Information Disclosure by Aurora Energy Ltd
for the year ended 31 March 2010

Pursuant to the
ELECTRICITY DISTRIBUTION (INFORMATION DISCLOSURE) REQUIREMENTS 2008

INDEX

C DISCLOSURE OF INFORMATION REQUIRED IN FINANCIAL STATEMENTS (REQUIREMENT 3(1))

REPORT FS1: REGULATORY PROFIT STATEMENT

ref					
		Electricity Distribution Business:	Aurora Energy Limited		
5		For Year Ended	2010		
6	**Income**				
7				($000)	
8		Net Line Charge Revenue Received	72,951		
9	*plus*	Discretionary Discounts and Customer Rebates	-		*FS1a*
10		**Gross Line Charge Income**		72,951	
11					
12					
13		Capital Contributions	4,223		
14	*plus*	Net Value of Vested Assets	-		
15		**Total Capital Contributions and Vested Assets**		4,223	
16					
17		AC Loss Rental Rebates Received	986		
18	*less*	AC Loss Rental Rebates Passed On	986		
19		**Net AC loss rental income (deficit)**		-	
20					
21					
22		**Other Income**	598		
23				598	
24					
25		**Total regulatory income**		**77,772**	
26					
27					
28	**Expenses**				
29					
30		Transmission Charges - Payments to Transpower	18,579		
31	*plus*	Avoided Transmission Charges - payments to parties other than Transpower	2,416		
32		**Total Transmission Costs**		20,995	
33					
34		**Operational Expenditure:**			
35		General Management, Administration and Overheads	3,586		
36		System Management and Operations	4,841		
37		Routine and Preventative Maintenance	3,147		*to AM1*
38		Refurbishment and Renewal Maintenance	1,417		*to AM1*
39		Fault and Emergency Maintenance	4,527		*to AM1*
40		Pass-through Costs	911		
41		Other	1,584		
42		**Total Operational Expenditure**		20,013	*to MP2*
43					
44					
45	**Operational earnings**			**36,764**	
46					
47					
48		Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	8,187		*from AV1*
49	*plus*	Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	1		*from AV1*
50		**Total Regulatory Depreciation**		8,188	*to FS3*
51					
52					
53	**Earnings before interest and tax (EBIT)**			**28,577**	*to FS3*
54					
55	*less*	**Regulatory Tax Allowance**		3,676	*from FS3*
56					
57	*plus*	**Indexed Revaluation (of System Fixed Assets)**		5,688	*from AV1*
58	*plus*	**Revaluations of Non-System Fixed Assets**		-	*from AV1*
59					
60	**Regulatory profit / loss (pre-financing and distributions)**			**30,588**	*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	16,406	
78	Subvention Payment	1,584	
79	Other related party expenditure		
80	**Total Related Party Expenditure**		17,990
81			
82			
83	*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.*		
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		*Notes to be provided separately*
94	within expenditure category:	Select one	
95			
96	Material item amount 2		*Notes to be provided separately*
97	within expenditure category:	Select one	
98			
99	Material item amount 3		*Notes to be provided separately*
100	within expenditure category:	Select one	
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 FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref					
		Electricity Distribution Business:	Aurora Energy Limited		
5			For Year Ended	2010	
6					
7	**Capital Expenditure on System Fixed Assets (by primary purpose)**			($000)	
8		Customer Connection	7,725		*to AM1*
9		System Growth	9,157		*to AM1*
10		Reliability, Safety and Environment	2,528		*to AM1*
11		Asset Replacement and Renewal	2,102		*to AM1*
12		Asset Relocations	186		*to AM1*
13		**Total Capital Expenditure on System Fixed Assets**		**21,698**	*to AM1*
14					
15					
16	**Capital Expenditure on Non-System Fixed Assets**			**-**	*from AV1*
17					
18					
19	**Capital works roll-forward (for System Fixed Assets)**				
20		Works Under Construction at Beginning of Year	7,475		
21	*plus*	Total Capital Expenditure on System Fixed Assets	21,698		
22	*less*	Assets Commissioned in Year	20,804		*from AV1*
23		**Works under construction at year end**		**8,369**	
24					
25					
26	**Regulatory Investment Value calculation**				
27		System Fixed Assets: regulatory value at end of Previous Year	277,953		*from AV1*
28		Non-System Fixed Assets: regulatory value at end of Previous Year	1		*from AV1*
29		Finance During Construction Allowance (on System Fixed assets)	6,810		2.45%
30		**Total Regulatory Asset Base value at beginning of Current Financial Year**		284,763	
31					
32	*plus*	System Fixed Assets Commissioned in Year	20,804		*from AV1*
33		System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-		*from AV1*
34		Non-System Fixed Assets: Asset Additions	-		*from AV1*
35		Regulatory Asset Base investment in Current Financial Year - total	20,804		
36		**Regulatory Asset Base investment in Current Financial Year - average**		10,402	
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**			**295,165**	*to MP2*

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref			Electricity Distribution Business: Aurora Energy		
5			For Year Ended 2010		
6					
7				($000)	
8		**Earnings before interest and tax (EBIT)**		28,577	*from FS1*
9					
10	*add*	Total Regulatory Depreciation	8,188		*from FS1*
11		Other Permanent Differences - not deductible			
12		Other Temporary Adjustments - Current Period			
13				8,188	
15	*less*	Non Taxable Capital Contributions and Vested Assets	4,223		
16		Tax Depreciation	13,769		
17		Deductible Discretionary Discounts and Customer Rebates			
18		Deductible Interest	6,517		*from row 53*
19		Other Permanent Differences - Non Taxable			
20		Other Temporary Adjustments - Prior Period			
21				24,509	
22					
23		**Regulatory taxable income for Year**		**12,255**	
24					
25	*less*	Tax Losses Available at Start of Year			
26		**Net taxable income**		**12,255**	
27					
28		Statutory Tax Rate	30%		
29		**Regulatory Tax Allowance**		**3,676**	*to FS1*

Notes to Regulatory Tax Allowance Calculation

FS3a: Description of adjustments classified as "other"

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).

FS3b: Financing assumptions (for Deductible Interest and Interest Tax Shield calculation)

Standard Debt Leverage Assumption (debt/total assets)	40%	%		
Standard Cost of Debt Assumption	5.52%	%		
Deductible Interest	6,517	$000	*to row 18*	
Interest Tax Shield Adjustment	1,955	$000	*to MP2*	

STATEMENT OF ACCOUNTING POLICIES

Special Purpose Financial Statements

These financial statements have been prepared in accordance with the requirements of the Electricity Distribution (Information Disclosure) Requirements 2008 and relates to the Line Business of Aurora Energy Limited which includes the conveyance of electricity, ownership of works for conveyance of electricity and provision of line function services.

Specific Accounting Policies

The methodology adopted to allocate costs, revenues, assets and liabilities to the Lines Businesses is in accordance with the Requirements and/or the Electricity Information Disclosure Handbook.

The particular accounting policies adopted in the preparation of these financial statements are:

(a) **Revenue**

Revenue shown in the Regulatory Profit Statement (report FS1) relates to the Line Business.

(b) **Expenditure**

Expenditure shown in the Regulatory Profit Statement is derived as follows:

- Transmission charges, employee remuneration, administration and operating expenses are directly attributable to the Line Business.
- Maintenance and operation is provided in accordance with a 10 year Asset Management Services Contract with *DELTA* Utility Services Ltd.
- Other costs are allocated in accordance with the avoidable cost allocation methodology.

(c) **Distinction Between Capital and Revenue Expenditure**

Capital expenditure is defined as all expenditure on the creation of a new asset, and any expenditure which results in a significant improvement to the original function of an existing asset. Revenue expenditure is defined as expenditure which maintains an asset in working condition and expenditure incurred operating the Company.

(d) **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Note 1 : Disclosure of Information Relating to Transactions Between Persons in a Prescribed Business Relationship and Related Parties

During the Year the Line Business:	**2010 $000**	**2009 $000**
Purchased the following services from *DELTA* Utility Services Ltd:		
Asset maintenance	**9,091**	**10,497**
Network management, operation and other	**7,315**	**4,925**
Consumer reconnections and disconnections	-	-
Total	**16,406**	**15,422**
Network capital work and development		
distribution substations	**793**	**1,357**
low voltage reticulation	**2,049**	**3,033**
distribution lines and cables	**3,457**	**2,579**
distribution transformers	**1,781**	**2,391**
zone substations	**2,402**	**772**
other plant and equipment	**6**	**36**
sub-transmission reticulation	**1,406**	**1,062**
Total	**11,894**	**11,230**

Network operation and maintenance is charged in accordance with a Fixed Term Contract which was renewed for a 10 year period on 1 July 2007. Capital work is subject to open tender, established market rates, or competitive pricing.

At balance date, $3,681,128 was owed to *DELTA* Utility Services Ltd (2009: $3,143,167). Of this, $1,982,521 was due and payable on 20 April, while $1,698,607 relating to capital work-in-progress was payable at a later date.

Other Line Business Related Parties:

The Lines Business has a borrowing facility with Dunedin City Treasury Ltd. During the year it paid $7.625 million interest (2009: $6.340 million) and as at 31 March 2010 $106.630 million of loan monies were outstanding (2009: $96.70 million).

During the year, the Lines Business also undertook the following transactions with Dunedin City Holdings Ltd:

Purchase of subvention expense	$ 1.58 million (2009: $1.67 million)
Dividends paid	$10.40 million (2009: $15.24 million)

As at 31 March 2010, $1.181 million of subvention was outstanding (2009: $1.256 million).

No related party transactions took place at a nominal or nil value. No related party debts have been written-off or forgiven during the period.

During the year, the Lines Business also undertook the following transactions with Dunedin City Council:

Rates paid	$ 0.338 million (2009: $0.337 million)
Undergrounding of street lights	$ 0.119 million (2009: $0.100 million)

D DISCLOSURE RELATING TO ASSET VALUATIONS (REQUIREMENT 4(1)

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref								
						Electricity Distribution Business:	Aurora Energy	
5						For Year Ended:	2010	
6						Year of most recent ODV	2004	
7								
8							($000)	
		ODV Year + 1	ODV Year + 2	ODV Year + 3	ODV Year + 4	ODV Year + 5	ODV Year + 6	
9								
10	For Year Ending:	2005	2006	2007	2008	2009	2010	
11	**System Fixed Assets**							
12	**Regulatory Value at End of Previous Year***	193,833	210,575	221,825	238,932	259,761	277,953	*to FS2*
13	*plus*							
14	Assets Commissioned	12,560	13,720	17,945	16,683	18,139	20,804	*to FS2*
15	Gross Value of Vested Assets							*to FS1*
16	Assets Acquired from (Sold to) a Non-EDB							*to FS2*
17	**Asset Additions**	12,560	13,720	17,945	16,683	18,139	20,804	
18	*plus*							
19	**Indexed Revaluation**	5,222	7,071	5,630	8,043	7,713	5,688	*to FS1*
20	*less*							
21	Depreciation of System Fixed Assets	5,915	6,241	6,444	6,819	7,295	7,735	
22	Regulatory Value of Assets Decommissioned		141	24	419	365	452	
23	**Regulatory Depreciation (incl. value of assets decommissioned)**	5,915	6,382	6,468	7,238	7,660	8,187	*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**	4,875	(3,159)		3,341			
32								
33	**Regulatory Value of System Fixed Assets at Year End**	210,575	221,825	238,932	259,761	277,953	296,258	
34								
35	**Non-System Fixed Assets**							
36	**Regulatory value at end of previous year**	3	3	2	2	1	1	
37								
38	*plus* Asset Additions							*to FS2*
39	*plus* Revaluations							*to FS1*
40	*less* Depreciation (incl. value of assets decommissioned)	1	1	1	1	1	1	*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**	3	2	2	1	1	-	
43								
44								
45	**Total Regulatory Asset Base Value (excluding FDC)**	210,577	221,827	238,933	259,762	277,954	296,258	
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	928						
59								
60	For Year Ended	2005	2006	2007	2008	2009	2010	
61	CPI at CPI reference date	953	985	1010	1044	1075	1097	
62	**Revaluation Rate**	**2.69%**	**3.36%**	**2.54%**	**3.37%**	**2.97%**	**2.05%**	
63								
64	System Fixed Assets: Regulatory Value at End of Previous Year	193,833	210,575	221,825	238,932	259,761	277,953	
65	**Indexed Revaluation of System Fixed Assets**	**5,222**	**7,071**	**5,630**	**8,043**	**7,713**	**5,688**	*to FS1, AV1*

68	**AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB**						($000)	
69	For Year Ended	2005	2006	2007	2008	2009	2010	
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							

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

Electricity Distribution Business: Aurora Energy
For Year Ended: 2010

Subtotals by Asset Class (for System Fixed Assets)

($000)

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	15,562	28,643	40,514	64,018	29,988	14,042	1,066	**193,833**	*from AV1*
14										
15	***Cumulative roll-forward since most recent ODV:***									
16	Asset Additions								99,851	*from AV1*
17	Indexed Revaluation (of System Fixed Assets)								39,367	*from AV1*
18	*less* Regulatory Depreciation (of System Fixed Assets)								41,850	*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								5,057	*from AV1*
21	**Regulatory Value of System Fixed Assets at Year End**								**296,258**	*from AV1*

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

ref				
		Electricity Distribution Business:	Aurora Energy Limited	
5		For Year Ended:	2010	
6	**System Fixed Assets - Replacement Cost**			
7			**($000)**	
8		**Replacement cost at end of previous year**	555,215	
9				
10		Asset Additions	20,804	*AV3a*
11		Indexed Revaluation (of System Fixed Assets)	11,363	
12	*less*	Replacement Cost of Assets Decommissioned	1,910	
13		Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	*from AV4*
14		Net Increase (Decrease) Due to Changes in Asset Register Information		
15		**Replacement cost of System Fixed Assets at year end**	**585,472**	
16				
17				
18	**System Fixed Assets - Depreciated Replacement Cost**			
19				
20		**Depreciated Replacement Cost at end of previous year**	282,694	
21				
22		Asset Additions	20,804	*AV3a*
23		Indexed Revaluation (of System Fixed Assets)	5,785	
24	*less*	Depreciation of Replacement Cost	7,735	
25	*less*	Depreciated Replacement Cost of Assets Decommissioned	452	
26		Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	*from AV4*
27		Net Increase (Decrease) Due to Changes in Asset Register Information		
28		**Depreciated replacement cost of System Fixed Assets at year end**	**301,096**	

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

Notes to Price and Quality Measures

36	**AV3a: New Asset Additions**			
37				
38		Asset Additions - Depreciated Replacement Cost	20,804	*from AV1*
39	*plus*	Difference in Replacement Cost and Depreciated Replacment Cost values of Asset Additions		
40				
41		**Asset Additions - Replacement Cost**	20,804	
42				

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

Electricity Distribution Business: Aurora Energy Limited

ref		
6	**Disclosure required? (YES or NIL DISCLOSURE):**	NO DISCLOSURE REQUIRED
8	As at (date):	
9	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**
14	Replacement Cost (RC)								-
16	*less* Depreciation								-
17	**Depreciated Replacement Cost (DRC)**	-	-	-	-	-	-	-	-
19	*less* Optimisation adjustment								-
20	**Optimised Depreciated Replacement Cost (ODRC)**	-	-	-	-	-	-	-	-
22	*less* Economic Value Adjustment (EVA)								-
23	**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)**	
28	Regulatory Value of System Fixed Assets (as per most recent ODV)	-			
30	***Cumulative roll-forward since most recent ODV:***				
31	Asset Additions				
32	Indexed Revaluation (of System Fixed Assets)				
33	*less* Regulatory Depreciation (of System Fixed Assets)				
34	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB				
35	Net Increase (Decrease) due to Changes in Asset Register Information				
36	**RAB Value of Transferred Assets at Transfer Date**	-		-	
38	Acquisition of Assets from Another EDB	-	-		*to AV1*
39	Sale of Assets to Another EDB	-	-		*to AV1*
42	RAB Value of Transferred Assets at Transfer Date	-			
43	"p" factor (proportion of year following transfer of assets)	0%			
44	**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**	
49	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	*to AV3*
50	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	*to AV3*

53	Signed by:	Selling Entity
56		Acquiring Entity

E DISCLOSURE RELATING TO FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES (REQUIREMENT 6(1) – TOTAL BUSINESS

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

Electricity Distribution Business: Aurora Energy Limited

For Year Ended: 2010

Network Name: **Total Business** *(enter "Total Business" or name of network)*

Disclosure: Annual Disclosure - Requirement 6(1)

Circuit Length by Operating Line Voltage (at year end)

	Overhead (km)	Underground (km)	Total (km)	
> 66kV	-	-	-	
50kV & 66kV	108	1	110	
33kV	386	95	481	
SWER (all SWER voltages)	9		9	
22kV (other than SWER)	-	-	-	
6.6kV to 11kV (inclusive - other than SWER)	2,337	831	3,168	
Low Voltage (< 1kV)	1,051	782	1,833	
Total circuit length (for Supply)	**3,892**	**1,709**	**5,600**	*to MP2*
Dedicated Street Lighting Circuit Length	*49*	155	204	

Overhead Circuit Length by Terrain (at year end)

	(km)	(%)
Urban (only)	1,078	28%
Rural (only)	2,684	69%
Remote (only)	-	0%
Rugged (only)	-	0%
Rural & rugged (only)	130	3%
Remote & rugged (only)	-	0%
Unallocated overhead lines	-	0%
Total overhead length	**3,892**	100%

-

Transformer capacity (at year end)

			Previous Year
Distribution Transformer Capacity (EDB Owned)	*804*	MVA	*797*
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	*64*	MVA	*63*
Total Distribution Transformer Capacity	868	MVA *(to MP2)*	*860*
Zone Substation Transformer Capacity	*831*	MVA	*797*

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	26	Years
Average Expected Total Life of System Fixed Assets	52	Years
Average Age as a Proportion of Average Expected Total Life	51%	%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	24%	%

Electricity demand

		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
	GXP Demand	**240**	**279**	
plus	Embedded Generation Output at HV and Above	45		
	Maximum System Demand	**285**		
less	Net Transfers to (from) Other EDBs at HV and Above	1		
	Demand on system for supply to customers' Connection Points	284		
less	Subtransmission Customers' Connection Point Demand	-	0	
	Maximum Distribution Transformer Demand	**284**		*to MP2*
	GXP Demand not Supplied at Subtransmission Level	-		
	Embedded Generation Output - Connected to Subtransmission System	74	64	
	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	4		
	Five-Year System Maximum Demand Growth Forecast	2.4	% p.a.	

Electricity volumes carried

		(GWh)		
	Electricity Supplied from GXPs	1,150		
less	Electricity Exports to GXPs	12		
plus	Electricity Supplied from Embedded Generators	208		
less	Net Electricity Supplied to (from) Other EDBs	(0)		
	Electricity entering system for supply to customers' Connection Points	1,348		
less	Electricity Supplied to Customers' Connection Points	1,280		*to MP2*
	Electricity Losses (loss ratio)	**68**	**5.0%** %	
	Electricity Supplied to Customers' Connection Points	1,280		
less	Electricity Supplied to Largest 5 Connection Points	60		
	Electricity supplied other than to Largest 5 Connection Points	**1,220**	**95%** %	

Load Factor

54% %

Number of Connection Points (at year end)

81,573 ICPs *to MP2*

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	51	kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	229	MWh/km
Connection Point Density (ICPs / Total circuit length)	15	ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	15,690	kWh/ICP

REPORT MP2: PERFORMANCE MEASURES

Electricity Distribution Business: Aurora Energy Limited

For Year Ended: 2010

Performance comparators

	Previous Years:			Current Financial Year		
	Current Yr - 3	Current Yr - 2	Current Yr - 1			
Operational expenditure ratio						
Total Operational Expenditure		18	20	20	$m	*from FS1*
Replacement Cost of System Fixed Assets (at year end)*		522	555	585	$m	*from AV3*
Ratio (%)	Not defined	3.48%	3.57%	**3.42%**	%	
Capital expenditure ratio						
Total Capital Expenditure on System Fixed Assets		18	19	22	$m	*from FS2*
Replacement Cost of System Fixed Assets (at year end)*		522	555	585	$m	*from AV3*
Ratio (%)	Not defined	3.47%	3.34%	**3.71%**	%	
Capital expenditure growth ratio						
Capital Expenditure: Customer Connection and System Growth				17	$m	*from FS2*
Change in Total Distribution Transformer Capacity		10	21	8	MVA	*from MP1*
$/kVA	Not defined	-	-	**2,211**	$/kVA	
Renewal expenditure ratio						
Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal				4	$m	*from FS1 & 2*
Regulatory Depreciation of System Fixed Assets		7	8	8	$m	*from AV1*
Ratio (%)	Not defined	0%	0%	**43%**	%	
Distribution Transformer Capacity Utilisation						
Maximum Distribution Transformer Demand	276	283	275	284	MW	*from MP1*
Total Distribution Transformer Capacity (at year end)*	829	840	860	868	kVA	*from MP1*
Ratio (%)	33.2%	33.7%	31.9%	**32.8%**	%	
Return on Investment						
Regulatory Profit / Loss (pre-financing and distributions)		34	34	31	$m	*from FS1*
less Interest Tax Shield Adjustment		3	3	2	$m	*from FS3*
Adjusted Regulatory Profit	-	31	32	29	$m	
Regulatory Investment Value		253	275	295	$m	*from FS2*
Ratio (%)	Not defined	12.40%	11.49%	**9.70%**	%	

** If a Merger or Asset Transfer with another EDB was enetered into during the year, the denominators are calcuated 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	3,875	17	76,109	266	26,974	*from FS2 & MP1*
Operational Expenditure ($) per	3,574	16	70,198	245	24,879	*from FS1 & MP1*

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref		
	Electricity Distribution Business:	Aurora Energy
6	For Year Ended:	2010
7	Network Name:	Total Business
	Disclosure:	Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	249	planned interruptions on the network
Class C	427	unplanned interruptions on the network
Class D	1	unplanned interruptions by Transpower
Class E		unplanned interruptions of network owned generation
Class F		unplanned interruptions of generation (non-network)
Class G	1	unplanned interruptions caused by other electricity industry participant
Class H		planned interruptions caused by other electricity industry participant
Total	**678**	**Total of above**

Interruption targets for Forecast Year	**2011**	**Current Financial Year +1**
Class B	240	planned interruptions on the network
Class C	440	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years	**2011-2015**	**Current Financial Year +1 to +5**
Class B	235	planned interruptions on the network
Class C	435	unplanned interruptions on the network

Class C interruptions restored within	≤3Hrs	>3hrs
	361	66

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	9.11	in year	2010
The total number of faults forecast for the Forecast Year	10.60	in year	2011
The average annual number of faults forecast for the 5 Forecast Years	10.50	average over years	2011-2015

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	No	Yes	Yes	Yes	No
Current Financial Year	10.11		11.36	3.54	4.57	
Forecast Year	11.40		11.40	6.50	6.00	
Average annual for 5 Forecast Years	11.30		11.40	6.40	5.90	

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	1.71		NA	1.06	-	
Overhead	13.04		11.38	4.14	4.60	

Reliability

Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	82.68	1.48	55.86

Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	11.17	0.09	129.40
Class C	61.30	1.25	49.00

Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	15.00	0.13	120.00
Class C	71.00	1.29	55.00

Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	14.20	0.12	120.00
Class C	69.80	1.27	55.00

PRICES

Price information by Connection Point Class

	Connection Point Class					
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	**Total**	
Gross line charge income ($000)	45,297	10,906	15,380	1,368	72,951	*from FS1*
Electricity Supplied to Customers' Connection Points (MWh)	651,888	180,382	387,909	59,736	1,279,915	*from MP1*
Number of Connection Points (ICPs) at year end	75,623	4,862	1,083	5	81,573	*from MP1*
Unit Price (cents/kWh)	**6.9**	**6.0**	**4.0**	**2.3**	**5.7**	
Relative Unit Price Index	1.00	0.87	0.57	0.33	0.82	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

Connection Point Class breakpoints methodology	kVA based breakpoints	
kVA based breakpoints - additional disclosure		
Breakpoint between small and medium classes	16	kVA
Breakpoint between large and medium classes	70	kVA

F DISCLOSURE RELATING TO FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES (REQUIREMENT 6(1) – DUNEDIN

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

Electricity Distribution Business: Aurora Energy Limited

For Year Ended: 2010

Network Name: **Dunedin** *(enter "Total Business" or name of network)*

Disclosure: Annual Disclosure - Requirement 6(1)

Circuit Length by Operating Line Voltage (at year end)

	Overhead (km)	Underground (km)	Total (km)	
> 66kV			-	
50kV & 66kV			-	
33kV	144	79	223	
SWER (all SWER voltages)	9		9	
22kV (other than SWER)			-	
6.6kV to 11kV (inclusive - other than SWER)	736	294	1,030	
Low Voltage (< 1kV)	818	215	1,033	
Total circuit length (for Supply)	**1,707**	**588**	**2,294**	*to MP2*
Dedicated Street Lighting Circuit Length	47	96	143	

Overhead Circuit Length by Terrain (at year end)

	(km)	(%)
Urban (only)	879	51%
Rural (only)	828	49%
Remote (only)		0%
Rugged (only)		0%
Rural & rugged (only)		0%
Remote & rugged (only)		0%
Unallocated overhead lines		0%
Total overhead length	**1,707**	100%

Transformer capacity (at year end)

			Previous Year
Distribution Transformer Capacity (EDB Owned)	467	MVA	471
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	45	MVA	45
Total Distribution Transformer Capacity	512	MVA *(to MP2)*	*516*
Zone Substation Transformer Capacity	574	MVA	*574*

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	35	Years
Average Expected Total Life of System Fixed Assets	54	Years
Average Age as a Proportion of Average Expected Total Life	65%	%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	34%	%

Electricity demand

		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
	GXP Demand	**179**	**198**	
plus	Embedded Generation Output at HV and Above	23		
	Maximum System Demand	**202**		
less	Net Transfers to (from) Other EDBs at HV and Above	-		
	Demand on system for supply to customers' Connection Points	202		
less	Subtransmission Customers' Connection Point Demand	-	-	
	Maximum Distribution Transformer Demand	**202**		*to MP2*
	GXP Demand not Supplied at Subtransmission Level	-		
	Embedded Generation Output - Connected to Subtransmission System	23	43	
	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	19		
	Five-Year System Maximum Demand Growth Forecast	1.6	% p.a.	

Electricity volumes carried

		(GWh)		
	Electricity Supplied from GXPs	821		
less	Electricity Exports to GXPs	-		
plus	Electricity Supplied from Embedded Generators	83		
less	Net Electricity Supplied to (from) Other EDBs	-		
	Electricity entering system for supply to customers' Connection Points	904		
less	Electricity Supplied to Customers' Connection Points	865		*to MP2*
	Electricity Losses (loss ratio)	**40**	**4.4%** %	
	Electricity Supplied to Customers' Connection Points	865		
less	Electricity Supplied to Largest 5 Connection Points	60		
	Electricity supplied other than to Largest 5 Connection Points	**805**	**93%** %	

Load Factor

51% %

Number of Connection Points (at year end)

53,407 ICPs *to MP2*

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	88	kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	377	MWh/km
Connection Point Density (ICPs / Total circuit length)	23	ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	16,188	kWh/ICP

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: Aurora Energy

For Year Ended: 2010

Network Name: Dunedin

Disclosure: Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	10	planned interruptions on the network
Class C	122	unplanned interruptions on the network
Class D	-	unplanned interruptions by Transpower
Class E	-	unplanned interruptions of network owned generation
Class F	-	unplanned interruptions of generation (non-network)
Class G	-	unplanned interruptions caused by other electricity industry participant
Class H	-	planned interruptions caused by other electricity industry participant
Total	**132**	**Total of above**

Interruption targets for Forecast Year	**2011**	**Current Financial Year +1**
Class B	30	planned interruptions on the network
Class C	140	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years	**2011-2015**	**Current Financial Year +1 to +5**
Class B	30	planned interruptions on the network
Class C	140	unplanned interruptions on the network

Class C interruptions restored within	≤3Hrs	>3hrs
	91	31

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	5.87	in year	2010
The total number of faults forecast for the Forecast Year	8.90	in year	2011
The average annual number of faults forecast for the 5 Forecast Years	8.80	average over years	2011-2015

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	No	Yes	Yes	No	No
Current Financial Year	6.74		11.36	1.79		
Forecast Year	9.50		11.40	6.50		
Average annual for 5 Forecast Years	9.40		11.40	6.40		

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	2.38		NA	1.27		
Overhead	8.43		11.36	2.08		

Reliability

Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	28.99	0.51	56.84

Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	0.15	-	41.50
Class C	28.84	0.51	57.00

Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	4.00	0.05	75.00
Class C	37.00	0.69	54.00

Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	4.00	0.05	75.00
Class C	37.00	0.69	54.00

PRICES

Price information by Connection Point Class

	Connection Point Class					
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	**Total**	
Gross line charge income ($000)	25,913	4,523	9,038	1,368	40,841	*Error (FS1)*
Electricity Supplied to Customers' Connection Points (MWh)	450,162	98,800	255,844	59,736	864,542	*from MP1*
Number of Connection Points (ICPs) at year end	50,236	2,568	598	5	53,407	*from MP1*
Unit Price (cents/kWh)	**5.8**	**4.6**	**3.5**	**2.3**	**4.7**	
Relative Unit Price Index	1.00	0.80	0.61	0.40	0.82	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

Connection Point Class breakpoints methodology	kVA based breakpoints

kVA based breakpoints - additional disclosure

Breakpoint between small and medium classes	16	kVA
Breakpoint between large and medium classes	70	kVA

G DISCLOSURE RELATING TO FINANCIAL AND EFFICIENCY PERFORMANCE MEASURES (REQUIREMENT 6(1) – CENTRAL OTAGO

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

Electricity Distribution Business: Aurora Energy Limited

For Year Ended: 2010

Network Name: Central *(enter "Total Business" or name of network)*

Disclosure: Annual Disclosure - Requirement 6(1)

Circuit Length by Operating Line Voltage (at year end)

	Overhead (km)	Underground (km)	Total (km)	
> 66kV			-	
50kV & 66kV	108	1	110	
33kV	242	16	258	
SWER (all SWER voltages)			-	
22kV (other than SWER)			-	
6.6kV to 11kV (inclusive - other than SWER)	1,601	535	2,137	
Low Voltage (< 1kV)	233	561	794	
Total circuit length (for Supply)	**2,185**	**1,113**	**3,298**	*to MP2*
Dedicated Street Lighting Circuit Length	2	57	60	

Overhead Circuit Length by Terrain (at year end)

	(km)	(%)
Urban (only)	199	9%
Rural (only)	1,856	85%
Remote (only)		0%
Rugged (only)		0%
Rural & rugged (only)	130	6%
Remote & rugged (only)		0%
Unallocated overhead lines		0%
Total overhead length	**2,185**	100%

-

Transformer capacity (at year end)

			Previous Year
Distribution Transformer Capacity (EDB Owned)	336	MVA	325
Distribution Transformer Capacity (Non-EDB Owned, Estimated)	19	MVA	18
Total Distribution Transformer Capacity	355	MVA *(to MP2)*	*343*
Zone Substation Transformer Capacity	257	MVA	223

System Fixed Assets age (at year end)

Average Age of System Fixed Assets	19	Years
Average Expected Total Life of System Fixed Assets	50	Years
Average Age as a Proportion of Average Expected Total Life	38%	%
Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	15%	%

Electricity demand

		Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
	GXP Demand	**76**	**81**	
plus	Embedded Generation Output at HV and Above	18		
	Maximum System Demand	**93**		
less	Net Transfers to (from) Other EDBs at HV and Above	1		
	Demand on system for supply to customers' Connection Points	92		
less	Subtransmission Customers' Connection Point Demand	-	0	
	Maximum Distribution Transformer Demand	**92**		*to MP2*
	GXP Demand not Supplied at Subtransmission Level	0		
	Embedded Generation Output - Connected to Subtransmission System	18	21	
	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-	-	
	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	7		
	Five-Year System Maximum Demand Growth Forecast	4.1	% p.a.	

Electricity volumes carried

		(GWh)		
	Electricity Supplied from GXPs	329		
less	Electricity Exports to GXPs	12		
plus	Electricity Supplied from Embedded Generators	126		
less	Net Electricity Supplied to (from) Other EDBs	-		
	Electricity entering system for supply to customers' Connection Points	443		
less	Electricity Supplied to Customers' Connection Points	415		*to MP2*
	Electricity Losses (loss ratio)	**28**	**6.3%** %	
	Electricity Supplied to Customers' Connection Points	415		
less	Electricity Supplied to Largest 5 Connection Points	14		
	Electricity supplied other than to Largest 5 Connection Points	**401**	**97%** %	

Load Factor

55% %

Number of Connection Points (at year end)

28,108 ICPs *to MP2*

Intensity of service requirements

Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	28	kW/km
Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	126	MWh/km
Connection Point Density (ICPs / Total circuit length)	9	ICP/km
Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	14,764	kWh/ICP

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

ref		
	Electricity Distribution Business:	Aurora Energy
6	For Year Ended:	2010
7	Network Name:	Central
	Disclosure:	Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower:
Class B	239	planned interruptions on the network
Class C	305	unplanned interruptions on the network
Class D	1	unplanned interruptions by Transpower
Class E		unplanned interruptions of network owned generation
Class F		unplanned interruptions of generation (non-network)
Class G	1	unplanned interruptions caused by other electricity industry participant
Class H		planned interruptions caused by other electricity industry participant
Total	**546**	**Total of above**

Interruption targets for Forecast Year	**2011**	**Current Financial Year +1**
Class B	240	planned interruptions on the network
Class C	320	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years	**2011-2015**	**Current Financial Year +1 to +5**
Class B	235	planned interruptions on the network
Class C	315	unplanned interruptions on the network

Class C interruptions restored within	≤3Hrs	>3hrs
	265	40

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	10.75	in year	2010
The total number of faults forecast for the Forecast Year	11.40	in year	2011
The average annual number of faults forecast for the 5 Forecast Years	11.30	average over years	2011-2015

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	No	No	Yes	Yes	No
Current Financial Year	11.76			5.05	4.57	
Forecast Year	12.30			6.50	6.00	
Average annual for 5 Forecast Years	12.20			6.40	5.90	

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	1.34			-	-	
Overhead	15.16			5.37	4.60	

Reliability

Overall reliability	**SAIDI**	**SAIFI**	**CAIDI**
Based on the total number of interruptions	185.61	3.35	55.41

Reliability by interruption class	**SAIDI**	**SAIFI**	**CAIDI**
Class B	32.28	0.24	131.90
Class C	123.57	2.68	46.11

Targets for Forecast Year	**SAIDI**	**SAIFI**	**CAIDI**
Class B	35.88	0.26	140.00
Class C	135.54	3.23	42.00

Average targets for 5 Forecast Years	**SAIDI**	**SAIFI**	**CAIDI**
Class B	32.90	0.24	140.00
Class C	129.93	3.09	42.00

PRICES

Price information by Connection Point Class

	Connection Point Class					
	Small Connection Points	Medium Connection Points	Large Connection Points	Largest 5 Connection Points	**Total**	
Gross line charge income ($000)	19,346	6,380	5,620	723	32,068	*Error (FS1)*
Electricity Supplied to Customers' Connection Points (MWh)	201,358	81,555	118,196	13,869	414,978	*from MP1*
Number of Connection Points (ICPs) at year end	25,331	2,292	480	5	28,108	*from MP1*
Unit Price (cents/kWh)	**9.6**	**7.8**	**4.8**	**5.2**	**7.7**	
Relative Unit Price Index	1.00	0.81	0.49	0.54	0.80	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

MP3a: Connection Point Class breakpoints

Connection Point Class breakpoints methodology	kVA based breakpoints	
kVA based breakpoints - additional disclosure		
Breakpoint between small and medium classes	16	kVA
Breakpoint between large and medium classes	70	kVA

H DISCLOSURE RELATING TO ASSET MANAGEMENT PLANS (REQUIREMENT 7(5)

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

Electricity Distribution Business: Aurora Energy

For Year Ended: 2010

($000)

A) Five year forecasts of expenditure

From most recent Asset Management Plan

	Actual for Current Financial Year	Forecast Years					
for year ended	2010	year 1 2011	year 2 2012	year 3 2013	year 4 2014	year 5 2015	
Capital Expenditure: Customer Connection	7,725	5,400	8,200	8,200	8,200	8,200	*from FS2*
Capital Expenditure: System Growth	9,157	4,300	6,600	4,200	15,400	6,300	*from FS2*
Capital Expenditure: Reliability, Safety and Environment	2,528	3,750	1,100	200	200	200	*from FS2*
Capital Expenditure: Asset Replacement and Renewal	2,102	9,960	9,240	9,200	1,800	9,500	*from FS2*
Capital Expenditure: Asset Relocations	186	600	900	700	400	400	*from FS2*
Subtotal - Capital Expenditure on asset management	**21,698**	**24,010**	**26,040**	**22,500**	**26,000**	**24,600**	
Operational Expenditure: Routine and Preventative Maintenance	3,147	3,426	3,521	3,617	3,717	3,819	*from FS1*
Operational Expenditure: Refurbishment and Renewal Maintenance	1,417	1,782	1,809	1,837	1,866	1,895	*from FS1*
Operational Expenditure: Fault and Emergency Maintenance	4,527	4,172	4,284	4,395	4,510	4,628	*from FS1*
Subtotal - Operational Expenditure on asset management	**9,091**	**8,658**	**8,875**	**9,097**	**9,325**	**9,559**	
Total direct expenditure on distribution network	**30,789**	**32,668**	**34,915**	**31,597**	**35,325**	**34,159**	
Overhead to Underground Conversion Expenditure	529	2,450	2,490	2,530	2,580	2,630	

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 $529K of underground conversion expenditure is included in the above category Operational expenditure - Refurbishment and Renewal maintenance. For the forecast years an allowance of $800,000 has been reclassified from Capital Renewals to Opex Refurbishmnet and Renewals (compared to the AMP).

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	7,725	5,000	54.5%	*from row 10*
Capital Expenditure: System Growth	9,157	3,650	150.9%	*from row 11*
Capital Expenditure: Asset Replacement and Renewal	2,528	5,460	-53.7%	*from row 12*
Capital Expenditure: Reliability, Safety and Environment	2,102	500	320.4%	*from row 13*
Capital Expenditure: Asset Relocations	186	400	-53.5%	*from row 14*
Subtotal - Capital Expenditure on asset management	**21,698**	**15,010**	**44.6%**	
Operational Expenditure: Routine and Preventative Maintenance	3,147	3,410	-7.7%	*from row 17*
Operational Expenditure: Refurbishment and Renewal Maintenance	1,417	956	48.2%	*from row 18*
Operational Expenditure: Fault and Emergency Maintenance	4,527	4,154	9.0%	*from row 19*
Subtotal - Operational Expenditure on asset management	**9,091**	**8,520**	**6.7%**	
Total direct expenditure on distribution network	**30,789**	**23,530**	**30.8%**	

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):

Capex - Customer Connection - The budget was reduced in anticipation of the forecast economic downturn. Whilst actual spend was less than prior years it was above the forecast. Capex - System Growth - above forecast due to late commissioning of the Commonage zone substation project in Central Otago amounting to $2.9m plus more accurate coding has transferred expenditure from Asset Replacement and Renewals. Capex - Asset Replacement and Renewals - as above plus there is $1.1m of OH to UG expenditure in Assets under Construction which was expected to be capitalised by March 10. Capex - Reliability - this is above forecast due to the late arrival of the 5MVA mobile substation $1.3m which was not included in forecasts for March 2010.
Capex - Asset Relocations - mainly driven by Local Authorities
Opex - Refurbishment and Maintenance - mainly above budget due to higher expensed costs associated with the OH to UG program.

I DISCLOSURE RELATING TO PERFORMANCE MEASURES (REQUIREMENT 14(7) – ORIGINAL REQUIREMENTS

Disclosure of financial performance measures and efficiency performance measures under requirement 14 (7) of the Electricity Information Disclosure Requirements 2008

	2010	2009	2008	2007
Efficiency performance measures				
(a) Direct line costs per kilometre	$2,488	$2,740	$2,548	$2,185
(b) Indirect line costs per electricity consumer	$55.13	$36.70	$33.89	$30.52

J CERTIFICATION BY AUDITOR (REQUIREMENT 10)

Auditor's Independent Assurance Report

To the readers of Aurora Energy Limited

Report on Aurora Energy Limited's compliance with the Electricity Distribution (Information Disclosure) Requirements 2008 for the financial year ended 31 March 2010

The Auditor-General is the auditor of Aurora Energy Limited (the Company). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to provide an opinion on the compliance of the attached reports on pages 3 to 21 prepared by the Company with the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008 (the Requirements), on her behalf, for the financial year ended 31 March 2010. In this independent assurance report the attached reports are called the "disclosure information".

Respective responsibilities

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

Clause 10 of the Requirements requires the Auditor-General to provide an opinion that the disclosure information prepared by the Company complies with and is presented in all material respects in accordance with the Requirements for the financial year ended 31 March 2010.

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 2010. This independent assurance report is not intended to be used for any purposes, other than that for which it was prepared.

Material misstatements, whether caused by fraud or error, are differences or omissions of amounts and disclosures that would affect a user's overall understanding of the disclosure information prepared by the Company.

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 prepared pursuant to the Electricity Distribution (Information Disclosure) Requirements 2008 for the year ended 31 March 2010 have been subject to audit.

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.

Historical financial and non-financial information

We conducted the engagement in accordance with the Standard on Assurance Engagements 3100: Compliance Engagements issued by the New Zealand Institute of Chartered Accountants.

Our work in respect of amounts and disclosures that were audited under the financial statement audit has been limited to agreeing the amounts and disclosures to the underlying records and audited financial statements of the Company.

Our work in respect of amounts and disclosures that were not audited under the financial statement audits, 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 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 2010 and the immediately preceding financial year, and that the information has been calculated based on source data provided by the Company, whilst acknowledging 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). We have not performed audit procedures on the source data.

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.

Other than the engagement and the annual audit of the Company's financial statements carried out on behalf of the Auditor-General, we have no relationship with or interests in the Company.

Unqualified opinions

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 2010 complies with the Requirements.

Historical financial and non-financial information

In our opinion, the Company has:

- presented the historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 for the financial year ended 31 March 2010 that complies with the Requirements, in all material respects; 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 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 2010 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.

Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
28 July 2010