breakpoints - additional disclosure	
94	Breakpoint between small and medium classes	_____ kVA
95	Breakpoint between large and medium classes	_____ kVA
96		

Notes:

For previous information disclosures, interruption forecasts in lines 62 and 63 were based on historical information for the five year period ending on 31st March 2003, in line with the targets set for threshold compliance reliability. For this disclosure, these forecasts have been revised to take account of the impact of very strong load growth in recent years. This has had an impact on interruptions in two ways. There are more planned interruptions to allow for expansion and strengthening of the network, and there are an increasing number of unplanned interruptions resulting from an overloading of components of the network.

Alpine Energy currently reconciles all customer volumes at the Transpower GXP level and not at the ICP level, except for Time of Use (TOU) customers which have metering which records half hour data records. Alpine Energy receives information from Retailers that determines the electricity supplied to low user consumers.

Consequently, Alpine Energy sought an exemption from the requirement to disclose connection point class pricing for the 2008 Information Disclosure. Subsequently, the Commerce Commission granted a partial exemption and requested the information be provided on the basis of TOU and LOW data that is known, with the Medium Class being the remainder. As, in effect, there was no partial exemption (because all customers were included in a class). The same methodology has been used for the grouping of customers into the classes (listed below) for the 2011 Information Disclosure.

The Connection point classes have been derived on the basis set out in the Commerce Commission's 2008 request, 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.

For sites in the medium grouping, no individual 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 monthly consumption information).

The LOW consumption information has no breakdown between day and night consumption. In terms of determining the line charge income for Small and Medium sites, the assumption has been made that the proportion of Day/Night usage for LOW sites is in line with the proportion for the Day/Night usage for all NHH sites.

Invoice items have been extracted out of the billing system per load group and these values have been pro-rated to the total line rental revenue (FS1, row F10).

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 20 to 4,238 kW, while ASS customers in the medium category have assessed demands ranging from 5 to 1,347 kW.

AM1 – EXPENDITURE FORECASTS AND RECONCILIATION

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

ref		Electricity Distribution Business: Alpine Energy Limited	
		For Year Ended 2011	
		(\$000)	
5	A) Five year forecasts of expenditure		
6	<i>From most recent Asset Management Plan</i>		
7			
8		Actual for Current Financial Year	Forecast Years
9			year 1 year 2 year 3 year 4 year 5
10	<i>for year ended</i>	2011	2012 2013 2014 2015 2016
11	Capital Expenditure: Customer Connection	1,625	2,298 2,449 2,599 2,781 2,976 <i>from FS2</i>
12	Capital Expenditure: System Growth	9,623	13,894 9,516 10,589 5,867 6,967 <i>from FS2</i>
13	Capital Expenditure: Reliability, Safety and Environment	1,857	2,073 550 350 300 300 <i>from FS2</i>
14	Capital Expenditure: Asset Replacement and Renewal	1,599	2,303 3,343 1,708 1,340 1,140 <i>from FS2</i>
15	Capital Expenditure: Asset Relocations	-	- - - - - <i>from FS2</i>
16	Subtotal - Capital Expenditure on asset management	14,704	20,568 15,858 15,246 10,288 11,383
17	Operational Expenditure: Routine and Preventative Maintenance	2,898	2,273 2,408 2,530 2,631 2,709 <i>from FS1</i>
18	Operational Expenditure: Refurbishment and Renewal Maintenance	1,405	757 803 843 877 903 <i>from FS1</i>
19	Operational Expenditure: Fault and Emergency Maintenance	657	2,020 2,141 2,248 2,338 2,408 <i>from FS1</i>
20	Subtotal - Operational Expenditure on asset management	4,959	5,050 5,352 5,621 5,846 6,020
21			
22	Total direct expenditure on distribution network	19,663	25,618 21,210 20,867 16,134 17,403
23			
24	Overhead to Underground Conversion Expenditure	1,433	1,300 455 - - -
26	<i>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).</i>	<i>All Overhead to Underground conversion expenditure relates to Reliability, Safety and Environment</i>	
27			
28			
30	B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure		
32		Actual for Current Financial Year	Previous forecast for Current Financial Year
33		(a)	(b)
34			% Variance (a)/(b)-1
35	Capital Expenditure: Customer Connection	1,625	2,463 -34.0% <i>from row 10</i>
36	Capital Expenditure: System Growth	9,623	15,850 -39.3% <i>from row 11</i>
37	Capital Expenditure: Reliability, Safety and Environment	1,857	3,790 -51.0% <i>from row 12</i>
38	Capital Expenditure: Asset Replacement and Renewal	1,599	1,535 4.2% <i>from row 13</i>
39	Capital Expenditure: Asset Relocations	-	- Not defined <i>from row 14</i>
40	Subtotal - Capital Expenditure on asset management	14,704	23,638 -37.8%
41	Operational Expenditure: Routine and Preventative Maintenance	2,898	1,602 80.9% <i>from row 17</i>
42	Operational Expenditure: Refurbishment and Renewal Maintenance	1,405	1,134 23.9% <i>from row 18</i>
43	Operational Expenditure: Fault and Emergency Maintenance	657	1,600 -58.9% <i>from row 19</i>
44	Subtotal - Operational Expenditure on asset management	4,959	4,336 14.4%
45			
46	Total direct expenditure on distribution network	19,663	27,974 -29.7%
47			
48			
49	Explanation of variances		
50	<i>Distribution Business must provide a brief explanation for any line item variance of more than 10%</i>		
51	<i>Explanatory notes (can be provided in a separate note if necessary):</i>	<p>The continued slow down in the economy resulted in fewer customer connections (ref 34). Resources normally employed in this area were redeployed to Operational Expenditure accounting for part of the variance recorded against Routine and Preventative Maintenance (ref 41) and Refurbishment and Renewal Maintenance (ref 42).</p> <p>The shortfall in expenditure on System Growth (ref 35) and Reliability, Safety and Environment (ref 36) resulted from a lack of manpower resources to carry out all the planned work.</p> <p>The budget for Fault and Emergency Maintenance (ref 43) was increased significantly for the year to reflect previous trends. Fault and emergency events were less expensive than expected, and resources were diverted to other operational expenditure (refs 41, 42)</p>	
52			
53			
54			
55			
56			
57			
58			
59			
60			
61			
62			
63			

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

NetCon is 100% owned by Alpine Energy Limited and provided asset maintenance and construction services for the network from 1 April 2010 to 31 March 2011. Services were charged on both a fixed price basis or 'time and materials' basis.

During the period, this charge totalled \$10,609,408 (2010 \$10,611,190). The outstanding amount as at 31 March 2011 was \$1,596,873 (2010 \$1,282,061) 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:

	2010	2011
	\$'000	\$'000
Asset Construction:		
Subtransmission assets	134	100
Zone Substations	203	2,346
Distribution and LV Lines	2,677	719
Distribution and LV Cables	1,340	1,957
Distribution Substations and Transformers	91	39
Distribution Switchgear	1,568	588
Other System Fixed Assets (as per the ODV Handbook)	341	0
Maintenance of Assets	4,257	4,860



Auditor's Independent Assurance Report

To the Readers of Alpine Energy Limited's Report for the Financial Year Ended 31 March 2011 regarding Alpine Energy Limited's Compliance with the Electricity Distribution (Information Disclosure) Requirements 2008

The Auditor-General is the auditor of Alpine Energy Limited (the company). The Auditor-General has appointed me, Fred Hutchings, using the staff and resources of PricewaterhouseCoopers, to provide an opinion, on her behalf, on the company's report for the financial year ended 31 March 2011 on pages 4 to 19 regarding compliance with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements). In this independent assurance report we refer to the company's report as the 'disclosure information'. The disclosure information comprises both historical and prospective financial and non-financial information.

Respective responsibilities

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

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

Limitations and use of this independent assurance report

This independent assurance report has been prepared solely to discharge the Auditor-General's responsibilities under the Requirements for the financial year ended 31 March 2011. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

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

Basis of opinion

The company's financial statements and annual compliance statement prepared pursuant to the Commerce Act (Electricity Distribution Default Price-Quality Path) Determination 2010 for the year ended 31 March 2011 have been subject to audit. The audit opinions on the financial statements and default price-quality path compliance statements of the company for the year ended 31 March 2011 were unqualified and were dated 24 June 2011 and 12 July 2011 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.

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

Historical financial and non-financial information

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

Our work in respect of amounts and disclosures that were not audited under the financial statement audit has been planned and performed to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the disclosure information has been presented in all material respects in accordance with the Requirements.

Prospective financial and non-financial information

Our work on the prospective financial and non-financial information has been limited to assessing whether the information has been presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2011 and the immediately preceding financial year, and that the information has been calculated based on source data provided by the company. We have not performed audit procedures on the source data.

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

Independence

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

In addition to the engagement, we have performed other audit assignments for the company. This involved issuing an audit opinion on the annual financial statements on behalf of the Auditor-General, and independent assurance opinions on the Electricity Distribution Default Price-Quality Path statement and information provided in response to the S53ZD information request. We have also provided other professional advisory services to the company. These assignments were compatible with the Auditor-General's independence requirements. Other than these assignments, we have no relationship with or interests in the company or any of its subsidiaries.

Opinion

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

In our opinion:

- the company has kept proper records to enable the complete and accurate compilation of required information, in all material respects, as far as appears from our examination of those records; and
- the disclosure information prepared by the company for the financial year ended 31 March 2011 complies with the Requirements.



Historical Financial and Non-Financial Information

In our opinion, the company has:

- presented the historical financial information in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2011 in all material respects in compliance with the Requirements, and
- compiled the historical non-financial information included in reports MP1, MP2 and MP3 in accordance with the guidance (if any) issued pursuant to the Requirements, and has calculated the historical non-financial information based on un-audited source data provided by the company.

Prospective Financial and Non-Financial Information

In our opinion, the company has:

- presented the prospective financial and non-financial information in reports AM1 and MP3 on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the financial year ended 31 March 2011 and the immediately preceding financial year; and
- calculated the prospective financial and non-financial information based on un-audited source data provided by the company.

A handwritten signature in black ink that reads 'Fred Hutchings'.

Fred Hutchings
On behalf of the Auditor-General
Christchurch, New Zealand

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

29 August 2011

DIRECTORS CERTIFICATE

CERTIFICATE FOR DISCLOSED INFORMATION

We, Ian James Bowan and Alister John France, 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

AM1 – Expenditure Forecasts and Reconciliation



Ian James Bowan
Director



Alister John France
Director

29 August 2011