

**REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION**

Electricity Distribution Business: **Waipa Networks**  
 For Year Ended **2008**  
 (\$000)

**A) Five year forecasts of expenditure**  
 From most recent Asset Management Plan

for year ended	Actual for Current Financial Year	Forecast Years					
		year 1	year 2	year 3	year 4	year 5	
		2009	2010	2011	2012	2013	
2008	4,829						
Capital Expenditure: Customer Connection	4,829						from FS2
Capital Expenditure: System Growth	-						from FS2
Capital Expenditure: Reliability, Safety and Environment	-						from FS2
Capital Expenditure: Asset Replacement and Renewal	-						from FS2
Capital Expenditure: Asset Relocations	-						from FS2
<b>Subtotal - Capital Expenditure on asset management</b>	<b>4,829</b>	-	-	-	-	-	
Operational Expenditure: Routine and Preventative Maintenance	999						from FS1
Operational Expenditure: Refurbishment and Renewal Maintenance	160						from FS1
Operational Expenditure: Fault and Emergency Maintenance	413						from FS1
<b>Subtotal - Operational Expenditure on asset management</b>	<b>1,572</b>	-	-	-	-	-	
<b>Total direct expenditure on distribution network</b>	<b>6,401</b>	-	-	-	-	-	
<b>Overhead to Underground Conversion Expenditure</b>							

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).

The total capital expenditure has allowed for this year to be input as a total on line 15, the spreadsheet supplied by the Commerce Commission did not allow an entry on line 15 therefore we have entered the total capital expenditure as Capital expenditure Customer Connections.

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

	Actual for Current Financial Year (a)	Previous forecast for Current Financial Year (b)	% Variance (a)/(b)-1	
Capital Expenditure: Customer Connection	4,829		Not defined	from row 10
Capital Expenditure: System Growth	-		Not defined	from row 11
Capital Expenditure: Asset Replacement and Renewal	-		Not defined	from row 12
Capital Expenditure: Reliability, Safety and Environment	-		Not defined	from row 13
Capital Expenditure: Asset Relocations	-		Not defined	from row 14
<b>Subtotal - Capital Expenditure on asset management</b>	<b>4,829</b>	-	Not defined	
Operational Expenditure: Routine and Preventative Maintenance	999		Not defined	from row 17
Operational Expenditure: Refurbishment and Renewal Maintenance	160		Not defined	from row 18
Operational Expenditure: Fault and Emergency Maintenance	413		Not defined	from row 19
<b>Subtotal - Operational Expenditure on asset management</b>	<b>1,572</b>	-	Not defined	
<b>Total direct expenditure on distribution network</b>	<b>6,401</b>	-	Not defined	

**Explanation of variances**

Distribution Business must provide a brief explanation for any line item variance of more than 10%.

Explanatory notes (can be provided in a separate note if necessary):