



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

FOR THE YEAR ENDED 31 MARCH 2012

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1. INTRODUCTION

These Information Disclosure documents are submitted by Electricity Invercargill Ltd 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).

2. INFORMATION DISCLOSURE DISCLAIMER

The information disclosed in this 2012 Information Disclosure package issued by Electricity Invercargill 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.

Electricity Invercargill 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.

3. SCHEDULES

REPORT FS1: REGULATORY PROFIT STATEMENT

ref	Electricity Distribution Business:	Electricity Invercargill	
	For Year Ended	2012	
5			
6	Income		
7			
8	Net Line Charge Revenue Received	17,079	
9	plus Discretionary Discounts and Customer Rebates	-	FS1a
10	Gross Line Charge Income	17,079	
11			
12			
13	Capital Contributions	40	
14	plus Net Value of Vested Assets	-	
15	Total Capital Contributions and Vested Assets	40	
16			
17	AC Loss Rental Rebates Received	423	
18	less AC Loss Rental Rebates Passed On	423	
19	Net AC loss rental income (deficit)	-	
20			
21			
22	Other Income	82	
23		82	
24			
25	Total regulatory income	17,201	
26			
27			
28	Expenses		
29			
30	Transmission Charges - Payments to Transpower	4,623	
31	plus Avoided Transmission Charges - payments to parties other than Transpower	-	
32	Total Transmission Costs	4,623	
33			
34	Operational Expenditure:		
35	General Management, Administration and Overheads	2,242	
36	System Management and Operations	1,067	
37	Routine and Preventative Maintenance	652	to AM1
38	Refurbishment and Renewal Maintenance	118	to AM1
39	Fault and Emergency Maintenance	625	to AM1
40	Pass-through Costs	154	
41	Other	294	
42	Total Operational Expenditure	5,152	to MP2
43			
44			
45	Operational earnings	7,426	
46			
47			
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	3,061	from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	233	from AV1
50	Total Regulatory Depreciation	3,294	to FS3
51			
52			
53	Earnings before interest and tax (EBIT)	4,132	to FS3
54			
55	less Regulatory Tax Allowance	977	from FS3
56			
57	plus Indexed Revaluation (of System Fixed Assets)	929	from AV1
58	plus Revaluations of Non-System Fixed Assets	-	from AV1
59			
60	Regulatory profit / loss (pre-financing and distributions)	4,084	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	314	
78	Subvention Payment	294	
79	Other related party expenditure	2,924	
80	Total Related Party Expenditure		3,532
81			
82			
83	<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>		
84			

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	547	<i>Notes to be provided separately</i>
94	within expenditure category:		Fault and Emergency Maintenance
95			
96	Material item amount 2	545	<i>Notes to be provided separately</i>
97	within expenditure category:		Routine and Preventative Maintenance
98			
99	Material item amount 3	526	<i>Notes to be provided separately</i>
100	within expenditure category:		System Management and Operation
101			
102			<i>(further disclosures to be provided on separate page if required)</i>
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

FS1(b) For further details, refer to separate note on Page 19.

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

Material Item 1	\$547,000	Contractor Services.
Material Item 2	\$545,000	Contractor Services.
Material Item 3	\$526,000	Line Rental from Other Network.

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Electricity Invercargill	
5		For Year Ended	2012
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)		(\$000)
8	Customer Connection	221	to AM1
9	System Growth	1,456	to AM1
10	Reliability, Safety and Environment	676	to AM1
11	Asset Replacement and Renewal	1,175	to AM1
12	Asset Relocations	-	to AM1
13	Total Capital Expenditure on System Fixed Assets	3,528	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	100	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	1,430	
21	plus Total Capital Expenditure on System Fixed Assets	3,528	
22	less Assets Commissioned in Year	3,085	from AV1
23	Works under construction at year end	1,873	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	59,172	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	782	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	1,450	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	61,404	
31			
32	plus System Fixed Assets Commissioned in Year	3,085	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	100	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	3,185	
36	Regulatory Asset Base investment in Current Financial Year - average	1,593	
37			
38	plus (minus) where a merger or acquisition has taken place within the year		
39	Adjustment for merger, acquisition or sale to another EDB	-	from AV4
40			
41	Regulatory Investment Value	62,997	to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business: Electricity Invercargill	For Year Ended 2012	
5				
6				
7				
8				
9				
10	Earnings before interest and tax (EBIT)			
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				

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 deductibal are the subvention payment. Other temporary adjustments - current period are the capital contribution adjustments. Other permanent differences - non-taxable are the easement costs w hich are permitted as an expense for tax purposes.
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	5.82%	%	
53				
54	Deductible Interest	1,467	\$000	to row 18
55				
56	Interest Tax Shield Adjustment	411	\$000	to MP2

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

		Electricity Distribution Business: Electricity Invercargill Limited								
									For Year Ended: 2012	
									Year of most recent ODV: 2004	
									(\$000)	
		ODV Year +1	ODV Year +2	ODV Year +3	ODV Year +4	ODV Year +5	ODV Year +6	ODV Year +7	ODV Year +8	
For Year Ending:		2005	2006	2007	2008	2009	2010	2011	2012	
11	System Fixed Assets									
12	Regulatory Value at End of Previous Year*	45,708	46,484	48,398	49,746	51,768	54,271	56,315	59,172	to FS2
13	plus									
14	Assets Commissioned	1,225	2,103	1,957	2,239	3,046	2,947	2,554	3,085	to FS2
15	Gross Value of Vested Assets	-	-	-	-	-	-	-	-	to FS1
16	Assets Acquired from (Sold to) a Non-EDB	-	-	-	-	-	-	-	-	to FS2
17	Asset Additions	1,225	2,103	1,957	2,239	3,046	2,947	2,554	3,085	
18	plus									
19	Indexed Revaluation	1,231	1,561	1,228	1,675	1,537	1,111	2,515	929	to FS1
20	less									
21	Depreciation of System Fixed Assets	1,642	1,710	1,756	1,806	1,891	1,887	2,050	2,046	
22	Regulatory Value of Assets Decommissioned	38	40	82	85	189	127	162	1,015	
23	Regulatory Depreciation (incl. value of assets decommissioned)	1,680	1,750	1,838	1,891	2,080	2,014	2,212	3,061	to FS1
24										
25	plus (minus)									
26	Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	-	-	-	from AV4
27	less Sale of System Fixed Assets to another EDB	-	-	-	-	-	-	-	-	from AV4
28	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-	-	-	-	-	
29										
30	plus (minus)									
31	Net Increase (Decrease) Due to Changes in Asset Register Information	-	-	-	-	-	-	-	-	
32										
33	Regulatory Value of System Fixed Assets at Year End	46,484	48,398	49,746	51,768	54,271	56,315	59,172	60,126	
34										
35	Non-System Fixed Assets									
36	Regulatory value at end of previous year	519	520	502	516	513	436	513	782	
37										
38	plus Asset Additions	89	55	128	110	78	309	496	100	to FS2
39	plus Revaluations	-	-	-	-	-	-	-	-	to FS1
40	less Depreciation (incl. value of assets decommissioned)	88	73	114	113	155	232	227	233	to FS1
41	plus Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	-	-	-	from AV4
42	Regulatory Value of Non-System Fixed Assets at Year end	520	502	516	513	436	513	782	649	
43										
44										
45	Total Regulatory Asset Base Value (excluding FDC)	47,004	48,900	50,262	52,281	54,707	56,828	59,954	60,775	
46										
47										
48	* The commencing figure for completing this schedule is the most recent ODV value									
49	Note: Additional columns to be added if required									

Notes to Annual Regulatory Valuation Roll-forward Report

57		AV1a: Calculation of Revaluation Rate and Indexed Revaluation of System Fixed Assets									
58		CPI as at date of ODV: 926									
59											
60		For Year Ended									
61		2005	2006	2007	2008	2009	2010	2011	2012		
62		CPI at CPI reference date	953	985	1010	1044	1075	1097	1146	1164	
63		Revaluation Rate	2.69%	3.36%	2.54%	3.37%	2.97%	2.05%	4.47%	1.57%	
64		System Fixed Assets: Regulatory Value at End of Previous Year	45,708	46,484	48,398	49,746	51,768	54,271	56,315	59,172	
65		Indexed Revaluation of System Fixed Assets	1,231	1,561	1,228	1,675	1,537	1,111	2,515	929	to FS1, AV1
68	68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB									
69	69	For Year Ended									
70	70	2005	2006	2007	2008	2009	2010	2011	2012	(\$000)	
71	71	-	-	-	-	-	-	-	-	-	
72	72	-	-	-	-	-	-	-	-	-	

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

Electricity Distribution Business: **Electricity**
For Year Ended: **2012**

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										
13	Regulatory Value of System Fixed Assets (as per most recent ODV)	3,087	5,347	1,275	27,160	5,669	2,894	276	45,708	from AV1
14										
15	Cumulative roll-forward since most recent ODV:									
16	Asset Additions								19,156	from AV1
17	Indexed Revaluation (of System Fixed Assets)								11,788	from AV1
18	less Regulatory Depreciation (of System Fixed Assets)								16,526	from AV1
19	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								-	from AV1
20	Net Increase (Decrease) Due to Changes in Asset Register Information								-	from AV1
21	Regulatory Value of System Fixed Assets at Year End								60,126	from AV1

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

ref	Electricity Distribution Business:	Electricity Invercargill	
5		For Year Ended:	2012
6	System Fixed Assets - Replacement Cost		
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

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

Notes to Price and Quality Measures

36	AV3a: New Asset Additions		
37			
38			
39			
40			
41			
42			

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

Electricity Distribution Business: Electricity Invercargill Limited

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

As at (date): 31/03/2012

Proportion of year following transfer of assets: 0%

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

	Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transformers	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
Replacement Cost (RC)								-
less Depreciation								-
Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
less Optimisation adjustment								-
Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
less Economic Value Adjustment (EVA)								-
Most recent ODV value	-	-	-	-	-	-	-	-

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)
Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
Cumulative roll-forward since most recent ODV:			
Asset Additions			
Indexed Revaluation (of System Fixed Assets)			
less Regulatory Depreciation (of System Fixed Assets)			
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
Net Increase (Decrease) due to Changes in Asset Register Information			
RAB Value of Transferred Assets at Transfer Date	-		-
Acquisition of Assets from Another EDB	-	-	to AV1
Sale of Assets to Another EDB	-	-	to AV1
RAB Value of Transferred Assets at Transfer Date	-		
"p" factor (proportion of year following transfer of assets)	0%		
Adjustment for merger, acquisition or sale to another EDB		-	to FS2

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	
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	to AV3

Signed by: Selling Entity _____

Acquiring Entity _____

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

Electricity Distribution Business: Electricity Invercargill Limited

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

As at (date): 31/3/20012
 Proportion of year following transfer of assets: 0%

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

	Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transformers	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
Replacement Cost (RC)								-
less Depreciation								-
Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
less Optimisation adjustment								-
Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
less Economic Value Adjustment (EVA)								-
Most recent ODV Value	-	-	-	-	-	-	-	-

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)
Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
Cumulative roll-forward since most recent ODV:			
Asset Additions			
Indexed Revaluation (of System Fixed Assets)			
less Regulatory Depreciation (of System Fixed Assets)			
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
Net Increase (Decrease) Due to Changes in Asset Register Information			
RAB Value of Transferred Assets at Transfer Date	-		-
Acquisition of Assets from Another EDB	-	-	to AV1
Sale of Assets to Another EDB	-	-	to AV1
RAB Value of Transferred Assets at Transfer Date	-		
"p" factor (proportion of year following transfer of assets)	0%		
Adjustment for merger, acquisition or sale to another EDB		-	to FS2

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	
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	

Signed by: Selling Entity _____
 Acquiring Entity _____

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

Electricity Distribution Business: Electricity Invercargill Limited

6 Disclosure required? (YES or NIL DISCLOSURE): NO DISCLOSURE REQUIRED
 7
 8
 9 As at (date): 31/03/2012
 10 Proportion of year following transfer of assets: 0%
 11
 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 transformers	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								
24								

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			
44			
45			
46			

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 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
49 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	to AV3
50			
51			
52 Signed by:	Selling Entity		
53			
54			
55 Acquiring Entity			
56			
57			

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Electricity Invercargill	
6		For Year Ended:	2012
7	Network Name:	Total Business (enter "Total Business" or name of network)	
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	1	22
15	SWER (all SWER voltages)	-	-
16	22kV (other than SWER)	-	-
17	6.6kV to 11kV (inclusive - other than SWER)	23	159
18	Low Voltage (< 1kV)	30	421
19	Total circuit length (for Supply)	54	603
20			656
21	Dedicated Street Lighting Circuit Length	26	141
22			167
23	Overhead Circuit Length by Terrain (at year end)	(km)	(%)
24	Urban (only)	50	94%
25	Rural (only)	2	4%
26	Remote (only)	-	0%
27	Rugged (only)	-	0%
28	Rural & rugged (only)	1	2%
29	Remote & rugged (only)	-	0%
30	Unallocated overhead lines	-	0%
31	Total overhead length	54	100%
34	Transformer capacity (at year end)		Previous Year
35	Distribution Transformer Capacity (EDB Owned)	146 MVA	147
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	- MVA	-
37	Total Distribution Transformer Capacity	146 MVA (to MP2)	147
38			
39	Zone Substation Transformer Capacity	68 MVA	68
40			
41	System Fixed Assets age (at year end)		
42	Average Age of System Fixed Assets	24 Years	
43	Average Expected Total Life of System Fixed Assets	50 Years	
44	Average Age as a Proportion of Average Expected Total Life	48%	
45			
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	18%	
47			
48			
49			
50			
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)
52			
53	GXP Demand	66	66
54	plus Embedded Generation Output at HV and Above	-	-
55	Maximum System Demand	66	-
56	less Net Transfers to (from) Other EDBs at HV and Above	(2)	-
57	Demand on system for supply to customers' Connection Points	69	-
58	less Subtransmission Customers' Connection Point Demand	-	-
59	Maximum Distribution Transformer Demand	69	
60			
61	GXP Demand not Supplied at Subtransmission Level	-	-
62	Embedded Generation Output - Connected to Subtransmission System	-	-
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-
64			
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	6	
66			
67	Five-Year System Maximum Demand Growth Forecast	0.0	% p.a.
68			
69	Electricity volumes carried	(GWh)	
70	Electricity Supplied from GXPs	270	
71	less Electricity Exports to GXPs	-	
72	plus Electricity Supplied from Embedded Generators	-	
73	less Net Electricity Supplied to (from) Other EDBs	(16)	
74	Electricity entering system for supply to customers' Connection Points	286	
75	less Electricity Supplied to Customers' Connection Points	268	
76	Electricity Losses (loss ratio)	17	6.1%
77			
78	Electricity Supplied to Customers' Connection Points	268	
79	less Electricity Supplied to Largest 5 Connection Points	16	
80	Electricity supplied other than to Largest 5 Connection Points	252	94%
81			
82	Load Factor	48%	
83			
84	Number of Connection Points (at year end)	17,243	ICPs
85			
86	Intensity of service requirements		
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	105	kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	409	MWh/km
89	Connection Point Density (ICPs / Total circuit length)	26	ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	15,561	kWh/ICP

REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business: Electricity Invercargill Limited			
5	For Year Ended: 2012			
6	Performance comparators			
7		Previous Years:		Current Financial Year
8		Current Yr - 3	Current Yr - 2	Current Yr - 1
9	Operational expenditure ratio			
10	<i>Total Operational Expenditure</i>	4	4	5
11	<i>Replacement Cost of System Fixed Assets (at year end*)</i>	103	108	115
12	Ratio (%)	3.66%	4.10%	4.13%
13				
14	Capital expenditure ratio			
15	<i>Total Capital Expenditure on System Fixed Assets</i>	3	2	3
16	<i>Replacement Cost of System Fixed Assets (at year end*)</i>	103	108	115
17	Ratio (%)	2.79%	2.29%	2.94%
18				
19	Capital expenditure growth ratio			
20	<i>Capital Expenditure: Customer Connection and System Growth</i>	-	0	0
21	<i>Change in Total Distribution Transformer Capacity</i>	2	(1)	2
22	\$/kVA	-	368	186
23				
24	Renewal expenditure ratio			
25	<i>Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal</i>	-	1	2
26	<i>Regulatory Depreciation of System Fixed Assets</i>	2	2	2
27	Ratio (%)	0%	48%	74%
28				
29	Distribution Transformer Capacity Utilisation			
30	<i>Maximum Distribution Transformer Demand</i>	63	65	68
31	<i>Total Distribution Transformer Capacity (at year end*)</i>	146	145	147
32	Ratio (%)	43.5%	44.5%	46.4%
33				
34	Return on Investment			
35	<i>Regulatory Profit / Loss (pre-financing and distributions)</i>	5	5	6
36	<i>less Interest Tax Shield Adjustment</i>	1	0	0
37	<i>Adjusted Regulatory Profit</i>	5	5	6
38	<i>Regulatory Investment Value</i>	55	58	60
39	Ratio (%)	8.80%	7.83%	9.90%
40				
41				
42	Expenditure comparison table			
43				
44		Expenditure metrics (\$ per):		
45		Total circuit length (for Supply)	Electricity Supplied to Customers' Connection Points	Maximum coincident system demand
46		(\$/km)	(\$/MWh)	(\$/MW)
47	Capital Expenditure (\$) per	5,527	14	54,794
48	Operational Expenditure (\$) per	7,848	19	77,811
49				

Note - There is no requirement to provide prior year information for Capital Expenditure Growth Ratio and Renewal Expenditure Ratio for the 2009 year.

Due to rounding and automatic calculations in the spreadsheets there may be minor summing variances.

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref	Electricity Distribution Business: Electricity Invercargill Limited						
6	For Year Ended: 2012						
7	Network Name: Total Business						
9	Disclosure: Annual Disclosure - Requirement 6(1)						
10	QUALITY						
12	Interruptions						
13	Interruptions by class						
14	Class A	- planned interruptions by Transpower:					
15	Class B	18 planned interruptions on the network					
16	Class C	29 unplanned interruptions on the network					
17	Class D	- unplanned interruptions by Transpower					
18	Class E	- unplanned interruptions of network owned generation					
19	Class F	- unplanned interruptions of generation (non-network)					
20	Class G	- unplanned interruptions caused by other electricity industry participant					
21	Class H	- planned interruptions caused by other electricity industry participant					
22	Total	47 Total of above					
24	Interruption targets for Forecast Year						
25	Class B	2013 5 planned interruptions on the network					
26	Class C	2013 17 unplanned interruptions on the network					
28	Average interruption targets for 5 Forecast Years						
29	Class B	2013-2017 5 planned interruptions on the network					
30	Class C	2013-2017 17 unplanned interruptions on the network					
32	Class C interruptions restored within						
33	≤3Hrs	>3hrs					
34	22	7					
35	Faults						
36	Faults per 100 circuit kilometres						
37	The total number of faults for Current Financial Year	12.84 in year 2012					
38	The total number of faults forecast for the Forecast Year	7.62 in year 2013					
39	The average annual number of faults forecast for the 5 Forecast Years	7.62 average over years 2013-2017					
42	Fault Information per 100 circuit kilometres by Voltage and Type						
43	6.6kV & 11kV non-SW	22kV non-SW	SWER	33kV	50kV & 66kV	>66kV	
44	Is this voltage part of the EDB system?	Yes	No	No	Yes	No	No
45	Current Financial Year	13.97			4.25		
46	Forecast Year	8.63			-		
47	Average annual for 5 Forecast Years	8.63			-		
49	Fault Information per 100 circuit kilometres by Voltage and Type						
50	6.6kV & 11kV non-SW	22kV non-SW	SWER	33kV	50kV & 66kV	>66kV	
51	Underground	7.33			-		
52	Overhead	48.28			71.94		
53	Reliability						
54	Overall reliability						
55	Based on the total number of interruptions	SAIDI 63.63 SAIFI 1.30 CAIDI 49.14					
57	Reliability by interruption class						
58	Class B	SAIDI 10.24 SAIFI 0.04 CAIDI 245.63					
59	Class C	SAIDI 53.40 SAIFI 1.25 CAIDI 42.60					
61	Targets for Forecast Year						
62	Class B	SAIDI 4.79 SAIFI 0.02 CAIDI 239.50					
63	Class C	SAIDI 35.27 SAIFI 0.75 CAIDI 47.03					
65	Average targets for 5 Forecast Years						
66	Class B	SAIDI 4.79 SAIFI 0.02 CAIDI 239.50					
67	Class C	SAIDI 35.27 SAIFI 0.75 CAIDI 47.03					
70	PRICES						
72	Price information by Connection Point Class						
75	Connection Point Class						
76	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	Total		
77	Gross line charge income (\$000)	11,138	3,215	2,238	488	17,079 from FS1	
78	Electricity Supplied to Customers' Connection Points (MWh)	144,279	50,147	57,894	16,000	268,320 from MP1	
79	Number of Connection Points (ICPs) at year end	15,776	1,245	217	5	17,243 from MP1	
80	Unit Price (cents/kWh)	7.7	6.4	3.9	3.0	6.4	
81	Relative Unit Price Index	1.00	0.83	0.50	0.39	0.82	

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	kVA based breakpoints
92		
93	kVA based breakpoints - additional disclosure	
94	Breakpoint between small and medium classes	20 kVA
95	Breakpoint between large and medium classes	100 kVA
96		

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

ref	Electricity Distribution Business: Electricity							
5	For Year Ended 2012							
6	(\$000)							
7	A) Five year forecasts of expenditure							
8	<i>From most recent Asset Management Plan</i>							
9		Forecast Years						
10		Actual for Current Financial Year	year 1	year 2	year 3	year 4	year 5	
11	<i>for year ended</i>	2012	2013	2014	2015	2016	2017	
12	Capital Expenditure: Customer Connection	221	192	192	192	192	192	<i>from FS2</i>
13	Capital Expenditure: System Growth	1,456	2,671	3,787	998	8	968	<i>from FS2</i>
14	Capital Expenditure: Reliability, Safety and Environment	676	86	86	92	1,013	989	<i>from FS2</i>
15	Capital Expenditure: Asset Replacement and Renewal	1,175	1,670	1,766	2,361	2,145	1,545	<i>from FS2</i>
16	Capital Expenditure: Asset Relocations	-	313	-	-	-	-	<i>from FS2</i>
17	Subtotal - Capital Expenditure on asset management	3,528	4,932	5,831	3,643	3,358	3,694	
18	Operational Expenditure: Routine and Preventative Maintenance	652	944	947	1,029	939	927	<i>from FS1</i>
19	Operational Expenditure: Refurbishment and Renewal Maintenance	118	203	202	202	202	202	<i>from FS1</i>
20	Operational Expenditure: Fault and Emergency Maintenance	625	538	538	538	538	538	<i>from FS1</i>
21	Subtotal - Operational Expenditure on asset management	1,395	1,685	1,687	1,769	1,679	1,667	
22	Total direct expenditure on distribution network	4,923	6,617	7,518	5,412	5,037	5,361	
23	Overhead to Underground Conversion Expenditure	403	-	-	-	927	927	
24								
25	<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 the overhead to underground conversion expenditure is in the Reliability, Safety and Environment category.</i>
26								
27								
28								
29								
30								
31	B) Variance between Previous Forecast for the Current Financial Year, and Actual Expenditure							
32		Actual for Current Financial Year (a)	Previous forecast for Current Financial Year (b)	% Variance (a)/(b)-1				
33	Capital Expenditure: Customer Connection	221	194	13.9%				<i>from row 10</i>
34	Capital Expenditure: System Growth	1,456	1,822	-20.1%				<i>from row 11</i>
35	Capital Expenditure: Reliability, Safety and Environment	676	914	-26.0%				<i>from row 12</i>
36	Capital Expenditure: Asset Replacement and Renewal	1,175	1,733	-32.2%				<i>from row 13</i>
37	Capital Expenditure: Asset Relocations	-	-	Not defined				<i>from row 14</i>
38	Subtotal - Capital Expenditure on asset management	3,528	4,663	-24.3%				
39	Operational Expenditure: Routine and Preventative Maintenance	652	842	-22.6%				<i>from row 17</i>
40	Operational Expenditure: Refurbishment and Renewal Maintenance	118	220	-46.4%				<i>from row 18</i>
41	Operational Expenditure: Fault and Emergency Maintenance	625	556	12.4%				<i>from row 19</i>
42	Subtotal - Operational Expenditure on asset management	1,395	1,618	-13.8%				
43	Total direct expenditure on distribution network	4,923	6,281	-21.6%				
44								
45								
46	Explanation of variances							
47	<i>Distribution Business must provide a brief explanation for any line item variance of more than 10%</i>							
48								
49	<i>Explanatory notes (can be provided in a separate note if necessary):</i>	<p>Capex Customer Connections: Unforeseen development of two commercial premises.</p> <p>Capex System Growth: A major project in this category delayed while alternate substation sites investigated.</p> <p>Capex Reliability, Safety and Environment: Routine earth testing showed that some upgrades not necessary. In addition an overhead to underground project completed below budget due to design savings.</p> <p>Capex Asset Replacement and Renewal: Lower unit costs for distribution equipment replacement and renewal. Also the reactive component of this category lower than budget.</p> <p>Opex Routine and Preventative Maintenance: The reactive costs for the year below budget.</p> <p>Opex Refurbishment and Renewal Maintenance: prework condition assessment generated a saving as some transformers identified as not suitable for refurbishment.</p>						
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4. RELATED PARTY NOTE

Electricity Invercargill Limited is 100% owned by Invercargill City Holdings Limited. Invercargill City Holdings Limited is a wholly owned subsidiary of the Invercargill City Council.

Electricity Invercargill Limited has an interest in the PowerNet Limited joint venture, OtagoNet Joint Venture, Electricity Southland Limited, Otago Power Services Limited and Power Services Limited through their wholly owned subsidiary Pylon Limited.

Electricity Invercargill Limited "Line Business" consists of line activities conducted in Electricity Invercargill Limited and its joint venture company PowerNet Limited. Electricity Invercargill Limited "Other Business" consists of other or non-line activities conducted in Electricity Invercargill Limited and its joint venture company PowerNet Limited.

All related party transactions between Electricity Invercargill Limited Line Business and PowerNet Limited Line Business have been eliminated in the preparation of the financial statements.

All related party transactions have been conducted on a commercial and arms length basis.

The Line Business purchased goods and services at cost, including overheads where applicable, from the Other Business and other related parties. The value of the transactions, parties involved, and description of goods or services purchased were as follows:

Electricity Invercargill Limited Line Business purchased from:

- Electricity Invercargill Limited Other Business.

	31 March 2012 \$000
Management Fees	281
Construction of:	
➤ Subtransmission assets	-
➤ Zone substations	373
➤ Distribution and LV lines	305
➤ Distribution switchgear	277
➤ Distribution transformers and substations	662
➤ Distribution and LV cables	1,306
➤ Other system fixed assets	-

These amounts represent the capital works programme undertaken by PowerNet Limited on behalf of Electricity Invercargill Limited.

- Power Services Limited (Associate)
 - Maintenance Services 33

The value of transactions owing at balance date were as follows:

- Electricity Invercargill Limited Line Business owes Electricity Invercargill Limited Other Business \$547,000.

Material transaction supplied by Electricity Invercargill Limited Line Business to other related parties include:

Subvention Payments to:	
Electricity Southland Limited (Associate)	294

No related party debts have been written off or forgiven during 2012.

5. AUDITORS' REPORT



Auditor's Independent Assurance Report

To the Readers of Electricity Invercargill Limited's Report for the Financial Year Ended 31 March 2012 regarding Electricity Invercargill Limited's Compliance with the Electricity Distribution (Information Disclosure) Requirements 2008

The Auditor-General is the auditor of Electricity Invercargill Limited (the company). The Auditor-General has appointed me, Robert Harris, 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 2012 on pages 3 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 2012. 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 2012 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 2012 were unqualified and were dated 28 June 2012 and 31 May 2012 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.

PricewaterhouseCoopers, 5 Sir Gil Simpson Drive, Burnside, Christchurch 8053, New Zealand
T: +64 (3) 374 3000, F: +64 (3) 374 3001, www.pwc.com/nz

AUDITORS' REPORT



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 2012 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 2012 complies with the Requirements.

AUDITORS' REPORT

*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 2012 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 2012 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, appearing to read 'Robert Harris', written in a cursive style.

Robert Harris
On behalf of the Auditor-General
Christchurch, New Zealand

PricewaterhouseCoopers

30 November 2012

6. DIRECTORS' CERTIFICATE

CERTIFICATE FOR DISCLOSED INFORMATION

We, Neil Douglas Boniface and Ross Lindsay Smith, directors of Electricity Invercargill Limited certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of Electricity Invercargill 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 –

- i. Report FS1: Regulatory Profit Report;
- ii. Report FS2: Regulatory Asset and Financing Report;
- iii. Report FS3: Regulatory Tax Allowance Report;
- iv. Report AV1: Annual Regulatory Valuation Roll-Forward Report;
- v. Report AV2: Valuation Disclosure by Asset Class (for System Fixed Assets);
- vi. Report AV3: System Fixed Assets Replacement Cost Roll-Forward Report;
- vii. Report AV4: Merger or Acquisition Regulatory Asset Base Disclosure;
- viii. Report MP1: Network Information Report;
- ix. Report MP2: Performance Measures Report; and
- x. Report MP3: Price and Quality Report.
- xi. Report AM1: Expenditure Forecasts and Reconciliation



Neil Boniface
Director



Phil Mulvey
Director

29 November 2012

