



**Information Disclosure prepared according to
subpart 3 of Part 4A of the Commerce Act 1986**

For the Year Ended 31 March 2010

Contents

1. Introduction

2. Schedules

- a). FS1 - Regulatory Profit Statement
- b). FS2 - Asset and Financing Statement
- c). FS3 - Regulatory Tax Allowance
- d). AV1 - Regulatory Valuation Report
- e). AV2 - Regulatory Value by Asset Class
- f). AV3 - System Fixed Assets Replacement Cost Roll-Forward Report - 2010
- g). AV4 - Business Merger, Acquisition for Sale - Regulatory Asset Base Disclosure
- h). MP1 - Network Information
- i). MP2 - Performance Measures
- j). MP3 - Price and Quality Measures
- k). AM1 - Expenditure Forecasts and Reconciliation

3. Related Party Note

4. Transitional Provisions

5. Audit Certificate

6. Director Certificates

1. Introduction

These Information Disclosure documents are submitted by Horizon Energy Distribution 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. Schedules

REPORT FS1: REGULATORY PROFIT STATEMENT			
ref		Electricity Distribution Business:	Horizon Energy
5		For Year Ended	2010
6	Income		
7			(\$000)
8	Net Line Charge Revenue Received	26,991	
9	plus Discretionary Discounts and Customer Rebates	-	FS1a
10	Gross Line Charge Income	26,991	
11			
12			
13	Capital Contributions	592	
14	plus Net Value of Vested Assets	-	
15	Total Capital Contributions and Vested Assets	592	
16			
17	AC Loss Rental Rebates Received	95	
18	less AC Loss Rental Rebates Passed On	95	
19	Net AC loss rental income (deficit)	-	
20			
21			
22	Other Income	180	
23		180	
24			
25	Total regulatory income	27,762	
26			
27			
28	Expenses		
29			
30	Transmission Charges - Payments to Transpower	4,628	
31	plus Avoided Transmission Charges - payments to parties other than Transpower	2,696	
32	Total Transmission Costs	7,324	
33			
34	Operational Expenditure:		
35	General Management, Administration and Overheads	2,991	
36	System Management and Operations	1,657	
37	Routine and Preventative Maintenance	1,208	to AM1
38	Refurbishment and Renewal Maintenance	228	to AM1
39	Fault and Emergency Maintenance	622	to AM1
40	Pass-through Costs	160	
41	Other	-	
42	Total Operational Expenditure	6,866	to MP2
43			
44			
45	Operational earnings	13,572	
46			
47			
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	3,445	from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	212	from AV1
50	Total Regulatory Depreciation	3,656	to FS3
51			
52			
53	Earnings before interest and tax (EBIT)	9,916	to FS3
54			
55	less Regulatory Tax Allowance	2,446	from FS3
56			
57	plus Indexed Revaluation (of System Fixed Assets)	1,784	from AV1
58	plus Revaluations of Non-System Fixed Assets	-	from AV1
59			
60	Regulatory profit / loss (pre-financing and distributions)	9,254	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	134	
77	Operational Expenditure	3,836	
78	Subvention Payment		
79	Other related party expenditure		
80	Total Related Party Expenditure		3,970
81			
82	<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>		
83			
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	920	Notes to be provided separately
94	within expenditure category:	General Management, Administration	
95			
96	Material item amount 2	801	Notes to be provided separately
97	within expenditure category:	General Management, Administration	
98			
99	Material item amount 3	1,208	Notes to be provided separately
100	within expenditure category:	Routine and Preventative Maintenance	
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:	Horizon Energy Distribution
5	For Year Ended	2010
6		
7	Capital Expenditure on System Fixed Assets (by primary purpose)	(\$000)
8	Customer Connection	270 to AM1
9	System Growth	24 to AM1
10	Reliability, Safety and Environment	1,170 to AM1
11	Asset Replacement and Renewal	1,975 to AM1
12	Asset Relocations	- to AM1
13	Total Capital Expenditure on System Fixed Assets	3,439 to AM1
14		
15		
16	Capital Expenditure on Non-System Fixed Assets	108 from AV1
17		
18		
19	Capital works roll-forward (for System Fixed Assets)	
20	Works Under Construction at Beginning of Year	468
21	plus Total Capital Expenditure on System Fixed Assets	3,439
22	less Assets Commissioned in Year	2,914 from AV1
23	Works under construction at year end	993
24		
25		
26	Regulatory Investment Value calculation	
27	System Fixed Assets: regulatory value at end of Previous Year	87,184 from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	766 from AV1
29	Finance During Construction Allowance (on System Fixed assets)	2,136 2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	90,086
31		
32	plus System Fixed Assets Commissioned in Year	2,914 from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	- from AV1
34	Non-System Fixed Assets: Asset Additions	108 from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	3,022
36	Regulatory Asset Base investment in Current Financial Year - average	1,511
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	91,597 to MP2

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Horizon Energy	
5			For Year Ended	2010
6				
7				(\$000)
8		Earnings before interest and tax (EBIT)	9,916	from FS1
9				
10	add	Total Regulatory Depreciation	3,656	from FS1
11		Other Permanent Differences - not deductible	9	
12		Other Temporary Adjustments - Current Period	426	
13			4,091	
14				
15	less	Non Taxable Capital Contributions and Vested Assets	537	
16		Tax Depreciation	3,019	
17		Deductible Discretionary Discounts and Customer Rebates	-	
18		Deductible Interest	2,023	from row 53
19		Other Permanent Differences - Non Taxable	-	
20		Other Temporary Adjustments - Prior Period	276	
21			5,854	
22				
23		Regulatory taxable income for Year	8,153	
24				
25	less	Tax Losses Available at Start of Year		
26		Net taxable income	8,153	
27				
28		Statutory Tax Rate	30%	
29		Regulatory Tax Allowance	2,446	to FS1

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
39	notes can be provided in a separate note if necessary).
40	
41	
42	
43	
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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	5.52%	%		
53					
54	Deductible Interest	2,023	\$000		to row 18
55					
56	Interest Tax Shield Adjustment	607	\$000		to MP2

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref	Electricity Distribution Business:	Horizon Energy
5	For Year Ended:	2010
6	Year of most recent ODV	2004
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	1	2	3	4	5	6	
For Year Ending:	2005	2006	2007	2008	2009	2010	
System Fixed Assets							
Regulatory Value at End of Previous Year*	75,290	77,273	79,241	81,197	85,658	87,184	to FS2
plus							
Assets Commissioned	2,662	3,101	2,966	2,220	3,089	2,914	to FS2
Gross Value of Vested Assets							to FS1
Assets Acquired from (Sold to) a Non-EDB							to FS2
Asset Additions	2,662	3,101	2,966	2,220	3,089	2,914	
plus							
Indexed Revaluation	2,028	2,595	2,011	2,733	2,543	1,784	to FS1
less							
Depreciation of System Fixed Assets	2,691	2,847	2,970	3,119	3,435	3,393	
Regulatory Value of Assets Decommissioned	16	882	50	113	360	52	
Regulatory Depreciation (incl. value of assets decommissioned)	2,708	3,729	3,021	3,232	3,795	3,445	to FS1
plus (minus)							
Acquisition of System Fixed Assets from another EDB	-	-	-	-	-	-	from AV4
less Sale of System Fixed Assets to another EDB	-	-	-	-	-	-	from AV4
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-	-	-	-	-	-	
plus (minus)							
Net Increase (Decrease) Due to Changes in Asset Register Information				2,740	(312)	15	
Regulatory Value of System Fixed Assets at Year End	77,273	79,241	81,197	85,658	87,184	88,452	
Non-System Fixed Assets							
Regulatory value at end of previous year	998	711	745	1,416	727	766	
plus Asset Additions	150	250	909	188	223	108	to FS2
plus Revaluations	-	-	-	-	-	-	to FS1
less Depreciation (incl. value of assets decommissioned)	437	216	238	877	184	212	to FS1
plus Net Acquisitions (Sales) of Non-System Fixed Assets from (to) an EDB	-	-	-	-	-	-	from AV4
Regulatory Value of Non-System Fixed Assets at Year end	711	745	1,416	727	766	663	
Total Regulatory Asset Base Value (excluding FDC)	77,984	79,986	82,613	86,385	87,950	89,115	

* The commencing figure for completing this schedule is the most recent ODV value
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

75,290

77,273

79,241

81,197

85,658

87,184

65

Indexed Revaluation of System Fixed Assets

2,028

2,595

2,011

2,733

2,543

1,784

to FS1, AV1

68

AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB

(S000)

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:

Horizon Energy

For Year Ended:

2010

ref

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16

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18

19

20

21

System Fixed Assets

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)

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

Regulatory Value of System Fixed Assets at Year End

(\$'000)

5,014

5,625

24,113

16,061

14,134

6,062

4,281

75,290

16,952

13,695

19,929

-

2,443

88,452

from AV1

from AV1

from AV1

from AV1

from AV1

from AV1

from AV1

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

ref		Electricity Distribution Business:	Horizon Energy
5		For Year Ended:	2010
6	System Fixed Assets - Replacement Cost		
7			((\$000))
8		Replacement cost at end of previous year	173,565
9			
10		Asset Additions	2,914
11		Indexed Revaluation (of System Fixed Assets)	3,552
12	less	Replacement Cost of Assets Decommissioned	254
13		Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
14		Net Increase (Decrease) Due to Changes in Asset Register Information	35
15		Replacement cost of System Fixed Assets at year end	179,813
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20		Depreciated Replacement Cost at end of previous year	87,529
21			
22		Asset Additions	2,914
23		Indexed Revaluation (of System Fixed Assets)	1,791
24	less	Depreciation of Replacement Cost	3,393
25	less	Depreciated Replacement Cost of Assets Decommissioned	52
26		Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
27		Net Increase (Decrease) Due to Changes in Asset Register Information	15
28		Depreciated replacement cost of System Fixed Assets at year end	88,805

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

Notes to Price and Quality Measures

36	AV3a: New Asset Additions		
37			
38		Asset Additions - Depreciated Replacement Cost	2,914
39	plus	Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	
40			
41		Asset Additions - Replacement Cost	2,914
42			

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

 Electricity Distribution Business: **Horizon Energy Distribution Limited**

6	Disclosure required? (YES or NIL DISCLOSURE):	NO DISCLOSURE REQUIRED							
7									
8		As at (date): 31/03/2010							
9		Proportion of year following transfer of assets: 0%							
10									
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									
14	Replacement Cost (RC)								
15	less: Depreciation								
16	Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
17	less: Optimisation adjustment								
18	Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
19	less: Economic Value Adjustment (EVA)								
20	Most recent ODV value	-	-	-	-	-	-	-	-
21									
22									
23									
24									
25									
26	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	Cumulative roll-forward since most recent ODV:								
29	Asset Additions								
30	Indexed Revaluation (of System Fixed Assets)								
31	less: Regulatory Depreciation (of System Fixed Assets)								
32	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								
33	Net Increase (Decrease) due to Changes in Asset Register Information								
34	RAB Value of Transferred Assets at Transfer Date	-		-					
35	Acquisition of Assets from Another EDB	-	-	to AV1					
36	Sale of Assets to Another EDB	-	-	to AV1					
37									
38	RAB Value of Transferred Assets at Transfer Date	-							
39	"p" factor (proportion of year following transfer of assets)	0%							
40	Adjustment for merger, acquisition or sale to another EDB		-	to FS2					
41									
42	PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred	(\$000)							
43		RC & DRC values of System Fixed Assets at transfer date		RAB value of acquired/(sold) assets					
44	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC					to AV3			
45	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC					to AV3			
46									
47									
48									
49									
50									
51									
52	Signed by:	Selling Entity							
53									
54		Acquiring Entity							
55									
56									
57									

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

 Electricity Distribution Business: **Horizon Energy Distribution Limited**

6	Disclosure required? (YES or NIL DISCLOSURE):	NO DISCLOSURE REQUIRED							
7									
8		As at (date): 31/03/2010							
9		Proportion of year following transfer of assets: 0%							
10									
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 transformer	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
13	Replacement Cost (RC)								-
14	less Depreciation								-
15	Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
16	less Optimisation adjustment								-
17	Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
18	less Economic Value Adjustment (EVA)								-
19	Most recent ODV Value	-	-	-	-	-	-	-	-
20									
21									
22									
23									
24									
25									
26	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	Cumulative roll-forward since most recent ODV:								
29	Asset Additions								
30	Indexed Revaluation (of System Fixed Assets)								
31	less Regulatory Depreciation (of System Fixed Assets)								
32	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								
33	Net Increase (Decrease) Due to Changes in Asset Register Information								
34	RAB Value of Transferred Assets at Transfer Date	-		-					
35	Acquisition of Assets from Another EDB	-	-	to AV1					
36	Sale of Assets to Another EDB	-	-	to AV1					
37									
38	RAB Value of Transferred Assets at Transfer Date	-							
39	"p" factor (proportion of year following transfer of assets)	0%							
40	Adjustment for merger, acquisition or sale to another EDB		-	to FS2					
41									
42									
43									
44									
45									
46									
47	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								
50									
51									
52									
53	Signed by:	Selling Entity							
54									
55									
56	Acquiring Entity								
57									

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

 Electricity Distribution Business: **Horizon Energy Distribution Limited**

6	Disclosure required? (YES or NIL DISCLOSURE):	NO DISCLOSURE REQUIRED							
7									
8		As at (date): 31/03/2010							
9		Proportion of year following transfer of assets: 0%							
10									
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	less Depreciation								-
15	Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
16	less Optimisation adjustment								-
17	Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
18	less Economic Value Adjustment (EVA)								-
19	Most recent ODV Value	-	-	-	-	-	-	-	-
20									
21									
22									
23									
24									
25									
26	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	Cumulative roll-forward since most recent ODV:								
29	Asset Additions								
30	Indexed Revaluation (of System Fixed Assets)								
31	less Regulatory Depreciation (of System Fixed Assets)								
32	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB								
33	Net Increase (Decrease) Due to Changes in Asset Register Information								
34	RAB Value of Transferred Assets at Transfer Date	-							
35	Acquisition of Assets from another EDB	-	-	to AV1					
36	Sale of Assets to another EDB	-	-	to AV1					
37									
38	RAB Value of Transferred Assets at Transfer Date	-							
39	"p" factor (proportion of year following transfer of assets)	0%							
40	Adjustment for merger, acquisition or sale to another EDB		-	to FS2					
41									
42	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					
43	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC			-					
44	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC			-					
45				to AV3					
46				to AV3					
47									
48									
49									
50									
51									
52									
53	Signed by:	Selling Entity							
54									
55		Acquiring Entity							
56									
57									

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Horizon Energy Distribution
6	For Year Ended:	2010
7	Network Name:	Horizon Energy
8	Disclosure:	Annual Disclosure - Requirement 6(1)
9		
10	Circuit Length by Operating Line Voltage (at year end)	
11		Overhead (km) Underground (km) Total (km)
12	> 66kV	-
13	50kV & 66kV	-
14	33kV	175 3 178
15	SWER (all SWER voltages)	63 - 63
16	22kV (other than SWER)	-
17	6.6kV to 11kV (inclusive - other than SWER)	1,456 175 1,631
18	Low Voltage (< 1kV)	228 200 488
19	Total circuit length (for Supply)	1,921 438 2,359
20		to MP2
21	Dedicated Street Lighting Circuit Length	-
22		
23	Overhead Circuit Length by Terrain (at year end)	
24		(km) (%)
25	Urban (only)	240 12%
26	Rural (only)	1,140 59%
27	Remote (only)	45 2%
28	Rugged (only)	482 25%
29	Rural & rugged (only)	0%
30	Remote & rugged (only)	15 1%
31	Unallocated overhead lines	0%
32	Total overhead length	1,921 100%
33		
34	Transformer capacity (at year end)	
35	Distribution Transformer Capacity (EDB Owned)	254 MVA
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	41 MVA
37	Total Distribution Transformer Capacity	295 MVA (to MP2)
38		293
39	Zone Substation Transformer Capacity	85 MVA
40		85
41	System Fixed Assets age (at year end)	
42	Average Age of System Fixed Assets	26 Years
43	Average Expected Total Life of System Fixed Assets	52 Years
44	Average Age as a Proportion of Average Expected Total Life	50% %
45		
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	10% %
47		
48		
49		
50		
51	Electricity demand	
52		Maximum coincident system demand (MW) Non-coincident Sum of maximum demands (MW)
53	GXP Demand	84 89
54	plus Embedded Generation Output at HV and Above	4
55	Maximum System Demand	88
56	less Net Transfers to (from) Other EDBs at HV and Above	
57	Demand on system for supply to customers' Connection Points	88
58	less Subtransmission Customers' Connection Point Demand	19 22
59	Maximum Distribution Transformer Demand	69
60		to MP2
61	GXP Demand not Supplied at Subtransmission Level	26
62	Embedded Generation Output - Connected to Subtransmission System	- 6
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	
64		
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	-
66		
67	Five-Year System Maximum Demand Growth Forecast	2.1 % p.a.
68		
69	Electricity volumes carried	
70		(GWh)
71	Electricity Supplied from GXPs	469
72	less Electricity Exports to GXPs	
73	plus Electricity Supplied from Embedded Generators	94
74	less Net Electricity Supplied to (from) Other EDBs	
75	Electricity entering system for supply to customers' Connection Points	563
76	less Electricity Supplied to Customers' Connection Points	541
77	Electricity Losses (loss ratio)	22 3.9% %
78		to MP2
79	Electricity Supplied to Customers' Connection Points	541
80	less Electricity Supplied to Largest 5 Connection Points	274
81	Electricity supplied other than to Largest 5 Connection Points	268 49% %
82		
83	Load Factor	73% %
84	Number of Connection Points (at year end)	24,504 ICPs
85		to MP2
86	Intensity of service requirements	
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	29 kW/km
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	229 MWh/km
89	Connection Point Density (ICPs / Total circuit length)	10 ICP/km
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	22,085 kWh/ICP

REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business: on Energy Distribution Lin				
5	For Year Ended: 2010				
6	Performance comparators				
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Note: MP2 Performance Measures

MP2	ref 39	<p>The return on investment for 2010 is 9.44% compared to 11.09% for 2009.</p> <p>The ROI for 2009 was above normal historical returns primarily due to revenue received from the resolution of legal proceedings.</p>
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REPORT MP3: PRICE & QUALITY MEASURES
(Separate report required for each Non-contiguous Network)

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Electricity Distribution Business:Horizon Energy

For Year Ended:2010

Network Name:Horizon Energy

Disclosure:Annual Disclosure - Requirement 6(1)

QUALITY

Interruptions

Interruptions by class

Class A	-	planned interruptions by Transpower
Class B	51	planned interruptions on the network
Class C	99	unplanned interruptions on the network
Class D	6	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	167	Total of above

Interruption targets for Forecast Year

2011	Current Financial Year +1
Class B	45 planned interruptions on the network
Class C	100 unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

2011-2015	Current Financial Year +1 to +5
Class B	42 planned interruptions on the network
Class C	84 unplanned interruptions on the network

Class C interruptions restored within

≤3Hrs	>3hrs
86	13

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	5.47	in year	2010
The total number of faults forecast for the Forecast Year	5.00	in year	2011
The average annual number of faults forecast for the 5 Forecast Years	4.50	average over years	2011-2015

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Is this voltage part of the EDB system?	Yes	No	Yes	Yes	No	No
Current Financial Year	5.40		-	6.19		
Forecast Year	5.00			2.00		
Average annual for 5 Forecast Years	4.50			2.00		

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWGR	22kV non-SWGR	SWGR	33kV	50kV & 66kV	>66kV
Underground	6.28		-	-		
Overhead	5.29		-	6.30		

Reliability

Overall reliability

SAIDI	SAIFI	CAIDI	
Based on the total number of interruptions	139.90	2.36	59.20

Reliability by interruption class

SAIDI	SAIFI	CAIDI	
Class B	16.88	0.10	170.64
Class C	123.02	2.26	54.33

Targets for Forecast Year

SAIDI	SAIFI	CAIDI	
Class B	45.00	0.30	150.00
Class C	100.00	1.50	66.67

Average targets for 5 Forecast Years

SAIDI	SAIFI	CAIDI	
Class B	42.00	0.30	140.00
Class C	84.00	1.36	61.76

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)	13,558	5,446	4,613	3,373	26,991	from FS1
Electricity Supplied to Customers' Connection Points (MWh)	132,396	60,034	75,160	273,577	541,167	from MP1
Number of Connection Points (ICPs) at year end	20,867	3,302	330	5	24,504	from MP1
Unit Price (cents/kWh)	10.2	9.1	6.1	1.2	5.0	
Relative Unit Price Index	1.00	0.89	0.60	0.12	0.49	

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	20 kVA
Breakpoint between large and medium classes	69 kVA

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

ref

Electricity Distribution Business:

Horizon Energy

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A) Five year forecasts of expenditure

From most recent Asset Management Plan

Actual for Current Financial Year

Forecast Years

year 1

year 2

year 3

year 4

year 5

for year ended

2010

2011

2012

2013

2014

2015

Capital Expenditure: Customer Connection

270

545

545

545

545

545

Capital Expenditure: System Growth

24

217

492

830

1,225

1,140

Capital Expenditure: Reliability, Safety and Environment

1,170

3,675

3,015

2,759

1,154

1,022

Capital Expenditure: Asset Replacement and Renewal

1,975

1,758

2,258

1,688

1,587

1,674

Capital Expenditure: Asset Relocations

-

20

20

20

20

320

Subtotal - Capital Expenditure on asset management

3,439

6,214

6,330

5,842

4,531

4,700

Operational Expenditure: Routine and Preventative Maintenance

1,208

1,055

1,076

1,098

1,120

1,142

Operational Expenditure: Refurbishment and Renewal Maintenance

228

253

179

435

450

464

Operational Expenditure: Fault and Emergency Maintenance

622

694

680

667

653

640

Subtotal - Operational Expenditure on asset management

2,058

2,002

1,935

2,200

2,223

2,247

Total direct expenditure on distribution network

5,497

8,216

8,266

8,041

6,754

6,947

Overhead to Underground Conversion Expenditure

141

180

-

-

-

-

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 subtotal for 'Overhead to underground Conversion Expenditure' values for 2011 (year 1) is as forecasted in the 2010-2020 Asset Management Plan. There is no forecasted undergrounding activity beyond Year 1.

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

Actual for Current Financial Year

Previous forecast for Current Financial Year

% Variance

(a)

(b)

(a)/(b)-1

Capital Expenditure: Customer Connection

270

525

-48.6%

Capital Expenditure: System Growth

24

718

-96.6%

Capital Expenditure: Reliability, Safety and Environment

1,170

1,891

-38.1%

Capital Expenditure: Asset Replacement and Renewal

1,975

1,506

31.1%

Capital Expenditure: Asset Relocations

-

-

Not defined

Subtotal - Capital Expenditure on asset management

1,464

4,639

-68.4%

Operational Expenditure: Routine and Preventative Maintenance

1,208

757

59.6%

Operational Expenditure: Refurbishment and Renewal Maintenance

228

858

-73.5%

Operational Expenditure: Fault and Emergency Maintenance

622

553

12.5%

Subtotal - Operational Expenditure on asset management

2,058

2,168

-5.1%

Total direct expenditure on distribution network

3,522

6,807

-48.3%

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):

from FS2

from FS2

from FS2

from FS2

from FS2

from FS1

from FS1

from FS1

from FS1

from row 10

from row 11

from row 12

from row 13

from row 14

from row 17

from row 18

from row 19

3. Related Party Note

YEAR ENDED 31 MARCH 2010

The following transactions were carried out with related parties:

a) Transactions between the Parent and Horizon Energy Investments Limited

Horizon Energy Distribution Limited "Horizon" consists of line activities conducted by the company and its 100% owned subsidiary, Horizon Energy Investments Limited. Horizon's, 'other Business' consists of other (non-line activities) conducted in Horizon and its 100% owned subsidiary, Horizon Energy Investments Limited.

The following services are purchased by the Parent on an arms length basis at commercial terms and conditions that are available to third parties. Each contract is negotiated on a cost-plus basis.

Horizon Energy Investments Limited	2010 \$000
Capital Construction Costs:	
-Line & Cables	1,021
-Transformers	377
-Distribution Substations	92
-Low voltage reticulation	233
-Distribution & LV Lines	0
-Switchgear	214
-Other System Fixed Assets	0
Line Maintenance Projects:	1,898
Total	3,836

b) Contributions received from Eastern Bay Energy Trust

As at 31 March 2010 the Group is controlled by the Eastern Bay Energy Trust, which owns 77.29% of the Company's shares. The remaining 22.71% is widely held.

The Eastern Bay Energy Trust makes contributions to certain capital projects for conversion of overhead lines to underground cables undertaken by the Parent.

	\$000
Eastern Bay Energy Trust- 2010 Contributions	60

c) Year End Balances with Eastern Bay Energy Trust

Receivables owing by Eastern Bay Energy Trust in relation to the withdrawn takeover of the Group by the Trust.

	\$000
Eastern Bay Energy Trust	145

4. Transitional Provisions

	2010	2009	2008	2007	2006	2005
Direct Line Costs per Kilometre	\$ 1,601	\$ 1,834	\$ 1,572	\$ 1,345	\$ 430	\$ 929
Indirect Line Costs per Customer	\$ 122	\$ 129	\$ 112	\$ 111	\$ 78	\$ 81

INDEPENDENT ASSURANCE REPORT ON DISCLOSURE INFORMATION

To the Directors of Horizon Energy Distribution Limited

We have examined the attached reports ("the disclosure information"), which relate to disclosure information prepared by Horizon Energy Distribution Limited for the year ended 31 March 2010 and dated 5 August 2010 for the purposes of information requirements set out in clauses 3, 4(1), 6(1) and 7(5) of the Electricity Distribution (Information Disclosure) Requirements 2008 ("the Requirements"). In this report the attached reports are called "the disclosure information".

Directors' Responsibilities

The Directors are responsible for preparing disclosure information which complies with the Requirements.

Responsibilities of the Independent Accountant

It is our responsibility to express an independent opinion on the disclosure information and report our opinion to you.

Basis of Examination

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

Historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1

Our procedures included examination, on a test basis, of evidence relevant to the historical amounts and disclosures contained in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 of the disclosure information.

It also included an assessment of the significant estimates and judgements, if any, made by Horizon Energy Distribution Limited in the preparation of the disclosure information.

We planned and performed our examination of the disclosure information so as to obtain all the information and explanations which we considered necessary, including for the purpose of obtaining sufficient evidence to give reasonable assurance that the disclosure information has been prepared and presented in accordance with the Requirements in all material respects. In forming our opinion we also evaluated the overall adequacy of the presentation of supporting information and explanations in the disclosure information.

Historical non-financial information included in reports MP1, MP2 and MP3

In relation to the historical non-financial information for the year ended 31 March 2010 which is disclosed pursuant to clause 6(1) of the Requirements, we have undertaken procedures to provide reasonable assurance that the amounts and disclosures in reports MP1, MP2 and MP3 have been:

- compiled in accordance with guidance issued pursuant to the Requirements; and

INDEPENDENT ASSURANCE REPORT ON DISCLOSURE INFORMATION

To the Directors of Horizon Energy Distribution Limited

- calculated based on the source data provide by Horizon Energy Distribution Limited. We have not performed audit procedures on the source data.

Prospective financial and non-financial information included in reports MP3 and AM1

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.

Relationship and Interests

We have no relationship with or interests in Horizon Energy Distribution Limited other than in our capacities as auditors of the financial statements, independent accountants providing an assurance opinion on the disclosure information, auditors of the threshold compliance statements prepared pursuant to the requirements of the Commerce Act (Electricity Lines Thresholds) Notice 2004 and under the Companies Act 1993, and in the provision of other professional advisory services. We are not aware of any relationships between our firm and Horizon Energy Distribution Limited that, in our professional judgment, may reasonably be thought to impair our independence.

Opinions

Unqualified Opinions

We have obtained all the information and explanations we have required. In our opinion:

- the disclosure information for the financial year ended 31 March 2010 complies with the Requirements; and
- proper records to enable the complete and accurate compilation of the disclosure information have been kept by Horizon Energy Distribution Limited.

Historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1

In our opinion, having made all reasonable enquiry, to the best of our knowledge the historical financial information set out in the disclosure information in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1 has been presented in all material respects in accordance with the Requirements.

Historical non-financial information included in reports MP1, MP2 and MP3

In our opinion, having made all reasonable enquiry, to the best of our knowledge the historical non-financial information included in reports MP1, MP2 and MP3 relating to the year ended 31 March 2010 in accordance with clause 6(1) of the Requirements has been:

- a) compiled in accordance with guidance issued pursuant to the Requirements; and
- b) calculated based on the unaudited source data provided by Horizon Energy Distribution Limited.

INDEPENDENT ASSURANCE REPORT ON DISCLOSURE INFORMATION

To the Directors of Horizon Energy Distribution Limited

Prospective financial and non-financial information included in reports MP3 and AM1

In our opinion, having made all reasonable enquiry, to the best of our knowledge the prospective financial and non-financial information included in reports MP3 and AM1 in accordance with clauses 6(1) and 7(5) of the Requirements has been:

- a) presented on a basis consistent with the regulatory accounting or technical measurement requirements used for disclosures for the 31 March 2010 financial year; and
- b) calculated based on the unaudited source data provided by Horizon Energy Distribution Limited.

Use of report

This assurance report has been prepared for the use of the Directors of Horizon Energy Distribution Limited in accordance with the Electricity Distribution (Information Disclosure) Requirements 2008. We disclaim any assumption of responsibility for any reliance of this report to any other persons or users other than the Directors of Horizon Energy Distribution Limited, or for any purpose other than that for which it was prepared.

The assurance engagement was completed on 17 August 2010 and our unqualified opinions are expressed as at that date.



PricewaterhouseCoopers

Auckland

CERTIFICATE FOR DISCLOSED INFORMATION
Pursuant to Requirements 11(1)


We, **ROBERT TAIT** and **JOHN McDONALD**, directors of **HORIZON ENERGY DISTRIBUTION LIMITED** certify that, having made all reasonable enquiry, to the best of our knowledge, the following attached audited information of **HORIZON ENERGY DISTRIBUTION LIMITED** prepared for the purposes of requirements 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 Allowances 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;
- (x) Report MP3: Price and Quality Report; and
- (xi) Report AM1: Expenditure Forecasts and Reconciliation.

Date: 5 August 2010



.....
ROBERT TAIT



.....
JOHN McDONALD

STATUTORY DECLARATION FOR PUBLICLY DISCLOSED INFORMATION
Pursuant to Requirement 13(1)


I, **ROBERT TAIT** of Tauranga, being a director of **HORIZON ENERGY DISTRIBUTION LIMITED**, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public by **HORIZON ENERGY DISTRIBUTION LIMITED** under the Commerce Commission's Electricity Distribution (Information Disclosure) Requirements 2008.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

DECLARED at Whakatane this 5th day of August 2010


.....
ROBERT TAIT

before me:


.....

CARL DAVID SCHREIDER
SOLICITOR
, WHAKATANE

A Solicitor of the High Court of New Zealand