



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

For the Year Ended 31 March 2008

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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)

REPORT FS1: REGULATORY PROFIT STATEMENT

ref		Electricity Distribution Business:	Horizon Energy	
5			For Year Ended	2008
6	Income			
7				(\$000)
8	Net Line Charge Revenue Received		25,202	
9	plus Discretionary Discounts and Customer Rebates		-	FS1a
10	Gross Line Charge Income		25,202	
11				
12	Capital Contributions		1,064	
13	plus Net Value of Vested Assets		-	
14	Total Capital Contributions and Vested Assets		1,064	
15				
16	AC Loss Rental Rebates Received		123	
17	less AC Loss Rental Rebates Passed On		100	
18	Net AC loss rental income (deficit)		24	
19				
20				
21	Other Income		169	
22				
23			169	
24				
25	Total regulatory income		26,459	
26				
27	Expenses			
28				
29	Transmission Charges - Payments to Transpower		5,476	
30	plus Avoided Transmission Charges - payments to parties other than Transpower		2,181	
31	Total Transmission Costs		7,657	
32				
33	Operational Expenditure:			
34	General Management, Administration and Overheads			
35	System Management and Operations		-	
36	Routine and Preventative Maintenance		-	to AM1
37	Refurbishment and Renewal Maintenance		-	to AM1
38	Fault and Emergency Maintenance		-	to AM1
39	Pass-through Costs		170	
40	Other		6,289	
41	Total Operational Expenditure		6,459	to MP2
42				
43				
44	Operational earnings		12,343	
45				
46				
47	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)		3,232	from AV1
48	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)		877	from AV1
49	Total Regulatory Depreciation		4,109	to FS3
50				
51				
52	Earnings before interest and tax (EBIT)		8,234	to FS3
53				
54	less Regulatory Tax Allowance		2,190	from FS3
55				
56	plus Indexed Revaluation (of System Fixed Assets)		2,733	from AV1
57	plus Revaluations of Non-System Fixed Assets		-	from AV1
58				
59				
60	Regulatory profit / loss (pre-financing and distributions)		8,778	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	229	
77	Operational Expenditure	818	
78	Subvention Payment	-	
79	Other related party expenditure	-	
80	Total Related Party Expenditure		1,046

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.

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	1,676	Notes to be provided separately
94	within expenditure category:	Other	
95			
96	Material item amount 2	1,712	Notes to be provided separately
97	within expenditure category:	Other	
98			
99	Material item amount 3		Notes to be provided separately
100	within expenditure category:	Select one	
101			
102			
103			(further disclosures to be provided on separate page if required)

106	FS1d: Vested Assets		(\$000)
107	Consideration Paid for Vested Assets		

110	FS1e: Reclassified items in Operational Expenditure		(\$000)
111	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
112	Previous classification:	Select one	
113	New classification:	Select one	
114			
115			(\$000)
116	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
117	Previous classification:	Select one	
118	New classification:	Select one	
119			
120			(\$000)
121	Value of items which have been reclassified since previous disclosure (if greater than 10% of any affected line item)		
122	Previous classification:	Select one	
123	New classification:	Select one	
124			

to be repeated as required for multiple reclassifications

FS1 (c) Material Item 1 \$1,676,000 For Salaries and Wages
 Material Item 2 \$1,712,000 For System Maintenance

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Horizon Energy	
5		For Year Ended	2008
6			
7	Capital Expenditure on System Fixed Assets (by primary purpose)	(\$000)	
8	Customer Connection	-	to AM1
9	System Growth	-	to AM1
10	Reliability, Safety and Environment	-	to AM1
11	Asset Replacement and Renewal	-	to AM1
12	Asset Relocations	2,799	to AM1
13	Total Capital Expenditure on System Fixed Assets	2,799	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	188	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	-	
21	plus Total Capital Expenditure on System Fixed Assets	2,799	
22	less Assets Commissioned in Year	2,220	from AV1
23	Works under construction at year end	579	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	81,197	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	1,416	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	1,989	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	84,602	
31			
32	plus (System Fixed Assets Commissioned in Year	2,220	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	188	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	2,408	
36	Regulatory Asset Base investment in Current Financial Year - average	1,204	
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	85,806	to MP2

ref 11 & 12 All Capital Expenditure on System Fixed Assets has been included in the "Asset Relocations" category. Under the Transitional Provisions, the primary purpose allocations are not required in the current year and the "total" is a blocked cell from editing.

REPORT FS3: REGULATORY TAX ALLOWANCE CALCULATION

ref		Electricity Distribution Business:	Horizon Energy
5		For Year Ended	2008
6			
7			(\$000)
8		Earnings before interest and tax (EBIT)	8,234 from FS1
9			
10	add	Total Regulatory Depreciation	4,109 from FS1
11		Other Permanent Differences - not deductible	70
12		Other Temporary Adjustments - Current Period	275
13			4,454
15	less	Non Taxable Capital Contributions and Vested Assets	932
16		Tax Depreciation	2,375
17		Deductible Discretionary Discounts and Customer Rebates	-
18		Deductible Interest	2,746 from row 53
19		Other Permanent Differences - Non Taxable	-
20		Other Temporary Adjustments - Prior Period	-
21			6,053
22			
23		Regulatory taxable income for Year	6,635
24			
25	less	Tax Losses Available at Start of Year	-
26		Net taxable income	6,635
27			
28		Statutory Tax Rate	33%
29		Regulatory Tax Allowance	2,190 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	
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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	8.00%	%		
53					
54	Deductible Interest	2,746	\$000		to row 18
55					
56	Interest Tax Shield Adjustment	906	\$000		to MP2

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref	Electricity Distribution Business:	Horizon Energy
5	For Year Ended:	2008
6	Year of most recent ODV	2004
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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
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68	AV1b: Input for prior year Acquisitions (Sales) of Assets to (from) another ELB
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71	
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Changes in Asset Register Information

The principle change to the asset register information relates to changes in the classification of some terrain assets from "Rural" to "Rugged". This terrain class has a different multiplier as these assets are more expensive to install due to the terrain in which they are located. The change in terrain classification has arisen from better information being available from GIS modelling undertaken by Horizon Energy. The calculation of the \$2.168m includes some estimates, including the assumption that the estimated age profile and base replacement cost of the reclassified assets is the same as used in the 2004 ODV valuation.

Further analysis of the impact of improve asset information on the ODV value will be undertaken prior to the 2009 information disclosure being released.

	\$000
Net Found Assets	572
Terrain Asset Changes	2,168
	<u>2,740</u>

[illegible]

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

ref		Electricity Distribution Business:	Horizon Energy
5		For Year Ended:	2008
6	System Fixed Assets - Replacement Cost		
7			(\$000)
8	Replacement cost at end of previous year	153,832	
9			
10	Asset Additions	2,220	AV3a
11	Indexed Revaluation (of System Fixed Assets)	5,178	
12	less Replacement Cost of Assets Decommissioned	383	
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	6,220	
15	Replacement cost of System Fixed Assets at year end	167,067	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	81,521	
21			
22	Asset Additions	2,220	AV3a
23	Indexed Revaluation (of System Fixed Assets)	2,744	
24	less Depreciation of Replacement Cost	3,119	
25	less Depreciated Replacement Cost of Assets Decommissioned	113	
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	2,740	
28	Depreciated replacement cost of System Fixed Assets at year end	85,994	

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	2,220	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-	
40			
41	Asset Additions - Replacement Cost	2,220	
42			

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

ref		Electricity Distribution Business:	Horizon Energy
5		For Year Ended:	2007
6	System Fixed Assets - Replacement Cost		
7			(\$000)
8	Replacement cost at end of previous year	147,283	
9			
10	Asset Additions	2,966	AV3a
11	Indexed Revaluation (of System Fixed Assets)	3,738	
12	less Replacement Cost of Assets Decommissioned	156	
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	153,832	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	79,557	
21			
22	Asset Additions	2,966	AV3a
23	Indexed Revaluation (of System Fixed Assets)	2,019	
24	less Depreciation of Replacement Cost	2,970	
25	less Depreciated Replacement Cost of Assets Decommissioned	50	
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	81,521	

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	2,966	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-	
40			
41	Asset Additions - Replacement Cost	2,966	
42			

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

ref		Electricity Distribution Business:	Horizon Energy
5		For Year Ended:	2006
6	System Fixed Assets - Replacement Cost		
7			(\$000)
8	Replacement cost at end of previous year	141,501	
9			
10	Asset Additions	3,101	AV3a
11	Indexed Revaluation (of System Fixed Assets)	4,751	
12	less Replacement Cost of Assets Decommissioned	2,070	
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	147,283	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	77,580	
21			
22	Asset Additions	3,101	AV3a
23	Indexed Revaluation (of System Fixed Assets)	2,605	
24	less Depreciation of Replacement Cost	2,847	
25	less Depreciated Replacement Cost of Assets Decommissioned	882	
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	79,557	

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	3,101	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-	
40			
41	Asset Additions - Replacement Cost	3,101	
42			

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

ref	Electricity Distribution Business:	Horizon Energy
5	For Year Ended:	2005
6	System Fixed Assets - Replacement Cost	
7		(\$000)
8	Replacement cost at end of previous year	135,222
9		
10	Asset Additions	2,662
11	Indexed Revaluation (of System Fixed Assets)	3,643
12	less Replacement Cost of Assets Decommissioned	26
13	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
14	Net Increase (Decrease) Due to Changes in Asset Register Information	-
15	Replacement cost of System Fixed Assets at year end	141,501
16		
17		
18	System Fixed Assets - Depreciated Replacement Cost	
19		
20	Depreciated Replacement Cost at end of previous year	75,589
21		
22	Asset Additions	2,662
23	Indexed Revaluation (of System Fixed Assets)	2,036
24	less Depreciation of Replacement Cost	2,691
25	less Depreciated Replacement Cost of Assets Decommissioned	16
26	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB	-
27	Net Increase (Decrease) Due to Changes in Asset Register Information	-
28	Depreciated replacement cost of System Fixed Assets at year end	77,580

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	2,662
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-
40		
41	Asset Additions - Replacement Cost	2,662
42		

Reconciliation of RC, DRC and ODRC values per AV3 and AV1 to 31 March 2004 ODV report

The System Fixed Asset value as per the 2004 ODV report excluded certain assets relating to contestable conveyancing activities for major customers. Because these assets are conveyancing related they are included in the regulatory asset base for the purposes of 2008 disclosure information.

The following reconciles the RC, DRC and ODRC values shown in the 2004 ODV report to the values used in AV3 and AV1:

Replacement Cost (RC) Reconciliation	\$000
RC per 2004 ODV report	131,789
add contestable conveyancing assets	3,433
2004 RC per AV3	135,222
Depreciated Replacement Cost (DRC) Reconciliation	\$000
DRC per 2004 ODV report	73,449
add contestable conveyancing assets	2,140
2004 DRC per AV3	75,589
Optimised Depreciated Replacement Cost (ODRC) Reconciliation	\$000
ODRC per 2004 ODV report	73,151
add contestable conveyancing assets	2,139
2004 ODRC per AV1	75,290

Electricity Distribution Business:		Horizon Energy	
6	Disclosure required? (YES or NIL DISCLOSURE):	NO DISCLOSURE REQUIRED	
7			
8		As at (date):	
9		Proportion of year following transfer of assets	
10		0%	
11			
12	PART 1: Most recent ODV valuation of System Fixed Assets transferred	(\$000)	
13		Subtransmission	Zone substations
14	Replacement Cost (RC)		
15			
16	less Depreciation		
17	Depreciated Replacement Cost (DRC)		
18			
19	less Optimisation adjustment		
20	Optimised Depreciated Replacement Cost (ODRC)		
21			
22	less Economic Value Adjustment (EVA)		
23	Most recent ODV value		
24			
25			
26	PART 2: Valuation disclosure for transferred assets by Asset Class (at transfer date)	(\$000)	
27		Total for System Fixed Assets	Non-System Fixed Assets
28	Regulatory Value of System Fixed Assets (as per most recent ODV)		
29			
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		
37			
38	Acquisition of Assets from Another EDB		
39	Sale of Assets to Another EDB		
40			
41			
42	RAB Value of Transferred Assets at Transfer Date		
43	"p" factor (proportion of year following transfer of assets)		
44	Adjustment for merger, acquisition or sale to another EDB		
45			
46			
47	PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred	(\$000)	
48		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		
50	Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		
51			
52	Signed by:	Selling Entity	
53			
54			
55		Acquiring Entity	
56			
57			

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

Electricity Distribution Business: Horizon Energy

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

As at (date):
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 transforme	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
Replacement Cost (RC)								-
less Depreciation								-
Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
less Optimisation adjustment								-
Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
less Economic Value Adjustment (EVA)								-
Most recent ODV Value	-	-	-	-	-	-	-	-

PART 2: Valuation disclosure for transferred assets by Asset Class (at transfer date)			(\$000)
	Total for System Fixed Assets	Non-System Fixed Assets	Total RAB value (excl. FDC)
Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
Cumulative roll-forward since most recent ODV:			
Asset Additions			
Indexed Revaluation (of System Fixed Assets)			
less Regulatory Depreciation (of System Fixed Assets)			
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
Net Increase (Decrease) Due to Changes in Asset Register Information			
RAB Value of Transferred Assets at Transfer Date	-		-
Acquisition of Assets from Another EDB	-	-	to AV1
Sale of Assets to Another EDB	-	-	to AV1
RAB Value of Transferred Assets at Transfer Date	-		
"p" factor (proportion of year following transfer of assets)	0%		
Adjustment for merger, acquisition or sale to another EDB		-	to FS2

PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred			(\$000)
	RC & DRC values of System Fixed Assets at transfer date	RAB value of acquired/(sold) assets	
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	
Signed by:	Selling Entity		
	Acquiring Entity		

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

Electricity Distribution Business:

Horizon Energy

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Disclosure required? (YES or NIL DISCLOSURE):

NO DISCLOSURE REQUIRED

As at (date):

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 transforme	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
Replacement Cost (RC)								-
less Depreciation								-
Depreciated Replacement Cost (DRC)	-	-	-	-	-	-	-	-
less Optimisation adjustment								-
Optimised Depreciated Replacement Cost (ODRC)	-	-	-	-	-	-	-	-
less Economic Value Adjustment (EVA)								-
Most recent ODV Value	-	-	-	-	-	-	-	-

PART 2: Valuation disclosure for transferred assets by Asset Class (at transfer date)

(\$000)

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

PART 3: Rolled-forward Replacement Cost values for System Fixed Assets transferred

(\$000)

	RC & DRC values of System Fixed Assets at transfer date	RAB value of acquired/(sold) assets	
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	to AV3

Signed by: Selling Entity

Acquiring Entity

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:		Horizon Energy	
6			For Year Ended:	2008
7	Network Name:	Horizon Energy	(enter "Total Business" or name of network)	
	Disclosure:	Annual Disclosure - Requirement 6(1)		
9				
10	Circuit Length by Operating Line Voltage (at year end)		Overhead	Underground
11			(km)	(km)
12	> 66kV	-	-	-
13	50kV & 66kV	-	-	-
14	33kV	178	3	181
15	SWER (all SWER voltages)	63		63
16	22kV (other than SWER)	-	-	-
17	6.6kV to 11kV (inclusive - other than SWER)	1,449	161	1,610
18	Low Voltage (< 1kV)	228	260	488
19	Total circuit length (for Supply)	1,918	424	2,342
20				
21	Dedicated Street Lighting Circuit Length			-
22				
23	Overhead Circuit Length by Terrain (at year end)		(km)	(%)
24	Urban (only)	243	13%	
25	Rural (only)	1,096	57%	
26	Remote (only)	29	1%	
27	Rugged (only)	517	27%	
28	Rural & rugged (only)	-	0%	
29	Remote & rugged (only)	34	2%	
30	Unallocated overhead lines	-	0%	
31	Total overhead length	1,918	100%	
32				
33				
34	Transformer capacity (at year end)			Previous Year
35	Distribution Transformer Capacity (EDB Owned)	244	MVA	244
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	41	MVA	41
37	Total Distribution Transformer Capacity	284	MVA (to MP2)	284
38				
39	Zone Substation Transformer Capacity	97	MVA	97
40				
41	System Fixed Assets age (at year end)			
42	Average Age of System Fixed Assets	25	Years	
43	Average Expected Total Life of System Fixed Assets	52	Years	
44	Average Age as a Proportion of Average Expected Total Life	49%	%	
45				
46	Estimated Proportion of Assets (by Replacement Cost) within 10 years of Total Life	8%	%	
47				
48				
49				
50				
51	Electricity demand	Maximum coincident system demand (MW)	Non-coincident Sum of maximum demands (MW)	
52				
53	GXP Demand	77		90
54	plus Embedded Generation Output at HV and Above	19		
55	Maximum System Demand	96		
56	less Net Transfers to (from) Other EDBs at HV and Above	-		
57	Demand on system for supply to customers' Connection Points	96		
58	less Subtransmission Customers' Connection Point Demand	18		21
59	Maximum Distribution Transformer Demand	78		
60				
61	GXP Demand not Supplied at Subtransmission Level	22		
62	Embedded Generation Output - Connected to Subtransmission System	6		12
63	Net Transfers to (from) Other EDBs at Subtransmission Level Only	-		-
64				
65	Estimated Controlled Load Shed at Time of Maximum System Demand (MW)	10		
66				
67	Five-Year System Maximum Demand Growth Forecast	1.9	% p.a.	
68				
69	Electricity volumes carried	(GWh)		
70	Electricity Supplied from GXPs	438		
71	less Electricity Exports to GXPs	-		
72	plus Electricity Supplied from Embedded Generators	127		
73	less Net Electricity Supplied to (from) Other EDBs	-		
74	Electricity entering system for supply to customers' Connection Points	565		
75	less Electricity Supplied to Customers' Connection Points	541		
76	Electricity Losses (loss ratio)	24		4.3% %
77				
78	Electricity Supplied to Customers' Connection Points	541		
79	less Electricity Supplied to Largest 5 Connection Points	295		
80	Electricity supplied other than to Largest 5 Connection Points	246		45% %
81				
82	Load Factor	67%	%	
83				
84	Number of Connection Points (at year end)	24,220	ICPs	
85				
86	Intensity of service requirements			
87	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	33	kW/km	
88	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	231	MWh/km	
89	Connection Point Density (ICPs / Total circuit length)	10	ICP/km	
90	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	22,318	kWh/ICP	

REPORT MP2: PERFORMANCE MEASURES

ref		Electricity Distribution Business:	Horizon Energy
5		For Year Ended:	2008
6	Performance comparators		
7		Previous Years:	Current Financial Year
8		Current Yr - 3	Current Yr - 2
9		Current Yr - 1	
10	Operational expenditure ratio		
11	<i>Total Operational Expenditure</i>		6 \$m from FS1
12	<i>Replacement Cost of System Fixed Assets (at year end*)</i>		167 \$m from AV3
13	Ratio (%)	Not defined	Not defined
14	Capital expenditure ratio		
15	<i>Total Capital Expenditure on System Fixed Assets</i>		3 \$m from FS2
16	<i>Replacement Cost of System Fixed Assets (at year end*)</i>		167 \$m from AV3
17	Ratio (%)	Not defined	Not defined
18	Capital expenditure growth ratio		
19	<i>Capital Expenditure: Customer Connection and System Growth</i>		- \$m from FS2
20	<i>Change in Total Distribution Transformer Capacity</i>		- MVA from MP1
21	\$/kVA	Not defined	Not defined
22	Ratio (%)	Not defined	Not defined
23	Renewal expenditure ratio		
24	<i>Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal</i>		- \$m from FS1 & 2
25	<i>Regulatory Depreciation of System Fixed Assets</i>		3 \$m from AV1
26	Ratio (%)	Not defined	Not defined
27	Distribution Transformer Capacity Utilisation		
28	<i>Maximum Distribution Transformer Demand</i>	93	94 94 78 MW from MP1
29	<i>Total Distribution Transformer Capacity (at year end*)</i>	174	185 230 284 kVA from MP1
30	Ratio (%)	53.3%	50.9% 40.9% 27.5%
31	Return on Investment		
32	<i>Regulatory Profit / Loss (pre-financing and distributions)</i>		9 \$m from FS1
33	<i>less Interest Tax Shield Adjustment</i>		1 \$m from FS3
34	<i>Adjusted Regulatory Profit</i>	-	- - 8 \$m
35	<i>Regulatory Investment Value</i>		86 \$m from FS2
36	Ratio (%)	Not defined	Not defined
37			
38			
39			
40			
41			
42	Expenditure comparison table		
43			
44			
45			
46			
47	Capital Expenditure (\$ per	1,275	6 31,098 123 12,262 from FS2 & MP1
48	Operational Expenditure (\$ per	2,757	12 67,240 267 26,513 from FS1 & MP1
49			

Note: MP2 Performance Measures

Previous years information on Distribution Transformer Capacity Utilisation has been extracted for the 2006/2007 Information Disclosure Accounts. In previous years, only ELB owned transformer capacity was disclosed.

Under the Transitional Provisions, there is no requirement to provide prior year information for:

- Operational Expenditure Ratio
- Capital Expenditure Ratio
- Capital Expenditure Growth Ratio
- Renewal Ratio
- Return on Investment

The current year information for Capital Expenditure Growth Ratio and Renewal Expenditure Ratio are not required to be disclosed.

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

REPORT MP3: PRICE & QUALITY MEASURES

(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **Horizon Energy**
For Year Ended: **2008**

Network Name: **Horizon Energy**
Disclosure: **Annual Disclosure - Requirement 6(1)**

QUALITY

Interruptions

Interruptions by class

Class A	3	planned interruptions by Transpower:
Class B	62	planned interruptions on the network
Class C	76	unplanned interruptions on the network
Class D	9	unplanned interruptions by Transpower
Class E	-	unplanned interruptions of network owned generation
Class F	3	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	153	Total of above

Interruption targets for Forecast Year

Class B	2009	Current Financial Year +1
Class C	45	planned interruptions on the network
	100	unplanned interruptions on the network

Average interruption targets for 5 Forecast Years

Class B	2009-2013	Current Financial Year +1 to +5
Class C	45	planned interruptions on the network
	100	unplanned interruptions on the network

Class C interruptions restored within

≤3Hrs	>3hrs
64	12

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	4.07	in year	2008
The total number of faults forecast for the Forecast Year	5.00	in year	2009
The average annual number of faults forecast for the 5 Forecast Years	5.00	average over years	2009-2013

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	No	No
Current Financial Year	4.38			1.11		
Forecast Year	5.00			2.00		
Average annual for 5 Forecast Years	5.00			2.00		

Fault Information per 100 circuit kilometres by Voltage and Type

	6.6kV & 11kV non-SWER	22kV non-SWER	SWER	33kV	50kV & 66kV	>66kV
Underground	1.80			-		
Overhead	4.67			1.12		

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	345.52	2.45	141.03

Reliability by interruption class

Class B	SAIDI	SAIFI	CAIDI
Class C	26.52	0.15	182.43
	116.56	1.42	82.08

Targets for Forecast Year

Class B	SAIDI	SAIFI	CAIDI
Class C	45.00	0.30	150.00
	100.00	1.50	67.00

Average targets for 5 Forecast Years

Class B	SAIDI	SAIFI	CAIDI
Class C	45.00	0.30	150.00
	100.00	1.50	67.00

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)	12,149	5,061	4,306.61	3,685	25,202	from FS1
Electricity Supplied to Customers' Connection Points (MWh)	127,933	58,142	59,510	294,950	540,535	Error (MP1)
Number of Connection Points (ICPs) at year end	20,636	3,260	319	5	24,220	from MP1
Unit Price (cents/kWh)	9.5	8.7	7.2	1.2	4.7	
Relative Unit Price Index	1.00	0.92	0.76	0.13	0.49	

REPORT MP3: PRICE AND QUALITY (cont)

Notes to Price and Quality Measures

89	MP3a: Connection Point Class breakpoints	
90		
91	Connection Point Class breakpoints methodology	kVA based breakpoints
92		
93	kVA based breakpoints - additional disclosure	
94	Breakpoint between small and medium classes	20 kVA
95	Breakpoint between large and medium classes	69 kVA
96		

REPORT AM1: EXPENDITURE FORECASTS AND RECONCILIATION

ref

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Electricity Distribution Business:

Horizon Energy

For Year Ended

2008

(\$000)

A) Five year forecasts of expenditure

From most recent Asset Management Plan

		Forecast Years				
	Actual for Current Financial Year	year 1	year 2	year 3	year 4	year 5
for year ended	2008	2009	2010	2011	2012	2013
Capital Expenditure: Customer Connection	-					
Capital Expenditure: System Growth	-					
Capital Expenditure: Reliability, Safety and Environment	-					
Capital Expenditure: Asset Replacement and Renewal	2,799					
Capital Expenditure: Asset Relocations	-	-				
Subtotal - Capital Expenditure on asset management	2,799	-	-	-	-	-
Operational Expenditure: Routine and Preventative Maintenance	-					
Operational Expenditure: Refurbishment and Renewal Maintenance	-					
Operational Expenditure: Fault and Emergency Maintenance	-					
Subtotal - Operational Expenditure on asset management	-	-	-	-	-	-
Total direct expenditure on distribution network	2,799	-	-	-	-	-
Overhead to Underground Conversion Expenditure						

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).

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	-		Not defined
Capital Expenditure: System Growth	-		Not defined
Capital Expenditure: Asset Replacement and Renewal	-		Not defined
Capital Expenditure: Reliability, Safety and Environment	2,799		Not defined
Capital Expenditure: Asset Relocations	-		Not defined
Subtotal - Capital Expenditure on asset management	2,799	-	Not defined
Operational Expenditure: Routine and Preventative Maintenance	-		Not defined
Operational Expenditure: Refurbishment and Renewal Maintenance	-		Not defined
Operational Expenditure: Fault and Emergency Maintenance	-		Not defined
Subtotal - Operational Expenditure on asset management	-	-	Not defined
Total direct expenditure on distribution network	2,799	-	Not defined

Explanation of variances

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

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

The above tables do not contain any figures relating to "Actual for Current Financial Year" for operational expenditure as Horizon Energy has taken the exemption available for report FS1 line 42 which is the basis for the values in this report. The total operational expenditure for the 2008 year per FS1 is \$6,459,000.

There is an error in the lookup on line 37 above in that it looks to the wrong criteria in line 13.

HORIZON ENERGY DISTRIBUTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

a) Transactions between the Parent and Horizon Energy Investments Limited

Horizon Energy Distribution Limited "Line Business" consists of line activities conducted in Horizon Energy Distribution Limited and its 100% owned subsidiary Horizon Energy Investments Limited. Horizon Energy Distribution Limited "other Business" consists of other or non-line activities conducted in Horizon Energy Distribution Limited and its 100% owned subsidiary Horizon Energy Investments Limited.

All related party transactions between Horizon Energy Distribution Limited Line Business and Horizon Energy Investments Limited Line Business have been eliminated in the preparation of the financial statements.

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.

	2008
	\$000
Horizon Energy Investments Limited	
Construction of	
- Transformers	3
- Zone Substations	4
- Distribution & LV Lines	119
- Switchgear	4
- Distribution & LV Cables	57
- Other System Fixed Assets	15
- Line Maintenance Projects	615
	<u>817</u>

There were no amounts owing as at balance date.

TRANSITIONAL PROVISIONS				
-------------------------	--	--	--	--

	2008	2007	2006	2005
System Length (km)				
110 kV	-	-	-	-
33 kV	181	181	180	180
11 kV	1,610	1,666	1,694	1,679
SWER	63	-	-	-
400 Volt	488	561	529	534
Circuit Length - Overhead (km)				
110 kV	-	-	-	-
33 kV	178	178	177	177
11 kV	1,449	1,512	1,533	1,533
SWER*	63	-	-	-
400 Volt	228	276	242	271

* SWER voltage was included in the 11kV category for 2005 to 2007 disclosures

Circuit Length - Underground (km)				
110 kV	-	-	-	-
33 kV	3	3	3	3
11 kV	161	154	161	146
400 Volt	260	285	287	263

Transformer Capacity (kVA)	2008	2007	2006	2005
	284,348	229,928	184,947	173,655

	2008	2007	2006	2005
Direct Line Costs per kilometre	\$ 1,572	\$ 1,345	\$ 430	\$ 929
Indirect Line Costs per Customer	\$ 202	\$ 111	\$ 78	\$ 81

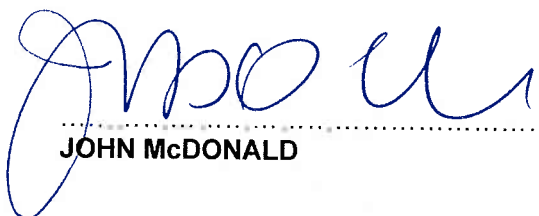
CERTIFICATE FOR DISCLOSED INFORMATION
Pursuant to Requirements 11(1)

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: 20th day of May 2009


.....
ROBERT TAIT


.....
JOHN McDONALD

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 2008 and dated 20 May 2009 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 - Historical financial information included in reports FS1, FS2, FS3, AV1, AV2, AV3, AV4, MP2, MP3 and AM1

We conducted the engagement in accordance with the New Zealand Institute of Chartered Accountants International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

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 explanation 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.

Basis of Examination - 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 2008 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
- calculated based on the source data provide by Horizon Energy Distribution Limited. We have not performed audit procedures on the source data.



INDEPENDENT ASSURANCE REPORT ON DISCLOSURE INFORMATION

To the Directors of Horizon Energy Distribution Limited

Basis of Examination - Prospective non-financial information included in report MP3

In respect of disclosures of prospective financial and non-financial information, disclosed pursuant to clauses 7(5) and 6(1) of the Requirements, we conducted the engagement in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information (ISAE 3400). Where relevant, we have applied the principles of ISAE 3400 to the disclosure of prospective non-financial information.

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 Opinion

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

- the disclosure information for the financial year ended 31 March 2008 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 2008 in accordance with clauses 7(5) and 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 provide by Horizon Energy Distribution Limited. We have not performed audit procedures on the source data.



INDEPENDENT ASSURANCE REPORT ON DISCLOSURE INFORMATION
To the Directors of Horizon Energy Distribution Limited

Prospective non-financial information included in report MP3

In our opinion, having made all reasonable enquiry, to the best of our knowledge the prospective non-financial information included in report MP3 in accordance with clause 6(1) 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 2008 financial year; and
- b) calculated based on the unaudited source data provide by Horizon Energy Distribution Limited. We have not performed audit procedures on the source data.

The assurance engagement was completed on 22 May 2009 and our unqualified opinions are expressed as at that date.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', with a stylized flourish at the end.