

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Waipa Networks	
5		For Year Ended	2012	
6	Income			
7				
8				
9	Net Line Charge Revenue Received		17,101	
10	plus Discretionary Discounts and Customer Rebates		2,566	FS1a
11	Gross Line Charge Income		19,667	
12				
13	Capital Contributions		960	
14	plus Net Value of Vested Assets		-	
15	Total Capital Contributions and Vested Assets		960	
16				
17	AC Loss Rental Rebates Received		664	
18	less AC Loss Rental Rebates Passed On		664	
19	Net AC loss rental income (deficit)		0	
20				
21				
22	Other Income		80	
23			80	
24				
25	Total regulatory income		20,707	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower		5,775	
31	plus Avoided Transmission Charges - payments to parties other than Transpower		-	
32	Total Transmission Costs		5,775	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads		1,658	
36	System Management and Operations		1,161	
37	Routine and Preventative Maintenance		856	to AM1
38	Refurbishment and Renewal Maintenance		271	to AM1
39	Fault and Emergency Maintenance		595	to AM1
40	Pass-through Costs		137	
41	Other		-	
42	Total Operational Expenditure		4,677	to MP2
43				
44				
45	Operational earnings		10,255	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)		3,350	from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)		179	from AV1
50	Total Regulatory Depreciation		3,529	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		6,726	to FS3
54				
55	less Regulatory Tax Allowance		692	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		1,299	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		7,333	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	2,566	
71	Line Charge Holidays and other Discretionary Discounts		
72	Total Discretionary Discounts and Customer Rebates		2,566

75	FS1b: Related party expenditure - summary		(\$000)
76	Avoided Transmission Charges		
77	Operational Expenditure	2,207	
78	Subvention Payment		
79	Other related party expenditure	4,794	
80	Total Related Party Expenditure		7,001

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	14	Notes to be provided separately
94	within expenditure category:	Pass-through Costs	
95			
96	Material item amount 2	64	Notes to be provided separately
97	within expenditure category:	Pass-through Costs	
98			
99	Material item amount 3	59	Notes to be provided separately
100	within expenditure category:	Pass-through Costs	
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:	Select one	
113	New classification:	Select one	
114			
115			(\$000)
116	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
117	Previous classification:	Select one	
118	New classification:	Select one	
119			
120			(\$000)
121	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
122	Previous classification:	Select one	
123	New classification:	Select one	
124			

to be repeated as required for multiple reclassifications

REPORT FS1: REGULATORY PROFIT STATEMENT (cont)

Electricity Distribution Business: **Waipa Networks**

For Year Ended **2012**

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FS1b: Related party expenditure - summary

At balance date, the Waipa Networks Trust held 100 per cent of the shares in Waipa Networks Limited

All related party transactions in the accounts of Waipa Networks have been conducted on a commercial and arms length basis.

The contracting department of Waipa Networks has provided the following services, for the year ended 31 March 2012

	2012	2011
	(\$000)	(\$000)
Construction of subtransmission assets	-	-
Construction of zone substations	-	-
Construction of distribution lines & cables	1,316	896
Construction of medium voltage switchgear	1,057	1,011
Construction of distribution transformers	1,260	768
Construction of distribution substations	681	548
Construction of low voltage lines and cables	413	601
Construction of other system fixed assets	66	110
Maintenance of assets	2,137	2,881
Consumer connections and reconnections	6	6
Other services	64	62

The following transactions occurred between the line business and other business.

Sale of Assets to Other at Book Value	-	-
Distribution of cash to Other	-	-
Interest paid to Other	467	466

The line business has a loan from the other business.

The amount outstanding at balance date was \$9,800,000 (2011 \$9,800,000).

At year end there were no other outstanding balances for related parties (2011 Nil).

No related party debt has been written off or forgiven during 2012 or 2011.

No provision has been made in the accounts for payment of a final dividend to the Waipa Networks Trust. (2011 Nil). No Interim dividends have been paid (2011 Nil).

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For Year Ended **2012**

(\$000)

FS1c: Operational Expenditure notes

Material items (if greater than 10% of the Operational Expenditure line item)

Commerce Commission	14	
within expenditure category:	10%	Pass-through Costs
Local Authority Rates	64	
within expenditure category:	47%	Pass-through Costs
Electricity Commission	59	
within expenditure category:	43%	Pass-through Costs