



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

For the Year Ended 31 March 2009

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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	
		For Year Ended	2009	
5				
6	Income			
7				
8	Net Line Charge Revenue Received	26,298		
9	plus Discretionary Discounts and Customer Rebates	-		FS1a
10	Gross Line Charge Income		26,298	
11				
12				
13	Capital Contributions	719		
14	plus Net Value of Vested Assets	-		
15	Total Capital Contributions and Vested Assets		719	
16				
17	AC Loss Rental Rebates Received	535		
18	less AC Loss Rental Rebates Passed On	414		
19	Net AC loss rental income (deficit)		121	
20				
21				
22	Other Income	1,602		
23			1,602	
24				
25	Total regulatory income		28,740	
26				
27				
28	Expenses			
29				
30	Transmission Charges - Payments to Transpower	5,063		
31	plus Avoided Transmission Charges - payments to parties other than Transpower	2,432		
32	Total Transmission Costs		7,495	
33				
34	Operational Expenditure:			
35	General Management, Administration and Overheads			
36	System Management and Operations			
37	Routine and Preventative Maintenance			to AM1
38	Refurbishment and Renewal Maintenance			to AM1
39	Fault and Emergency Maintenance			to AM1
40	Pass-through Costs	165		
41	Other	6,838		
42	Total Operational Expenditure		7,003	to MP2
43				
44				
45	Operational earnings		14,241	
46				
47				
48	Regulatory Depreciation of System Fixed Assets (incl. value of assets decommissioned)	3,795		from AV1
49	plus Depreciation of Non-System Fixed Assets (incl. value of assets decommissioned)	184		from AV1
50	Total Regulatory Depreciation		3,979	to FS3
51				
52				
53	Earnings before interest and tax (EBIT)		10,262	to FS3
54				
55	less Regulatory Tax Allowance		1,927	from FS3
56				
57	plus Indexed Revaluation (of System Fixed Assets)		2,543	from AV1
58	plus Revaluations of Non-System Fixed Assets		-	from AV1
59				
60	Regulatory profit / loss (pre-financing and distributions)		10,879	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	95	
77	Operational Expenditure	3,563	
78	Subvention Payment		
79	Other related party expenditure		
80	Total Related Party Expenditure		3,658

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)	230	
91			
92	Material items (if greater than 10% of the Operational Expenditure line item)		
93	Material item amount 1	1,970	Notes to be provided separately
94	within expenditure category:	General Management, Administration	
95			
96	Material item amount 2	2,301	Notes to be provided separately
97	within expenditure category:	Routine and Preventative Maintenance	
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

FS1	ref 22	Other Income	A long running legal dispute related to electricity supply was resolved in the favour of Horizon Energy during the 2009 regulatory period which has inflated earnings by \$1.5 million. This has caused the 2009 Regulatory Income and 2009 Return on Assets to be above the normal historical returns for our network.	
FS1 (c)	ref 93	Material Item 1	1,970	For Salaries and Wages
	ref 96	Material Item 2	2,301	For System Maintenance

REPORT FS2: REGULATORY ASSET AND FINANCING STATEMENT

ref	Electricity Distribution Business:	Horizon Energy	
5		For Year Ended	2009
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	2,978	to AM1
13	Total Capital Expenditure on System Fixed Assets	2,978	to AM1
14			
15			
16	Capital Expenditure on Non-System Fixed Assets	223	from AV1
17			
18			
19	Capital works roll-forward (for System Fixed Assets)		
20	Works Under Construction at Beginning of Year	579	
21	plus Total Capital Expenditure on System Fixed Assets	2,978	
22	less Assets Commissioned in Year	3,089	from AV1
23	Works under construction at year end	468	
24			
25			
26	Regulatory Investment Value calculation		
27	System Fixed Assets: regulatory value at end of Previous Year	85,658	from AV1
28	Non-System Fixed Assets: regulatory value at end of Previous Year	727	from AV1
29	Finance During Construction Allowance (on System Fixed assets)	2,099	2.45%
30	Total Regulatory Asset Base value at beginning of Current Financial Year	88,484	
31			
32	plus System Fixed Assets Commissioned in Year	3,089	from AV1
33	System Fixed Assets Acquired From (Sold to) a Non-EDB in Year	-	from AV1
34	Non-System Fixed Assets: Asset Additions	223	from AV1
35	Regulatory Asset Base investment in Current Financial Year - total	3,312	
36	Regulatory Asset Base investment in Current Financial Year - average	1,656	
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	90,140	to MP2

FS2	ref 11	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.
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ref	Electricity Distribution Business:		Horizon Energy
		For Year Ended	2009
5			
6			
7			
8	Earnings before interest and tax (EBIT)		10,262
9			
10	<i>add</i> Total Regulatory Depreciation	3,979	from FS1
11	Other Permanent Differences - not deductible	55	
12	Other Temporary Adjustments - Current Period	276	
13			4,310
15	<i>less</i> Non Taxable Capital Contributions and Vested Assets	613	
16	Tax Depreciation	2,493	
17	Deductible Discretionary Discounts and Customer Rebates		
18	Deductible Interest	2,949	from row 53
19	Other Permanent Differences - Non Taxable		
20	Other Temporary Adjustments - Prior Period	2,095	
21			8,150
22			
23	Regulatory taxable income for Year		6,422
24			
25	<i>less</i> Tax Losses Available at Start of Year		
26	Net taxable income		6,422
27			
28	Statutory Tax Rate	30%	
29	Regulatory Tax Allowance		1,927
			to FS1

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	8.18%	%	
	Deductible Interest	2,949	\$000	to row 18
	Interest Tax Shield Adjustment	885	\$000	to MP2

REPORT AV1: ANNUAL REGULATORY VALUATION ROLL-FORWARD REPORT

ref	Electricity Distribution Business:	Horizon Energy
5	For Year Ended:	2009
6	Year of most recent ODV	2004
7		
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13		
14		
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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

928

59

60

For Year Ended

2005

2006

2007

2008

2009

61

CPI at CPI reference date

953

985

1010

1044

1075

62

Revaluation Rate

2.69%

3.36%

2.54%

3.37%

2.97%

63

64

System Fixed Assets: Regulatory Value at End of Previous Year

75,290

77,273

79,241

81,197

85,658

65

Indexed Revaluation of System Fixed Assets

2,028

2,595

2,011

2,733

2,543

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

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

Changes in Asset Register Information

In 2008 the principal change to the asset register information related to changes in the classification of some terrain assets from "Rural" to "Rugged". This terrain class had 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 arose from better information being available from GIS modelling undertaken by Horizon Energy. Because of constant improvements in information produced, there has been a further adjustment to the terrain values. Terrain asset changes has reduced slightly by \$ 171,000.

With further analysis taking place prior to the 2009 Information Disclosure process, the adjustments made to the asset register are as follows:

	\$000
Net Lost Assets	(141)
Terrain Asset Changes	(171)
Net decrease due to changes in asset register information	(312)

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

Electricity Distribution Business:

Horizon Energy

For Year Ended:

2009

ref

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Subtotals by Asset Class (for System Fixed Assets)

(\$000)

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System Fixed Assets

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

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)

5,014

5,625

24,113

16,061

14,134

6,062

4,281

75,290

14,038

11,911

16,484

-

2,428

87,184

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:	2009
6	System Fixed Assets - Replacement Cost		
7			(\$000)
8	Replacement cost at end of previous year	167,067	
9			
10	Asset Additions	3,089	AV3a
11	Indexed Revaluation (of System Fixed Assets)	4,961	
12	less Replacement Cost of Assets Decommissioned	791	
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	(760)	
15	Replacement cost of System Fixed Assets at year end	173,565	
16			
17			
18	System Fixed Assets - Depreciated Replacement Cost		
19			
20	Depreciated Replacement Cost at end of previous year	85,994	
21			
22	Asset Additions	3,089	AV3a
23	Indexed Revaluation (of System Fixed Assets)	2,553	
24	less Depreciation of Replacement Cost	3,435	
25	less Depreciated Replacement Cost of Assets Decommissioned	360	
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	(312)	
28	Depreciated replacement cost of System Fixed Assets at year end	87,529	

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	3,089	from AV1
39	plus Difference in Replacement Cost and Depreciated Replacement Cost values of Asset Additions	-	
40			
41	Asset Additions - Replacement Cost	3,089	
42			

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

Electricity Distribution Business: **Horizon Energy**

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

7

8

9 As at (date): **31 March 2009**

10 Proportion of year following transfer of assets: **0%**

11

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

	Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transformers	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
13 Replacement Cost (RC)								
14 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 **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)
21 Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
22 Cumulative roll-forward since most recent ODV:			
23 Asset Additions			
24 Indexed Revaluation (of System Fixed Assets)			
25 less Regulatory Depreciation (of System Fixed Assets)			
26 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
27 Net Increase (Decrease) due to Changes in Asset Register Information			
28 RAB Value of Transferred Assets at Transfer Date	-		-
29 Acquisition of Assets from Another EDB	-	-	to AV1
30 Sale of Assets to Another EDB	-	-	to AV1
31 RAB Value of Transferred Assets at Transfer Date	-		
32 "p" factor (proportion of year following transfer of assets)	0%		
33 Adjustment for merger, acquisition or sale to another EDB		-	to FS2

34 **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	
35 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
36 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	to AV3
37 Signed by:	Selling Entity		
38			
39 Acquiring Entity			

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): **31 March 2009**
Proportion of year following transfer of assets: **0%**

PART 1: Most recent ODV valuation of System Fixed Assets transferred

(\$000)

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

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

(\$000)

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

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

(\$000)

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

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

Electricity Distribution Business: **Horizon Energy**

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

7

8

9 As at (date): **31 March 2009**

10 Proportion of year following transfer of assets: **0%**

11

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

	Subtransmission	Zone substations	Distribution & LV Lines	Distribution & LV Cables	Distribution substations and transformers	Distribution switchgear	Other System Fixed Assets	Total for System Fixed Assets
13 Replacement Cost (RC)								
14 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 **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)
21 Regulatory Value of System Fixed Assets (as per most recent ODV)	-		
22 Cumulative roll-forward since most recent ODV:			
23 Asset Additions			
24 Indexed Revaluation (of System Fixed Assets)			
25 less Regulatory Depreciation (of System Fixed Assets)			
26 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB			
27 Net Increase (Decrease) due to Changes in Asset Register Information			
28 RAB Value of Transferred Assets at Transfer Date	-		-
29 Acquisition of Assets from Another EDB	-	-	to AV1
30 Sale of Assets to Another EDB	-	-	to AV1
31 RAB Value of Transferred Assets at Transfer Date	-		
32 "p" factor (proportion of year following transfer of assets)	0%		
33 Adjustment for merger, acquisition or sale to another EDB		-	to FS2

34 **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	
35 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - RC		-	to AV3
36 Net Acquisitions (Sales) of System Fixed Assets from (to) an EDB - DRC		-	to AV3
37 Signed by:	Selling Entity		
38			
39 Acquiring Entity			

REPORT MP1: NETWORK INFORMATION

(Separate report required for each Non-Contiguous Network)

ref	Electricity Distribution Business:	Horizon Energy
6	For Year Ended:	2009
7	Network Name:	Horizon Energy (enter "Total Business" or name of network)
9	Disclosure:	Annual Disclosure - Requirement 6(1)
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)	1,446 170 1,617
18	Low Voltage (< 1kV)	225 260 484
19	Total circuit length (for Supply)	1,908 433 2,341 to MP2
20	Dedicated Street Lighting Circuit Length	- - -
21		
22	Overhead Circuit Length by Terrain (at year end)	
23		(km) (%)
24	Urban (only)	239 13%
25	Rural (only)	1,131 59%
26	Remote (only)	45 2%
27	Rugged (only)	477 25%
28	Rural & rugged (only)	- 0%
29	Remote & rugged (only)	15 1%
30	Unallocated overhead lines	- 0%
31	Total overhead length	1,908 100%
32		-
33		
34	Transformer capacity (at year end)	
35	Distribution Transformer Capacity (EDB Owned)	252 MVA Previous Year 244
36	Distribution Transformer Capacity (Non-EDB Owned, Estimated)	41 MVA 41
37	Total Distribution Transformer Capacity	293 MVA (to MP2) 284
38		
39	Zone Substation Transformer Capacity	85 MVA 97
40		
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	8% %
47		
48		
49		
50		
51	Electricity demand	
52		Maximum coincident system demand (MW) Non-coincident Sum of maximum demands (MW)
53	GXP Demand	77 82
54	plus Embedded Generation Output at HV and Above	8
55	Maximum System Demand	85
56	less Net Transfers to (from) Other EDBs at HV and Above	-
57	Demand on system for supply to customers' Connection Points	85
58	less Subtransmission Customers' Connection Point Demand	18 22
59	Maximum Distribution Transformer Demand	67 to MP2
60		
61	GXP Demand not Supplied at Subtransmission Level	25
62	Embedded Generation Output - Connected to Subtransmission System	4
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	
70		(GWh)
71	Electricity Supplied from GXPs	394
72	less Electricity Exports to GXPs	-
73	plus Electricity Supplied from Embedded Generators	138
74	less Net Electricity Supplied to (from) Other EDBs	-
75	Electricity entering system for supply to customers' Connection Points	532
76	less Electricity Supplied to Customers' Connection Points	512 to MP2
77	Electricity Losses (loss ratio)	20 3.7% %
78		
79	Electricity Supplied to Customers' Connection Points	512
80	less Electricity Supplied to Largest 5 Connection Points	263
81	Electricity supplied other than to Largest 5 Connection Points	249 49% %
82		
83	Load Factor	72% %
84		
85	Number of Connection Points (at year end)	24,254 ICPs to MP2
86		
87	Intensity of service requirements	
88	Demand Density (Maximum Distribution Transformer Demand / Total circuit length)	29 kW/km
89	Volume Density (Electricity Supplied to Customers' Connection Points / Total circuit length)	219 MWh/km
90	Connection Point Density (ICPs / Total circuit length)	10 ICP/km
	Energy Intensity (Electricity Supplied to Customers' Connection Points / ICP)	21,113 kWh/ICP

MP1	ref 39	The transformer capacity this year does not include spare transformers held at the site whereas they were included in the 2008 disclosures.
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REPORT MP2: PERFORMANCE MEASURES

ref	Electricity Distribution Business:					Horizon Energy	
5						For Year Ended:	2009
6	Performance comparators						
7	Previous Years:					Current Financial Year	
8		Current Yr - 3	Current Yr - 2	Current Yr - 1			
9	Operational expenditure ratio						
10	Total Operational Expenditure			6	7	\$m from FS1	
11	Replacement Cost of System Fixed Assets (at year end*)			167	174	\$m from AV3	
12	Ratio (%)	Not defined	Not defined	3.87%	4.03%	%	
13	Capital expenditure ratio						
14	Total Capital Expenditure on System Fixed Assets			3	3	\$m from FS2	
16	Replacement Cost of System Fixed Assets (at year end*)			167	174	\$m from AV3	
17	Ratio (%)	Not defined	Not defined	1.68%	1.72%	%	
18	Capital expenditure growth ratio						
20	Capital Expenditure: Customer Connection and System Growth				-	\$m from FS2	
21	Change in Total Distribution Transformer Capacity				9	MVA from MP1	
22	\$/kVA	Not defined	Not defined	Not defined	-	\$/kVA	
23	Renewal expenditure ratio						
25	Capital & Operational Expenditure: Asset Replacement, Refurbishment and Renewal				-	\$m from FS1 & 2	
26	Regulatory Depreciation of System Fixed Assets				4	\$m from AV1	
27	Ratio (%)	Not defined	Not defined	Not defined	0%	%	
28	Distribution Transformer Capacity Utilisation						
30	Maximum Distribution Transformer Demand	94	94	78	67	MW from MP1	
31	Total Distribution Transformer Capacity (at year end*)	185	230	284	293	kVA from MP1	
32	Ratio (%)	50.9%	40.9%	27.5%	22.8%	%	
33	Return on Investment						
35	Regulatory Profit / Loss (pre-financing and distributions)			9	11	\$m from FS1	
36	less Interest Tax Shield Adjustment			1	1	\$m from FS3	
37	Adjusted Regulatory Profit	-	-	8	10	\$m	
38	Regulatory Investment Value			86	90	\$m from FS2	
39	Ratio (%)	Not defined	Not defined	9.17%	11.09%	%	
40	* If a Merger or Asset Transfer with another EDB was entered into during the year, the denominators are calculated as time-weighted averages.						
42	Expenditure comparison table						
43	Expenditure metrics (\$ per):						
44		Total circuit length (for Supply)	Electricity Supplied to Customers' Connection Points	Maximum coincident system demand	Connection Point	Distribution Transformer Capacity (EDB-Owned)	
45		(\$/km)	(\$/MWh)	(\$/MW)	(\$/ICP)	(\$/MVA)	
47	Capital Expenditure (\$ per	1,367	6	37,758	132	12,691	from FS2 & MP1
48	Operational Expenditure (\$ per	2,991	14	82,601	289	27,762	from FS1 & MP1
49							

MP2	ref 39	The return on investment (ROI) has increased significantly in 2009 compared with 2008. This is primarily due to the resolution of a legal dispute which is in line with the comment made in the note to the FS1 schedule. If this award did not materialise, the ROI would have been 9.37%.
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REPORT MP3: PRICE & QUALITY MEASURES
(Separate report required for each Non-contiguous Network)

Electricity Distribution Business: **Horizon Energy**
For Year Ended: **2009**

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

QUALITY

Interruptions

Interruptions by class

Class A	3	planned interruptions by Transpower
Class B	33	planned interruptions on the network
Class C	94	unplanned interruptions on the network
Class D	7	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	137	Total of above

Interruption targets for Forecast Year

Class B	2010	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	2010-2014	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
82	12

Faults

Faults per 100 circuit kilometres

The total number of faults for Current Financial Year	5.06	in year	2009
The total number of faults forecast for the Forecast Year	5.00	in year	2010
The average annual number of faults forecast for the 5 Forecast Years	4.50	average over years	2010-2014

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	5.76			4.01		
Forecast Year	5.00			2.00		
Average annual for 5 Forecast Years	4.20			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	2.94		-	-		
Overhead	5.43		-	4.01		

Reliability

Overall reliability

Based on the total number of interruptions	SAIDI	SAIFI	CAIDI
	201.98	3.12	64.74

Reliability by interruption class

Class B	SAIDI	SAIFI	CAIDI
Class C	11.03	0.06	187.40
	122.24	2.16	56.58

Targets for Forecast Year

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

Average targets for 5 Forecast Years

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

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)	13,216	5,496	4,465	3,120	26,298
Electricity Supplied to Customers' Connection Points (MWh)	129,392	59,786	59,789	263,121	512,088
Number of Connection Points (ICPs) at year end	20,673	3,269	307	5	24,254
Unit Price (cents/kWh)	10.2	9.2	7.5	1.2	5.1
Relative Unit Price Index	1.00	0.90	0.73	0.12	0.50

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	Electricity Distribution Business: Horizon Energy					
	For Year Ended 2009 (\$000)					
5	A) Five year forecasts of expenditure					
6	From most recent Asset Management Plan					
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Note to Report AM1

Subsequent to the publication of the 2009 AMP the Group has refined its estimate of capital expenditure during its 2010 annual budgeting process. The budgeted information is presented below.

Revised 2009-2010 Capital Expenditure	
Capital Works	Year 1 2009/10
Customer Connection	525
System Growth	718
Reliability, Safety and Environment	1,891
Asset Replacement and Renewal	1,506
Asset Relocations	-
Subtotal - Capital Expenditure on asset management	4,639
Overhead to Underground Conversion Expenditure	312

RELATED PARTY TRANSACTIONS

YEAR ENDED 31 MARCH 2009

The following transactions were carried out with related parties:

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.

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.

	2009 \$000
Horizon Energy Investments Limited	
Construction of	
- Subtransmission	25
- Transformers	590
- Distribution Substations	130
- Zone Substations	33
- Low voltage reticulation	273
- Distribution & LV Lines	255
- Switchgear	121
- Distribution & LV Cables	440
- Other System Fixed Assets	7
- Line Maintenance Projects	1,689
	3,563

TRANSITIONAL PROVISIONS					
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	2009	2008	2007	2006	2005
System Length (km)					
110 kV	-	-	-	-	-
33 kV	178	181	181	180	180
11 kV	1,617	1,610	1,666	1,694	1,679
SWER	63	63	-	-	-
400 Volt	484	488	561	529	534
Circuit Length - Overhead (km)					
110 kV	-	-	-	-	-
33 kV	175	178	178	177	177
11 kV	1,446	1,449	1,512	1,533	1,533
SWER*	63	63	-	-	-
400 Volt	225	228	276	242	271

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

Circuit Length - Underground (km)					
110 kV	-	0	-	-	-
33 kV	3	3	3	3	3
11 kV	170	161	154	161	146
400 Volt	260	260	285	287	263

Transformer Capacity (kVA)	2009	2008	2007	2006	2005
	292,995	284,348	229,928	184,947	173,655

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

* Indirect Line Cost per Customer for 2008 has been restated from \$ 202 to \$ 112. This was due to incorrect linking of cells from the working sheets.

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 2009 and dated 24 August 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 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.

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

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.

In relation to the historical non-financial information for the year ended 31 March 2009 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:

INDEPENDENT ASSURANCE REPORT ON DISCLOSURE INFORMATION

To the Directors of Horizon Energy Distribution Limited

- 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.

Basis of Examination - 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 2009 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 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 2009 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 2009 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. 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 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 2009 financial year; and
- b) calculated based on the unaudited source data provided by Horizon Energy Distribution Limited. We have not performed audit procedures on the source data.

The assurance engagement was completed on 25 August 2009 and our unqualified opinions are expressed as at that date.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

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:

24

day of

August

2009


.....
ROBERT TAIT


.....
JOHN McDONALD