

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: **Waipa Networks**
 For Year Ended: **2011**

Performance comparators

Previous Years: Current Yr - 3 Current Yr - 2 Current Yr - 1 **Current Financial Year**

Operational expenditure ratio

Total Operational Expenditure	4	5	5	5	\$m	from FS1
Replacement Cost of System Fixed Assets (at year end*)	128	135	141	150	\$m	from AV3
Ratio (%)	3.09%	3.43%	3.60%	3.62%	%	

Capital expenditure ratio

Total Capital Expenditure on System Fixed Assets	5	5	4	4	\$m	from FS2
Replacement Cost of System Fixed Assets (at year end*)	128	135	141	150	\$m	from AV3
Ratio (%)	3.78%	3.46%	2.53%	2.63%	%	

Capital expenditure growth ratio

Capital Expenditure: Customer Connection and System Growth	5	-	2	2	\$m	from FS2
Change in Total Distribution Transformer Capacity	8	5	5	4	MVA	from MP1
\$/kVA	609	-	289	506	\$/kVA	

Renewal expenditure ratio

Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal	0	0	1	1	\$m	from FS1 & 2
Regulatory Depreciation of System Fixed Assets	3	3	3	3	\$m	from AV1
Ratio (%)	6%	6%	26%	16%	%	

Distribution Transformer Capacity Utilisation

Maximum Distribution Transformer Demand	60	61	67	71	MW	from MP1
Total Distribution Transformer Capacity (at year end*)	244	249	255	258	kVA	from MP1
Ratio (%)	24.7%	24.4%	26.3%	27.6%	%	

Return on Investment

Regulatory Profit / Loss (pre-financing and distributions)	9	8	8	10	\$m	from FS1
less Interest Tax Shield Adjustment	1	1	1	1	\$m	from FS3
Adjusted Regulatory Profit	8	7	7	9	\$m	
Regulatory Investment Value	73	78	81	84	\$m	from FS2
Ratio (%)	11.50%	9.45%	9.09%	10.62%	%	

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

Expenditure comparison table

Expenditure metrics (\$ per):

	Total circuit length (for Supply) (\$/km)	Electricity Supplied to Customers' Connection Points (\$/MWh)	Maximum coincident system demand (\$/MW)	Connection Point (\$/ICP)	Distribution Transformer Capacity (EDB-Owned) (\$/MVA)	
Capital Expenditure (\$) per	2,529	16	73,534	224	25,161	from FS2 & MP1
Operational Expenditure (\$) per	2,600	16	76,601	230	25,868	from FS1 & MP1